THIRD SUPPLEMENT dated 7 March 2025 to the Base Prospectus dated 23 July 2024

TÜRKİYE GARANTİ BANKASI A.Ş.

US$6,000,000,000
Global Medium Term Note Programme

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated 23 July 2024 (the "*Original Base Prospectus*," and, as supplemented on 27 August 2024 and 12 November 2024, the "*Base Prospectus*" which also serves as the "*Listing Particulars*") prepared by Türkiye Garanti Bankası A.Ş. (the "*Issuer*" or the "*Bank*") under the Issuer's global medium term note programme. Capitalised terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Base Prospectus. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("*Euronext Dublin*") for the approval of this Supplement as a supplement to the Listing Particulars (this "*Listing Particulars Supplement*"). Except where expressly provided or the context otherwise requires, where Notes with a maturity of less than one year are to be admitted to trading on the regulated market of Euronext Dublin, references herein to this "Supplement" shall be construed also to be references to this "Listing Particulars Supplement" and references herein to the "Base Prospectus" shall be construed also to be references to the "Listing Particulars."

This Supplement has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) No. 2017/1129 (as amended, the "*Prospectus Regulation*"). The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the quality of the Notes and investors should make their own assessment as to the suitability of investing in the Notes. This document constitutes a supplement for the purposes of Article 23(1) of the Prospectus Regulation and has been prepared and published for the purposes of incorporating into the Base Prospectus the Group's and the Issuer's latest financial statements and updating certain provisions of the Base Prospectus. As a result, modifications to the Base Prospectus are hereby being made.

A copy of each of: (a) the consolidated BRSA Financial Statements of the Group as of and for the year ended 31 December 2024 (including any notes thereto and the independent auditor's report thereon, the "*Group's New BRSA Financial Statements*") and (b) the unconsolidated BRSA Financial Statements of the Issuer as of and for the year ended 31 December 2024 (including any notes thereto and the independent auditor's report thereon, the "*Issuer's New BRSA Financial Statements*" and, with the Group's New BRSA Financial Statements, the "*New BRSA Financial Statements*") has been filed with the Central Bank of Ireland and Euronext Dublin and, by means of this Supplement, is incorporated by reference into, and forms part of, the Base Prospectus. Copies of the New BRSA Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer's website at: (i) with respect to the Group's New BRSA Financial Statements, https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2024_Consolidated_Financial_Report.pdf and (ii) with respect to the Issuer's New BRSA Financial Statements, https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2024_Unconsolidated_Financial_Report.pdf (such websites do not, and shall not be deemed to, constitute a part of, nor are incorporated into, this Supplement or the Base Prospectus). The New BRSA Financial Statements, which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Issuer confirms are direct and accurate). The New BRSA Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

The New BRSA Financial Statements were audited by independent auditors Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member firm of Ernst & Young Global Limited ("*EY*"). In addition, EY's report included in each of the New BRSA Financial Statements was qualified with respect to general reserves that were allocated by the Bank in 2023. See "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification*" in the Base Prospectus.

Statements contained herein (or in the New BRSA Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement) shall, to the extent applicable and whether expressly, by implication or otherwise, modify or supersede statements set out in, or previously incorporated by reference into, the Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Base Prospectus. Where there is any inconsistency between the information contained in (or incorporated by reference into) the Base Prospectus and the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement), the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement) shall prevail.

Other than to the extent described in "*Risk Factors—Risks Relating to Türkiye*" and "*Risk Factors—Risks Relating to the Group and its Business*" in the Base Prospectus (as supplemented hereby), there has been: (a) no material adverse change in the prospects of the Issuer since 31 December 2024, (b) no significant change in the financial performance of the Group since 31 December 2024 and (c) no significant change in the financial position of the Group since 31 December 2024.

The Issuer accepts responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement. To the best of the knowledge of the Issuer, the information in (including incorporated by reference into) the Base Prospectus (as supplemented hereby) is in accordance with the facts and makes no omission likely to affect the import of such information.

To the full extent permitted by law, none of the Dealers, the Arrangers, the Agents or any of their respective affiliates accept any responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement.

AMENDMENTS

The following amendments are made to the Base Prospectus:

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The third sentence of the first paragraph of the section titled "*Presentation of Financial and Other Information*" on page ix of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

> All financial statements incorporated by reference herein (*i.e.*, the Bank's consolidated and unconsolidated annual statutory financial statements as of and for the years ended 31 December 2023 (including comparative information for 2022) and 2024 (including comparative information for 2023) (in each case, including any notes thereto and the independent auditor's audit report thereon) (the "*BRSA Annual Financial Statements*") have been prepared and presented in accordance with the BRSA Principles except for the general reserves (which do not meet the recognition criteria of Turkish Accounting Standards 37 "Provisions, Contingent Liabilities and Contingent Assets") recognised by the Bank.

The twelfth paragraph of the section titled "*Presentation of Financial and Other Information*" on page x of the Original Base Prospectus is hereby amended to read as follows:

> With respect to TFRS, TAS 29 recommends that all entities that report in the currency of the same hyperinflationary economy apply this standard from the same date. As such, as indicated in TAS 29, in order to ensure application compatibility within Türkiye, all reporting entities are expected to start to use TAS 29 at the same time following an announcement to do so by the POA. On 23 November 2023, the POA published an announcement requiring entities that apply TFRS to present their financial statements by adjusting for the impact of inflation for the annual period ending on or after 31 December 2023 in accordance with the principles set out in TAS 29; however, this announcement also provided that institutions authorised to regulate and supervise Turkish companies (e.g., the BRSA as the regulator of Turkish banks) may determine a different transition date. On 11 January 2024, the BRSA announced that TAS 29 will apply for banks applying the BRSA Principles for accounting periods starting from 1 January 2025. However, on 5 December 2024, the BRSA announced the reversal of such position so that such entities, including the Bank, will not apply inflation accounting in 2025 either. As of the date of this Supplement, the BRSA has not announced an alternative timeline for the implementation of TAS 29. The Bank closely monitors the application of TAS 29 but cannot predict if or when TAS 29 will be applied by the BRSA under the BRSA Principles and therefore cannot predict the impact that the application of TAS 29 and related adjustments and reclassifications will have on its future financial statements, results of operations and financial condition. As a result, financial statements complying with the BRSA Principles currently materially differ from those complying with IFRS in the application of adjustments for the effects of changes in a general price index and will continue to materially differ until such time as the BRSA implements TAS 29 or IAS 29 is no longer applicable under IFRS.

GENERAL DESCRIPTION OF THE PROGRAMME

The first four paragraphs of the section titled "*General Description of the Programme—The Group—General*" on page 1 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

> The Group is a leading Turkish banking group with a significant market share in Türkiye, being (as per published BRSA financial statements as of 31 December 2024) the second largest private banking group in Türkiye in terms of total assets. The Group's customers are comprised mainly of commercial enterprises, small and medium enterprises ("SMEs"), foreign multinational corporations with operations in Türkiye and customers from across the Turkish consumer market.
>
> The Group served approximately 27.5 million customers as of 31 December 2024 (per the Bank's internal definition: approximately 26.8 million retail customers, 633,607 SME customers, 46,918 active commercial customers and 3,365 corporate customers) by offering a broad range of products and services, many of which are tailored to identified customer segments. These products and services include (inter alia) deposits, corporate loans, project finance loans, leasing, factoring, foreign exchange transactions, investment and cash management products, consumer loans, mortgages, pension and life insurance, portfolio management, securities brokerage and trading, investment banking, payment systems (including credit and debit cards) and technology and data processing operations. The Group also acts as an agent for the sale of a number of financial products such as securities, insurance and pension contracts and leasing services. As of 31 December 2024, the Bank's services in Türkiye were provided through a nationwide network of 787 domestic branches as well as sophisticated digital channels ("*DCs*"), such as automated teller machines ("*ATMs*"), call centres, internet banking and mobile banking. As of the same date, the Bank had seven foreign branches (one in Malta and six in Northern Cyprus (together with

a Country Directorate in Northern Cyprus that was established in order to comply with the legal requirements in Northern Cyprus)) and a representative office in Shanghai, together with bank subsidiaries in the Netherlands (Garanti Bank International NV ("*GBI*") and Romania (Garanti Bank SA ("*Garanti BBVA Romania*").

The Group had total assets of TL 3,002,579,379 thousand, performing loans (which excludes lease, factoring, non-performing receivables and expected credit losses) (as used herein, "cash loans") of TL 1,738,553,379 thousand and shareholders' equity of TL 331,408,618 thousand as of 31 December 2024. The Group's return on average shareholders' equity was 44.5% during 2023 and 32.5% during 2024. As of 31 December 2024, the Group's Tier 1, common equity Tier 1 and total capital adequacy ratios were 14.7%, 14.7% and 18.2%, respectively (when calculated with the BRSA's forbearance noted herein, 16.1%, 16.1% and 19.8%, respectively) calculated in accordance with applicable Basel III rules.

The Group's net profit/(loss) was TL 58,510,306 thousand in 2022, TL 86,907,216 thousand during 2023 and TL 91,243,136 thousand during 2024.

RISK FACTORS

The last sentence of the seventh paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Political Conditions—Political developments in Türkiye might negatively affect the Group's business, financial condition and/or results of operations*" on page 11 of the Original Base Prospectus (as inserted by the Second Supplement) is hereby amended to read as follows:

Donald Trump won the U.S. presidential election held on 5 November 2024, and the Trump administration took office on 20 January 2025. Since its inauguration, the Trump administration has expressed intentions to renegotiate or withdraw from existing trade agreements, impose tariffs, and adopt protectionist measures. These potential policy shifts may lead to increased volatility in global financial markets, disruptions in international trade, and reduced investor confidence. Furthermore, it is uncertain whether the positions that the new administration might take with respect to Türkiye, as well as certain policy changes that new administration will adopt, might materially alter the relationship between Türkiye and the U.S.

The sixth paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Political Conditions—Terrorism and Conflicts*" on page 13 of the Original Base Prospectus (as inserted by the Second Supplement) is hereby amended to read as follows:

In late September 2024, Israel initiated attacks in Lebanon, in and around Beirut, threatening civilian areas of Beirut, which was followed by an attack initiated by Iran in Israel in early October 2024 and by a counterattack initiated by Israel against Iran in late October. Also in late September 2024, Israel initiated attacks in Yemen, against the ports of Al Hudaydah and Ras Isa, both located in the Houthi-controlled part of the country. Since December 2024, the conflict between Israel and the Houthis, a rebel group controlling north-western Yemen, has intensified. Furthermore, in early 2024, Houthi attacks against shipping in the Red Sea have resulted in delays and additional costs for shipping. Such attacks in the Red Sea have led to and may lead to increases in import prices for Türkiye and thus contribute to inflation and the current account deficit. On 8 December 2024, the regime of Bashar al-Assad collapsed following significant offensives by a rebel coalition, led by the military group Hayat Tahrir al-Sham (HTS) and other armed groups operating in Syria, including the Turkish-backed Syrian National Army. The impact of these conflicts, including whether other actors might participate directly, potentially then resulting in direct involvement by the United States, Egypt and/or other nations, is uncertain. However, this instability has impacted investors' confidence in the Middle East, which might result in the volatility of Turkish financial markets, have an adverse effect on investor's perception of Türkiye and/or have an adverse effect on Türkiye's ability to support economic growth and manage regional conditions.

The second paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Turkish Economy*" on page 16 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

Domestic macroeconomic factors, including the current account deficit, high levels of unemployment (a seasonally adjusted 8.5% as of December 2024), high levels of inflation (see "*—Inflation*" below) and interest rate and currency volatility, remain of concern, particularly in light of the further depreciation of the Turkish Lira. These conditions have had, and likely will continue to have, a material adverse effect on the Group's business, financial condition and/or results of operations, including as a result of their impact on the Group's customers. The Turkish government has sought to improve economic growth and, in September 2024, the Turkish Treasury published a three-year medium-term economic programme (referred to as the "Medium Term Programme") under which GDP growth was anticipated to be 3.5% in 2024 and 4.0% in 2025, 4.5% in 2026 and 5.0% in 2027. Meanwhile, consumer inflation was expected to stand at 17.5%, 9.7% and 7.0% in 2025, 2026 and 2027, respectively. However, in the most recent inflation report published by the Central Bank on 7 February 2025,

year-end inflation forecasts were set at 24%, 12% and 8% for 2025, 2026 and 2027, respectively. The Bank expects GDP growth to be at 2.5% in 2025 due to ongoing economic rebalancing, the lagged effects of the restrictive monetary policy, and the potential downward impact of protectionist trade policies on the global economy, and year-end inflation to be at 26.5% in 2025, with a clearer disinflation path, as a result of the lagged impact of the restrictive monetary policy and higher support from the fiscal consolidation.

The ninth sentence of the fifth paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Turkish Economy*" on page 17 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

On 26 December 2024, the MPC decided to reduce the policy rate from 50.00% to 47.50%. On 23 January 2025, the MPC decided to further reduce the policy rate from 47.50 % to 45.00%. On 6 March 2025, the MPC decided to further reduce the policy rate from 45.00 % to 42.50%.

The MPC cited a decrease in underlying inflation trend in December and slowing domestic demand. Despite improvements in inflation expectations and pricing behaviour, the MPC expressed that risks to the disinflation process persist. The MPC stated that the tight monetary stance will be maintained until a significant and sustained decline in the underlying trend of monthly inflation is observed, and inflation expectations converge to the projected forecast range. The MPC also announced that it continues to target 5% inflation in the medium term.

The second sentence of the seventh paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Turkish Economy*" on page 17 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

If the Group and the Bank had not elected to use such calculations, their capital adequacy ratios would have been lower as of 31 December 2022 by 182 and 170 basis points, respectively, as of 31 December 2023 by 245 and 227 basis points, respectively and as of 31 December 2024 by 161 and 158 basis points, respectively.

The last sentence of the eighth paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Turkish Economy*" on page 18 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

As of 30 May 2024, net foreign exchange reserves (excluding swaps) of the Central Bank were negative. However, since mid-June 2024, the net foreign exchange reserves (excluding swap transactions) have remained positive and have since been increasing, as a result of the increasing foreigners' inflow for Turkish assets and the de-dollarization trend in Turkey following the elections. As of 31 December 2024, the Central Bank's net foreign exchange position excluding swaps reached to US$34.4 billion.

The sixth, seventh and eighth sentences of the first paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Inflation*" on page 19 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

As of 31 December 2024, according to CBRT data, CPI reached 44.38%% compared to 64.77% as of 31 December 2023, mainly due to price hikes in different groups such as food, rent and transport services. The Bank's management expects annual inflation to decelerate to 21% by December 2025 with favourable base effects and to reach 12% by December 2026, assuming that (i) uncertainty regarding global financial markets fades somewhat compared to the previous period, (ii) the global growth outlook will remain consistent with past projections and (iii) the monetary policy will remain tight until a significant and sustained decline in the underlying trend of monthly inflation is observed.

The fourth paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Inflation*" on page 20 of the Original Base Prospectus is hereby amended to read as follows:

On 23 November 2023, the POA published an announcement requiring entities that apply TFRS to present their financial statements by adjusting for the impact of inflation for the annual period ending on or after 31 December 2023 in accordance with the principles set out in TAS 29; *however*, this announcement (notwithstanding the last sentence of the preceding paragraph) also provided that institutions authorised to regulate and supervise Turkish companies (*e.g.*, the BRSA) may determine a different transition date and, on 12 December 2023, the BRSA announced that such shall not apply for banks for BRSA Financial Statements as of and for the year ended 31 December 2023. On 11 January 2024, the BRSA announced that TAS 29 will apply for banks applying the BRSA Principles for accounting periods starting from 1 January 2025. However, on 5 December 2024, the BRSA announced the reversal of such position so that such entities, including the Bank, will not apply inflation accounting in 2025 either. As of the date of this Supplement, the BRSA has not announced an alternative

timeline for the implementation of TAS 29. The Bank closely monitors the application of TAS 29 but cannot predict if or when TAS 29 will be applied by the BRSA under the BRSA Principles and therefore cannot predict the impact that the application of TAS 29 and related adjustments and reclassifications will have on its future financial statements, results of operations and financial condition. As a result, financial statements complying with the BRSA Principles currently materially differ from those complying with IFRS in the application of adjustments for the effects of changes in a general price index and will continue to materially differ until such time as the BRSA implements TAS 29 or IAS 29 is no longer applicable under IFRS.

The last sentence of the second paragraph of the section titled "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Inflation*" on page 20 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

In the first inflation report of 2025, published on 7 February 2025, the Central Bank increased its projected inflation for 2025 from 21% to 24%.

The fourth, fifth and sixth sentences of the fourth paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Credit Risks—Counterparty Credit Risk*" starting on page 23 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

The Group's NPL ratio declined from 2.6% as of 31 December 2022 to 2.1% as of 31 December 2023 and then remained stable at 2.1% as of 31 December 2024. During 2024, the Group had TL 17.8 billion of write-downs and write-offs, accounting for a 0.95% decline in the NPL ratio (i.e., the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). During 2023, the Group had TL 13.7 billion of write-downs and write-offs, accounting for a 1.05% decline in the NPL ratio (*i.e.*, the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). During 2022, the Group had TL 12.0 billion of write-downs and write-offs, accounting for a 1.46% decline in the NPL ratio (*i.e.*, the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). In 2022, NPLs amounting to TL 829,066 thousand were sold, followed by TL 1,288,809 thousand in 2023. In 2024, NPLs amounting to TL 9,960,043 thousand were sold. The effect of NPL sales on the NPL ratio was to reduce it by 0.10% in 2022, 0.10% in 2023 and 0.53% in 2024 (i.e., the NPL ratios for such periods would have been higher by such amounts had such sales not occurred). The Stage 2 loans as a percentage of performing loans decreased from 13.9% as of 31 December 2022 to 10.5% as of 31 December 2023 and then increasing to 11.7% as of 31 December 2024 (the Stage 2 loans as a percentage of total loans changed from 13.6% to 10.3% to 11.4% during the same period), with the declines 2023 being principally the result of the increase in the size of the loan portfolio (i.e., a denominator effect). The increase in 2024 was mainly due to the inflow from retail portfolio.

The section titled "*Risk Factors—Risks Relating to the Group and its Business—Credit Risks—Loan Concentrations*" starting on page 24 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

Although the Group seeks to maintain diversity within its loan book with respect to industry, customer type, customer and loan product, certain concentrations are inherent in the Group's business. Total cash loans to the Bank's 20 largest group customers (excluding Turkish government entities) as of 31 December 2022, 2023 and 2024 represented 18.5%, 10.6% and 15.1% respectively, of its cash gross loan portfolio (including loans measured at fair value through profit or loss and accrued interest).

With respect to loans to corporate borrowers, concentrations by industry (e.g., agriculture) or product type (e.g., project financings) exist from time to time, including (particularly for project or acquisition financings) potentially large individual exposures. In terms of industry concentration, the retail loans, infrastructure, and mining, metals and other metal products sectors accounted for 37.9%, 2.8% and 5.9% respectively, of the Bank's gross loan portfolio as of 31 December 2024, and the retail loans, infrastructure, mining, metals and other metal products and energy sectors accounted for 33.7%, 9.0%, 6.6% and 6.3% respectively, as of 31 December 2023 (28.4%, 9.3%, 6.3% and 11.2%, respectively, as of 31 December 2022).

As of 31 December 2024, 24.3% and 18.4% of the Group's performing cash loans excluding financial leases and factoring receivables were credit card and consumer loans, respectively, which historically have had among the highest rate of payment default and are uncollateralised. Additionally, the Group's exposures to certain borrowers (particularly for loans for infrastructure projects) are large and the Group is likely to continue making such large loans where such an investment is determined by the Group to be a credit-worthy transaction.

The Group periodically sells portions of its NPL portfolio when market conditions are attractive to do so. In 2022, NPLs amounting to TL 829,066 thousand were sold, followed by TL 1,288,809 thousand in 2023. In 2024, NPLs amounting to TL 9,960,043 thousand were sold. The effect of NPL sales on the NPL ratio was to reduce it by 0.10% in 2022, 0.10% in 2023 and 0.53% in 2024 (i.e., the NPL ratio for such periods would have

been higher by such amounts had such sales not occurred). Write-downs and write-offs have a similar effect. The Group had TL 12.0 billion, TL 13.7 billion and TL 17.8 billion of write-downs and write-offs in 2022, 2023 and 2024, respectively, accounting for a 1.46%, 1.05% and 0.95% decline in the NPL ratio, respectively.

On a Bank-only basis (excluding credit card NPLs), SMEs (per the BRSA SME Definition) accounted for 17.8% of total NPLs as of 31 December 2024 (10.7% as of 31 December 2022 and 11.2% as of 31 December 2023). The increase in the SMEs' contribution to the total NPLs in 2024 was mainly due to the robust growth in the loan segment**.**

If a material volume of any loans becomes non-performing or there is a slowdown (or any perception of slowdown) in economic conditions related thereto, then this might have a material adverse effect on the asset quality of Turkish banks, including the Group. Any such restructuring might also reduce the income of Turkish banks if the debt is restructured with terms more favourable to borrowers. In addition, a downturn in any sector or specific borrower to which the Group has significant exposure might result in, among other things, a decrease of funds that such customers hold on deposit with the Bank, a default on their obligations owed to the Group and/or a need for the Group to increase its provisions in respect of such obligations, any of which might have a material adverse effect on the Group's business, financial condition and/or results of operations.

The second sentence of the first paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Credit Risks—Government Default*" on page 25 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

As of 31 December 2024, 84.7% of the Group's total securities portfolio (11.9% of its total assets and equal to 107.7% of its shareholders' equity) was invested in Turkish government debt securities (87.1%, 12.9%, 115.8%, respectively, as of 31 December 2023, 90.3%, 14.2%, 120.7%, respectively, as of 31 December 2022).

The second paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Credit Risks—Government Default*" on page 25 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

On 11 February 2022, Fitch downgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a negative outlook), which was followed on 8 July 2022 by a further downgrade to "B" (with a negative outlook). Then, on 17 March 2023, Fitch affirmed Türkiye's long-term foreign currency issuer default rating at "B" (with a negative outlook) and on 8 March 2024, upgraded Türkiye's sovereign rating to "B+" from "B", and the outlook to "Positive" from "Stable". On 6 September 2024, Fitch upgraded Türkiye's sovereign rating to "BB-" from "B+". The outlook remained "Stable". On 12 August 2022, Moody's downgraded Türkiye's sovereign rating to "B3" (with a stable outlook). On 19 July 2024, Moody's upgraded Türkiye's sovereign rating to B1 from B3 (with a positive outlook) and Türkiye's foreign currency country ceiling to "Ba3" from "B2" and the local-currency country ceiling to "Ba1" from "Ba3". On 3 May 2024, S&P Global Ratings Europe Limited ("**S&P**") raised its unsolicited long-term sovereign credit ratings on Türkiye to "B+" from "B". On 1 November 2024, S&P raised Türkiye's sovereign rating to "BB-" from "B+" and its outlook to "Stable" from "Positive". Note that references to Moody's and Fitch in this paragraph might refer to the applicable affiliate of Moody's and Fitch as defined herein.

The fifth sentence of the first paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Foreign Exchange and Currency Risk*" on page 26 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

As a reference, the Turkish Lira depreciated against the U.S. dollar by 28.7% in 2022, 36.4% in 2023 and 16.5% in 2024.

The fourth paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Foreign Exchange and Currency Risk*" on page 27 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

The share of Turkish Lira-denominated assets and liabilities in the Group's balance sheet changed from 55.5% and 44.3%, respectively, as of 31 December 2022 to 58.7% and 51.6%, respectively, as of 31 December 2023. This increase in assets reflected robust growth in Turkish Lira-denominated loans whereas the increase in liabilities reflected the acceleration in the Bank's Turkish Lira-denominated deposits and a decline in foreign currency deposits due to regulatory measures comprised in the Central Bank's Liraisation strategy. As of 31 December 2024, the proportions changed to 61.2% and 60.6%, respectively, as a result of the growth in Turkish Lira-denominated loans whereas the increase in liabilities was mainly due to the increase in Turkish Lira-denominated deposits and decrease in foreign currency deposits. As the depreciation of the Turkish Lira leads to an increase in the Turkish Lira-equivalent of the Group's foreign currency-denominated risk-weighted assets, this

might adversely affect the Group's capital adequacy ratios absent a corresponding increase in capital or additional risk mitigation measures.

The last sentence of the fifth paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Foreign Exchange and Currency Risk*" on page 27 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

As of 31 December 2024, 33.7% of the Group's total loans to customers was denominated in foreign currencies (35.9% and 36.9%, respectively, as of 31 December 2022 and 2023), of which 43.1% was in U.S. dollars and 51.6% was in euro.

The second sentence of the first paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Interest Rate Risk*" on page 27 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) hereby amended to read as follows:

Net interest income is the principal source of income for the Group, contributing 66.1%, 43.3% and 43.9% of the Group's total operating income before provisions for 2022, 2023 and 2024, respectively, and the Group's net interest margin was 9.1%, 5.4% and 5.4%, respectively, over the same periods (11.1%, 6.2% and 5.8%, respectively, for the Bank).

The first sentence of the first paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Reductions in Earnings on Investment Portfolio*" on page 28 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

The Group has historically generated a portion of its interest income from its securities portfolio, with interest income derived from the Group's securities portfolio in 2022, 2023 and 2024 accounting for 31.3%, 23.1% and 15.4%, respectively, of its total interest income and 22.5%, 14.9% and 11.2%, respectively, of its gross operating income before deducting interest expense and fees and commissions expense.

The second sentence of the third paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Funding Risks—Liquidity Risks*" starting on page 29 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

The Group's loan-to-deposit ratio was 84.7%, 76.9% and 82.9%, respectively, as of 31 December 2022, 2023 and 2024.

The fifth sentence of the fourth paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Funding Risks—Liquidity Risks*" on page 29 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

The Group's non-deposit funding (i.e., the sum of funds borrowed, money market borrowings and securities issued, noting that this excludes subordinated debt instruments) was equivalent to 10.4%, 5.8% and 4.8%, respectively, of its assets as of 31 December 2022, 2023 and 2024.

The fifth paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Funding Risks—Liquidity Risks*" on page 29 of the Original Base Prospectus (as amended by the First and the Second Supplement) is hereby amended to read as follows:

As noted above, a portion of the Group's wholesale fundraising is denominated in foreign currencies. The Group's total foreign currency-denominated borrowings (i.e., the sum of foreign currency-denominated funds borrowed, financial liabilities measured at fair value through profit or loss, money market funds, marketable securities issued and subordinated debt) equalled 10.4%, 5.8% and 4.8%, respectively, of its assets as of 31 December 2022, 2023 and 2024. While the Group has been successful in extending, at a relatively low cost, the maturity profile of its funding base, even during times of volatility in international markets, this might not continue in the future (including if investor confidence in Türkiye decreases as a result of political, economic or other factors). As of 31 December 2024, the Group had free foreign currency liquidity (including unencumbered foreign currency securities) amounting to US$3.5 billion while having US$1.8 billion in foreign currency-denominated external debt to be paid within one year (as of 31 December 2024, an additional US$3.7 billion in such debt matures in later periods). Particularly in light of the historical volatility of emerging market financings, the Group might have difficulty extending and/or refinancing its existing foreign currency-denominated indebtedness, hindering its ability to avoid the interest rate risk inherent in asset-liability maturity gaps. Should these risks materialise, these circumstances might have a material adverse effect on the Group's business, financial condition and/or results of operations. These risks might increase as the Group seeks to increase medium- and long-term lending to its customers, including mortgages and project financings, the funding for much of which is likely to be made through borrowings in foreign currency (including refinancing of its foreign currency borrowings).

The third sentence of the first paragraph of the section titled "*Risk Factors—Risks Relating to the Group and its Business—Operational Risks—Competition in the Turkish Banking Sector*" on page 30 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

> As of 31 December 2024 (according to the Banks Association of Türkiye), the top seven banking groups in Türkiye (including the Group), three of which were state-controlled, held 72.0% of the Turkish banking sector's total loan portfolio in Türkiye, 71.2% of the total bank assets in Türkiye and 77.5% of the total deposits in Türkiye (in each case, excluding participation banks and development and investment banks).

DOCUMENTS INCORPORATED BY REFERENCE

Clauses (a) and (d) of the fourth paragraph of the section titled "*Documents Incorporated by Reference*" on pages 53 and 54 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are updated as follows, respectively:

> (a) https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2024_Consolidated_Financial_Report.pdf (with respect to the Group's BRSA Financial Statements as of and for the year ended 31 December 2024),
>
> (d) https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2024_Unconsolidated_Financial_Report.pdf (with respect to the Bank's BRSA Financial Statements as of and for the year ended 31 December 2024),

SUMMARY FINANCIAL AND OTHER INFORMATION

The section titled "*Summary Financial and Other Information*" starting on page 58 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended such that it is amended to read as set out on EXHIBIT A.

CAPITALISATION OF THE GROUP

The section titled "*Capitalisation of the Group*" on page 60 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended such that it is amended to read as set out on EXHIBIT B.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" starting on page 61 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended such that it is amended to read as set out on EXHIBIT C.

THE GROUP AND ITS BUSINESS

The second, third, fourth and fifth paragraphs of the section *titled "The Group and its Business—Overview of the Group*" on page 128 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

> The Group is a leading Turkish banking group with a significant market share in Türkiye, being (as per published BRSA financial statements as of 31 December 2024) the second largest private banking group in Türkiye in terms of total assets. The Group's customers are comprised mainly of commercial enterprises, SMEs, foreign multinational corporations with operations in Türkiye and customers from across the Turkish consumer market.
>
> The Group served approximately 27.5 million customers as of 31 December 2024 (per the Bank's internal definition: approximately 26.8 million retail customers, 633,607 SME customers, 46,918 active commercial customers and 3,365 corporate customers) by offering a broad range of products and services, many of which are tailored to identified customer segments. These products and services include (inter alia) deposits, corporate loans, project finance loans, leasing, factoring, foreign exchange transactions, investment and cash management products, consumer loans, mortgages, pension and life insurance, portfolio management, securities brokerage and trading, investment banking, payment systems (including credit and debit cards) and technology and data processing operations. The Group also acts as an agent for the sale of a number of financial products such as securities, insurance and pension contracts and leasing services. As of 31 December 2024, the Bank's services in Türkiye were provided through a nationwide network of 787 domestic branches as well as sophisticated DCs, such as ATMs, call centres, internet banking and mobile banking. As of the same date, the Bank had seven foreign branches (one in Malta and six in Northern Cyprus (together with a Country Directorate in Northern Cyprus that

was established in order to comply with the legal requirements in Northern Cyprus)) and a representative office in Shanghai, together with bank subsidiaries in the Netherlands (GBI) and Romania (Garanti BBVA Romania).

The Group had total assets of TL 3,002,579,379 thousand, performing loans (which excludes lease, factoring, non-performing receivables and expected credit losses) (as used herein, "cash loans") of TL 1,738,553.379 thousand and shareholders' equity of TL 331,408,618 thousand as of 31 December 2024. The Group's return on average shareholders' equity was 44.5% during 2023 and 32.5% during 2024. As of 31 December 2024, the Group's total capital adequacy ratio was 18.2% (when calculated without including the BRSA's forbearance noted herein, 19.8% when calculated using either Tier 1 capital only or common equity Tier 1 capital only) calculated in accordance with applicable Basel III rules.

The Group's net profit/(loss) was TL 58,510,306 thousand in 2022, TL 86,907,216 thousand during 2023 and TL 92,178,886 thousand during 2024.

The section titled "*The Group and its Business—Overview of the Group—Business—Retail Banking—Products and Services*" starting on page 131 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

Deposits. The Bank offers its retail customers a range of interest- and non-interest-bearing current and savings accounts, gold deposit accounts, structured deposits (i.e., deposits linked to an index), flexible term deposits and accumulated savings accounts. Deposit collection is a principal focus of the Bank as deposits provide low cost funds to be invested in loans and other assets. The Bank has been increasing its domestic branch network for many years (from 478 at the end of 2006 to 787 as of 31 December 2024) with the goal of increasing the number of the Bank's retail customers and obtaining a stronger and more diversified deposit base. Deposits from the retail banking business are the largest funding source of the Bank, reaching TL 601 billion of Turkish Lira deposits and US$8.9 billion of foreign currency deposits as of 31 December 2024.

Consumer Loans (including Overdraft Accounts). The Bank's retail loan portfolio, originated only in Turkish Lira since 2009, comprised of mortgage loans, auto loans, general purpose loans and overdrafts but excluding credit cards, was TL 120.5 billion as of 31 December 2022, increasing by 46.8% to TL 176.8 billion as of 31 December 2023 and then increasing by 65.2% to TL 292.1 billion as of 31 December 2024. The Bank's primary consumer loan products are described below:

- *Mortgages*: In 2023, the retail mortgage loan book increased by 49.8%, followed by an increase of 73.8% in 2024. The Bank's retail mortgage offering is focused on both high and medium net worth individuals with strong credit history. Although the Bank's maximum loan-to-value ratio was 90%, which is in line with the maximum limit stated by law, the average loan-to-value ratio of the Bank's retail mortgage book at origination was 50.6% as of 31 December 2024. As of such date, the average original term of its mortgages was 7 years, with most loans having an original maturity of either 5 or 10 years, and mortgages are issued with fixed interest rates. The Bank had a market share of 12.68% (with respect to outstanding mortgage loan balance for consumer loans) as of 31 December 2024 according to BRSA data. The Bank maintains strategic partnerships with leading residential construction companies and real estate agencies nationally, and also focuses on mortgage expertise in branches as well as a wide product range and distribution channels, focusing on service quality instead of price competition in order to maintain its profitability. While foreign currency-denominated mortgages were common in previous years, legislation now requires that consumer mortgages to Turkish citizens can only be denominated in Turkish Lira.

- *Vehicle Loans*: The Bank offers secured loans to finance the purchase of both new and used vehicles. The duration of these loans is around four years and most have fixed rates. In 2023, the Bank's vehicle loan book increased by 153.7%, followed by an increase of 13.2% in 2024. The Bank's market share (by outstanding balance) was 20.8% as of 31 December 2024 according to BRSA data.

- *General Purpose Loans (including other and overdraft loans)*: The Bank offers general purpose loans to finance various needs of its retail customers, such as home improvement, education, marriage and vacations. The maximum maturity of such loans is approximately three years. The Bank's general purpose loan book increased by 43.8% in 2023, followed by an increase of 56.2% in 2024. The Bank's market share (including overdraft, by outstanding balance) was 14.5% as of 31 December 2024 according to BRSA data. The Bank seeks to capture market share through various central marketing approaches, including loyalty-based approaches such as pre-approved loan limits. As general purpose loans are generally unsecured, the Bank's credit analysis for these loans focuses principally on the potential borrower's income and other assets.

- *Overdraft Accounts*: The Bank has registered a stable and strong overdraft account base built upon mainly employer payroll customers and investment accounts. Targeted marketing campaigns are conducted to increase utilisation of overdraft accounts. As of 31 December 2024, the number of overdraft accounts operated by the Group was approximately 6.0 million, with an aggregate overdraft risk of TL 69.8 billion.

Investment Products. The Bank's retail banking investment products include mutual funds, government bonds and equity securities. As of 31 December 2024, the Bank had TL 539 billion of assets under management in investment products. The Bank's principal strategies to increase its retail investment product sales, customers using digital channels and profitability include conducting cross-selling campaigns to deposit customers and utilising actively managed mutual funds (e.g., a fund with a diversified multi-asset strategy that invests not only in Turkish equity and fixed income markets but also in the equity and fixed income markets in Europe, the United States and emerging markets and in precious metals and ETFs).

Cash Management Products. Being one of the principal banking needs of retail customers, cash management has been an important focus area for the Bank. For example, one cash management facility offered by the Bank is the automatic payment orders of utility bills. The total number of utility payments facilitated by the Bank reached approximately 188.9 million in 2022, approximately 185.2 million in 2023 and 208.2 million in 2024. Moreover, the Bank extensively utilises DCs in providing cash management services – for example, more than 208.2 million cardless transactions (*i.e.*, transactions in which the individual, whether an existing customer of the Bank or not, makes a payment transaction without having a bank card) were executed through the Bank's ATMs (for example, an individual can deposit cash in an ATM and instruct the Bank to make a payment of a utility bill) in 2024. In addition to providing convenient services to customers, DCs are both an increasing source of revenue (both fees generated directly as well as through improved cross-selling activities) and cost savings (through use of technology in lieu of adding additional employees).

The section titled "*The Group and its Business—Overview of the Group—Business—Payment Systems*" starting on page 133 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

The Bank issues debit and credit cards, acquires merchant vouchers and participates in related product development. As of 31 December 2024, the Bank was the largest issuer bank (with an issuing volume market share of 17.20%) in terms of credit card issuing volume and also the largest processor of credit card acquiring sales volume in Türkiye (with an acquiring credit card volume market share of 16.58%) according to the Interbank Card Centre (*Bankalararası Kart Merkezi*) ("*BKM*"). Acquiring, in this context, refers to the purchase from merchants of the card charges made by their customers, reimbursement for which charges is then sought from the relevant card issuer. For the year ended 31 December 2024, the Bank's credit card issuing purchase and cash volume amounted to TL 2.4 trillion, debit card issuing purchase volume amounted to TL 358.4 billion and merchant acquiring credit and debit card volume was TL 3.3 trillion. As of 31 December 2024, the Bank had approximately 17.0 million credit cards and approximately 22.6 million bank debit cards outstanding and merchants had 864,055 of the Bank's POS devices (including shared POSs and virtual POSs).

The Bank earns an interchange fee for processing credit card payments and certain other revenues and, where the Bank is the card issuer, the Bank takes the credit risk and earns all interest and certain fees.

Set out below is a description of the Bank's principal credit card programs:

- The "Bonus Card," which is the flagship credit card brand of the Bank, had more than 12.1 million cards in issue and 528,378 merchant partners as of 31 December 2024. The Bank issues VISA, Mastercard and AMEX branded cards pursuant to customary licensing arrangements.

- The "Miles&Smiles Garanti BBVA" card is designed to serve frequent flyers in cooperation with Turkish Airlines. Miles&Smiles Garanti BBVA offers the cardholders the opportunity to earn flight miles from credit card purchases. As of 31 December 2024, there were 840,758 Miles&Smiles Garanti BBVA cards in issue. Turkish Airlines tenders this programme periodically and, while an expensive programme to participate in, the Bank's participation is profitable overall for the Bank due to the acquisition of the high-quality customers that it provides.

- In February 2006, the Bank introduced the first flexible card in Türkiye, which is named "Flexi." This programme allows cardholders to customise a credit card with respect to the interest rate, reward system and card fee. As of 31 December 2024, there were 41,481 Flexi cards in issue.

- "Money Bonus Card" was introduced in 2009 and provides the opportunity to earn and redeem "money," the points in Migros' rewards program, in over 2,000 sales points of Migros (a large Turkish grocery store) and affiliated stores (outlets). As of 31 December 2024, there were 211,652 Money Bonus Cards in issue.

- The Bank launched American Express Credit Cards in January 2007 and provides a broad range of American Express products. Moreover, the Bank has an active and strong presence in the market for cards for corporate employees.

- The Bank launched its first airline-agnostic traveling credit card ("Shop&Fly") in November 2018. Having a powerful value proposition, Shop&Fly offers a simple and easy travel program, flexible mile spending and flying experience. Shop&Fly cardholders can also take advantage of a variety of travel services from shopandfly.com.tr and can make various travel payments (flight, hotel, car rental, etc.) with their accumulated Shop&Fly miles. As of 31 December 2024, there were 837,458 Shop&Fly cards in issue.

- The Bank has also licensed the Bonus Card brand to other banks, which other banks (as of 31 December 2024) had approximately 9.3 million "Bonus Card"-branded credit cards in issue. While the Bank does not carry the loans made under these cards, the Bank receives fees in connection with this business and the greater volume of Bonus Cards in circulation adds to the Bank's ability to offer an attractive package to merchants hosting POS systems.

The paragraphs in the section titled "*The Group and its Business—Overview of the Group—Subsidiaries*" starting on page 138 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

In addition to its core banking operations, the Group is active in the areas of leasing, factoring, investment banking, portfolio management, private pensions and life insurance brokerage in Türkiye, each of which is largely operated through a subsidiary of the Bank. In addition, the Bank has wholly-owned banking subsidiaries in the Netherlands (GBI, which has offices in Amsterdam and Germany) and Romania (Garanti BBVA Romania).

The following tables reflect the contribution of the Bank and certain of its consolidated subsidiaries to the Group's profit/(loss) and assets as of the indicated dates; *however*, this information is provided on a "non-consolidating" basis (i.e., without making adjustments for intra-Group transactions):

		As of 31 December		
Assets	**Ownership[1]**	**2022**	**2023**	**2024**
Türkiye Garanti Bankası	N/A	81.1%	80.7%	80.5%
GBI	100%	7.1%	7.8%	9.1%
GHBV and Romania businesses[3]	100%	4.2%	4.4%	4.0%
Garanti Leasing	100%	1.2%	1.3%	1.1%
Garanti BBVA Factoring	81.84%	0.7%	0.5%	0.4%
Garanti BBVA Pension and Life	84.91%	0.4%	0.4%	0.6%
Garanti BBVA Securities	100%	0.3%	0.3%	0.3%
Garanti Asset Management	100%	0.0%	0.0%	0.1%
Garanti Payment Systems	100%	0.0%	0.0%	0.0%
Structured Entities[2]				
Garanti Diversified Payment Rights Finance Company	0%	2.9%	2.5%	2.0%
RPV Company	0%	2.1%	2.0%	1.8%
Garanti Payment and Electronic Money Services	100%	-	-	-

		For the year ended 31 December		
Net Profit/(Loss)[4]	**Ownership[1]**	**2022**	**2023**	**2024**
Türkiye Garanti Bankası	N/A	91.2%	85.9%	82.3%
Garanti BBVA Pension and Life	84.91%	1.6%	2.1%	3.9%
GHBV and Romania businesses[3]	100%	1.0%	0.7%	0.8%
GBI	100%	1.1%	2.5%	3.1%
Garanti BBVA Securities	100%	1.9%	3.2%	4.0%
Garanti BBVA Factoring	81.84%	0.5%	1.0%	1.3%
Garanti Leasing	100%	2.2%	4.2%	3.5%
Garanti Asset Management	100%	0.2%	0.4%	0.9%
Garanti Payment Systems	100%	0.1%	0.1%	0.3%
Structured Entities[2]				
Garanti Diversified Payment Rights Finance Company	0%	0.2%	(0.2)%	0.0%
RPV Company	0%	0.0%	0.0%	0.0%
Garanti Payment and Electronic Money Services	100%	-	-	(0.2)%

(1) Ownership refers to the Bank's direct and indirect ownership in the relevant subsidiary.
(2) Garanti Diversified Payment Rights Finance Company and RPV Company are structured entities established for the Bank's fund-raising transactions and are consolidated in the accompanying consolidated financial statements. Neither the Bank nor any its subsidiaries has any shareholding interests in these companies. These companies have assets and liabilities in their own financial statements resulting from the fund-raising processes, many of which are eliminated during the consolidation processes.
(3) Includes 100% ownership in GHBV and in the following Romanian businesses: Garanti BBVA Romania, Motoractive and Ralfi through G Netherlands.
(4) As fees and commissions paid by one Group member to another increase the recipient's income and the payer's expenses, these percentages do not necessarily reflect fully the benefits that the Bank's subsidiaries provide to the Group.

The following provides brief summaries of each of the Bank's material subsidiaries other than Garanti BBVA Bilişim Teknolojisi ve Ticaret T.A.Ş. ("*Garanti BBVA Technology*"), which is described in "Information Technology" below. As Garanti BBVA Technology is not a financial subsidiary, it is accounted for at cost in the Group's financial statements.

Garanti Bank International NV

Established in 1990, GBI is a mid-sized European bank established in Amsterdam, the Netherlands and serves a retail, corporate and institutional clientele. GBI offers financial solutions to its customers and counterparties in the areas of trade and commodity finance, cash management, private banking, treasury and structured finance, while maintaining multi-product relationships with local and global financial institutions around the world. GBI also provides targeted retail banking services in the Netherlands and Germany.

GBI is a wholly owned subsidiary of the Bank and has a presence in Germany, Switzerland and Türkiye. GBI operates under Dutch and European Union laws, and is under the supervision of the ECB, De Nederlandsche Bank (DNB) and De Autoriteit Financiële Markten (AFM).

GBI generated a net profit/(loss) of €40.8 million in 2022, €100.7 million in 2023 and €101.1 million in 2024. GBI's total assets amounted to €5,106 million as of 31 December 2022, €5,783 million as of 31 December 2023 and €8,244 million as of 31 December 2024.

Garanti BBVA Pension and Life

Garanti BBVA Emeklilik ve Hayat A.Ş. ("*Garanti BBVA Pension and Life*"), founded in 1992 in İstanbul, offers life insurance policies and private pensions. The company utilises its expertise in bancassurance (i.e., the relationship between an insurer and a bank pursuant to which the insurer uses the bank's sales channels in order to sell the insurer's insurance and pension products) to offer its insurance and pension products to the Bank's customers. Garanti BBVA Pension and Life, with 1,503,637 participants, had a market share of 15.8% (second among non-governmental companies, and third overall, in the market) in the pension business as of 31 December 2024 according to the Pension Monitoring Centre (*Emeklilik Gözetim Merkezi*).

Garanti BBVA Pension and Life managed a portfolio of TL 158,311 billion as of 31 December 2024 and held a 13.9% market share in pension fund assets under management as of such date according to the Pension Monitoring Centre. An auto-enrolment system was introduced in December 2016 for public and private sector employees, with staged adoption starting in January 2017. As of 31 December 2024, the company had 1,819,023 participants in its auto-enrolment system, which placed it first among non-governmental companies in the market according to the Pension Monitoring Centre.

In the life insurance business, as of 31 December 2024 the company serviced 2.7 million insurance policyholders. Garanti BBVA Pension and Life's direct premium production increased by 99.72% in 2023 (to TL 5,151.9 million) and increased by 86.31% in 2024 (to TL 9,598.5 million) in 2024. The company had a market share of 9.61% as of 31 December 2024 as published by the Insurance Association of Türkiye (*Türkiye Sigorta Birliği*). Garanti BBVA Pension was the most profitable private company in the sector during 2024 according to the Insurance Association of Türkiye.

Garanti BBVA Pension and Life is also marketing, promoting and selling certain general insurance products of its previously affiliated entity Eureko Sigorta A.Ş. pursuant to a general insurance agency agreement. These products are sold to bancassurance customers through the Group's distribution network.

Garanti BBVA Pension and Life had net profit of TL 999,358 thousand in 2022, TL 2,156,962 thousand in 2023, and TL 4,362,497 thousand in 2024. The results of 2023 and 2024 included claims of TL 57.8 million relating to the February 2023 earthquakes; *however*, after reinsurance, the company's liability was significantly less.

Garanti Leasing

In 1990, the Bank established a leasing company, Garanti Finansal Kiralama A.Ş. ("*Garanti Leasing*"). In 2022, Garanti Leasing executed 1,272 new financial leasing deals (principally for the leases of business and construction machines) and recorded a total of US$459 million in new leases. In 2023, Garanti Leasing executed 1,722 new financial leasing deals (principally for the leases of business and construction machines) and recorded a total of US$561.6 million in new leases. In 2024, Garanti Leasing executed 2,126 new financial leasing deals (principally for the leases of business and construction machines) and recorded a total of US$660.1 million in new leases. As of 31 December 2024, the company had a market share of 10.8% for new contracts and a 12.6% market share in terms of transaction volume, each according to the Turkish Financial Institutions Association (*Finansal Kurumlar Birliği*). Garanti Leasing's total assets were TL 16,582,551 thousand as of 31 December 2022, TL 30,513,383 thousand as of 31 December 2023 and TL 36,646,371 thousand as of 31 December 2024.

Garanti Leasing had a net profit/(loss) of TL 1,412,789 thousand in 2022, TL 4,404,589 thousand in 2023 and TL 1,774,174 thousand in 2024.

Garanti Leasing has a 100% interest in both Garanti Filo Yönetim Hizmetleri A.Ş. ("*Garanti BBVA Fleet*"), which provides a car leasing service to individuals and businesses that require long-term vehicles, and Garanti Filo Sigorta Aracılık Hizmetleri A.Ş., which provides insurance for such vehicles.

Garanti Holding and Romania Businesses

G Netherlands BV ("*G Netherlands*") was incorporated on 3 December 2007 in Amsterdam, the Netherlands and is an intermediate holding company with no trading activities. As of 31 December 2024, G Netherlands had investments in three Romanian companies specialising in financial services: Garanti BBVA Romania (99.9964%), which provides banking activities; Motoractive IFN SA ("*Motoractive*") (99.99997%), which provides financial leases; and Ralfi IFN SA ("*Ralfi*") (99.9994%), which provides consumer loans (sales finance and private label credit cards). Motoractive Multiservices SRL, a company providing operating leasing and related services, was incorporated by Motoractive in April 2007 and is a 100% subsidiary thereof. On 14 November 2014, Domenia, a mortgage provider company that was a subsidiary of G Netherlands, was acquired by Garanti BBVA Romania as a result of a merger process.

Garanti BBVA Romania was active in the Romanian market as a branch of GBI since 1998, which branch was transferred into the newly licensed bank, incorporated in Romania, in May 2010. As of 31 December 2024, Garanti BBVA Romania operated 71 branches, 25 of which were located in the capital city Bucharest. The bank offers a full scope of universal banking products and services to its 470,428 customers (as of 31 December 2024) from the retail, SME and corporate segments. With 322,621 credit and debit cards and 9,624 active POS terminals as of such date, Garanti BBVA Romania had a market share of 1.42% (including non-banking financial institutions) in the total issued cards (credit and debit) market and 3.38% in POS terminals in Romania, both according to the public figures available from the Romanian National Bank as of 31 December 2024.

Motoractive is a joint-stock company incorporated in Romania. Motoractive undertakes leasing activities, mainly motor vehicles but also industrial plant, office equipment and real estate. Motoractive had 1,462 customers with 3,995 active contracts as of 31 December 2024 and has an extensive partnership network.

Ralfi's main activity is to provide consumer loans, particularly sales finance and personal loans. As of 31 December 2024, Ralfi had 439 clients.

The consolidated asset size of GHBV was €3.0 billion as of 31 December 2022, €3.3 billion as of 31 December 2023 and €3.6 billion as of 31 December 2024. GHBV contributed €38.9 million to the Group's consolidated net profit/(loss) in 2022, €28.5 million in 2023 and €26.3 million as of 31 December 2024.

Garanti BBVA Factoring

Garanti Faktoring A.Ş. ("*Garanti BBVA Factoring*"), founded in 1990, is one of Türkiye's oldest factoring companies. As of the date of this Supplement, 81.84% of the company's shares are owned by the Bank, 9.78% of its shares are owned by Export Credit Bank of Türkiye and the remaining shares are traded on the Borsa İstanbul. With a broad customer base, Garanti BBVA Factoring makes use of the Bank's delivery channels to provide high-quality factoring products and services to its customers. The company recorded US$1.9 million in volume of receivables financed through factoring in 2022, US$2.3 million in 2023 and US$1.9 million in 2024, representing a market share of 5.40% as of 31 December 2024 in Türkiye according to the BRSA.

Garanti BBVA Factoring had a net profit of TL 350,742 thousand in 2022, TL 1,045,084 thousand in 2023 and TL 1,438,088 thousand in 2024. The company's total assets amounted to TL 9,670,054 thousand as of

31 December 2022, TL 11,823,172 thousand as of 31 December 2023 and TL 13,300,378 thousand as of 31 December 2024.

Garanti BBVA Securities

Garanti Yatırım Menkul Kıymetler A.Ş. ("*Garanti BBVA Securities*") is a subsidiary of the Bank and one of the leading securities houses and investment banks in Türkiye. Garanti BBVA Securities serves Turkish and international customers in the areas of investment banking, brokerage, research and treasury.

Garanti BBVA Securities provides equity brokerage services through its sales team and benefits from the Bank's branch network while providing its services to its retail clients. As of 31 December 2024, Garanti BBVA Securities provided brokerage services to 1,845,497 customers. In 2024, the company's market share in the equity market was 4.5% (ranking seventh) while its derivatives market share was 2.9% (ranking ninth). In 2023, the company's market share in the equity market was 5.03% (ranking fifth) while its derivatives market share was 2.87% (ranking ninth).

In 2023, the foreign exchange client transaction volume decreased to US$7.4 billion from US$9.2 billion in 2022. The reason for the decrease in volume in 2023 was the decrease in the number of clients (from 323 in 2022 to 239 in 2023). In 2024, the foreign exchange client transaction volume was US$4.4 billion (with 220 customers). The reason for the decrease in volume in 2024 was that Garanti BBVA Securities terminated certain products within the scope of the measures taken as part of its risk management, mainly due to increased taxes as a result of the rising exchange rate and price volatility due to market conditions.

Garanti BBVA Securities' international markets client transaction volume decreased from US$12.7 billion in 2022 to US$11.4 billion in 2023, which decline was primarily caused by unwinding future contracts as a result of the company's risk measures due to volatility in the commodity market and the sell-off in global markets that, which caused a sharp decrease in volume. In 2024, Garanti BBVA Securities' international markets client transaction volume was US$10.1 billion (with 5,203 customers). The reason for the decline in volume in 2024 was as a result of the competitive environment in the sector and the product range offered by Garanti BBVA Securities being relatively less than the product range being offered in the sector.

As one of the leading investment banks, Garanti BBVA Securities has successfully completed numerous mergers and acquisition, equity offerings, debt offerings and privatisation transactions, with a total transaction size of more than $79 billion from its establishment in May 1991 through 31 December 2024 (US$1,151 million in 2023 alone and US$850 million in 2024 alone).

From the beginning of 2016, Garanti BBVA Securities' treasury department has been providing pricing to listed single stock and index options. The company has been acting as a market maker in the Turkish equity derivatives market and achieved TL 81.0 billion in 2022, TL 133.9 billion in 2023 and TL 213.2 billion in 2024. Garanti BBVA Securities held a 10.66% market share in the options market and a 2.85% market share in the "Vadeli İşlem ve Opsiyon Piyasası" futures market during 2024, while it held 5.08% market share in the options market and a 2.86% market share in the "Vadeli İşlem ve Opsiyon Piyasası" futures market during 2023.

Garanti Asset Management

Founded in June 1997 as the first asset management company in Türkiye, Garanti Portföy Yönetimi A.Ş. ("*Garanti Asset Management*") is a wholly owned subsidiary of the Bank. As of 31 December 2024, Garanti Asset Management managed 116 mutual funds, in which Garanti Asset Management is also the owner/issuer, 41 pension funds of Garanti BBVA Pension and Life, 1 pension fund owned by another pension company and the portfolio of Garanti Yatırım Ortaklığı A.Ş. (a closed-end fund listed on the Borsa İstanbul). The company also provides discretionary portfolio management services for both institutional and individual clients.

Garanti Asset Management's market share in terms of mutual funds was 10.28% as of 31 December 2024 according to Rasyonet, a third-party data vendor. As of such date, total assets under management amounted to TL 666 billion and, according to Rasyonet), the market share of pension funds was 15.37%. The mutual funds managed by the company had a market value of US$13.8 billion as of 31 December 2024. Garanti Asset Management distributes its mutual funds through the Bank's branches, DCs and third-party distribution channels, such as TEFAS (*Türkiye Elektronik Fon Alım Satım Platformu*) (Turkish Electronic Fund Distribution Platform).

The paragraph in the section titled "*The Group and its Business—Properties*" on page 145 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

As of 31 December 2024, the total net book value of the Group's tangible assets (net) (which includes land, buildings and furniture) was TL 36.7 billion, which was 1.2% of its total assets. The Group maintains comprehensive insurance coverage on all of the real estate properties that it owns.

MANAGEMENT

Set forth below is the public disclosure of material events dated 4 December 2024:

Ms. Tuba Köseoğlu Okçu, Executive Vice President in charge of Talent and Culture, resigned from her position and Ms. Ebru Taşçı Firuzbay was appointed to replace Ms. Tuba Köseoğlu Okçu.

Set forth below is the public disclosure of material events dated 13 November 2024:

Mr. Murat Çağrı Süzer, who was in charge of Corporate Investment Banking Services and Global Markets decided to resign from his position and the Board of Directors resolved to appoint Ms. Sinem Edige, currently the chief executive officer of the Bank's subsidiary Garanti BBVA Securities, to replace Mr. Çağrı Süzer upon the completion of the regulatory approvals.

The third paragraph in the section titled "*Management—Compensation*" on page 164 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

> The net payment provided or to be provided to the key management of the Bank and its consolidated financial subsidiaries (including members of their respective board of directors) amounted to TL 284,600 thousand in 2022, TL 455,242 thousand in 2023 and TL 982,129 thousand in 2024, including compensation paid to key management personnel who left their position during the period.

RELATED PARTY TRANSACTIONS

The first table in the section titled "*Related Party Transactions*" on page 168 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

	As of 31 December		
	2022	2023	2024
BBVA Group	*(TL thousands, except percentages)*		
Cash loans	1,362,913	4,796,974	7,957,714
As a % of assets	0.1%	0.2%	0.3%
As a % of shareholders' equity	0.9%	2.0%	2.4%
Contingent obligations	2,859,301	3,971,358	4,779,384
As a % of contingent obligations	1.2%	0.9%	0.8%
As a % of shareholders' equity	1.9%	1.6%	1.4%
Total BBVA Group Exposure	**4,222,214**	**8,768,332**	**12,737,098**

The sixth paragraph of the section titled "*Related Party Transactions*" on page 168 of the Base Prospectus is hereby amended to read as follows:

The Group also had derivative transactions with the BBVA Group as of the indicated dates as follows:

As of 31 December		
2022	2023	2024
	(*TL thousands*)	
57,772,444	88,683,724	161,053,604

The seventh paragraph of the section titled "*Related Party Transactions*" on page 168 of the Base Prospectus is hereby amended to read as follows:

The Group had deposits from members of the BBVA Group as of the indicated dates as follows:

As of 31 December		
2022	2023	2024
	(*TL thousands*)	
6,806,956	11,241,458	19,272,942

TURKISH REGULATORY ENVIRONMENT

The seventh paragraph in the section titled "*Capital Adequacy*" starting on page 180 of the Base Prospectus is hereby amended to read as follows:

> On 28 April 2022, the BRSA increased the risk-weights applicable to commercial cash loans provided after 1 May 2022 from a range of 20-150% to 200%; provided that the following are excluded: (a) loans provided

to SMEs, financial institutions, individuals and/or certain governmental authorities and their subsidiaries and (b) export and investment loans, agricultural loans and corporate credit cards. On 14 February 2023, as a result of two large earthquakes in Kahramanmaraş on 6 February 2023 that affected 10 different cities, the BRSA announced that such risk-weights shall (until 1 January 2024) not be applied to the personal credit cards and consumer loans and commercial cash loans provided after 6 February 2023 to customers located in the cities affected by such earthquakes. On 23 February 2023, the BRSA extended such provisional measures to other regions that satisfy certain criteria to be considered disaster areas. With its decision dated 19 December 2024, the BRSA terminated the application of the 200% risk-weight, which was applied as per its decision dated 28 April 2022 when using the standard approach, and decided that the relevant provisions of the Regulation on Banks' Equity will continue to be implemented, including the existing loans provided).

The nineth paragraph in the section titled "*Capital Adequacy*" starting on page 180 of the Base Prospectus is hereby amended to read as follows:

On 31 July 2023, the BRSA increased the risk weightings for: (a) credit card instalment payments (including cash withdrawals and spending), (b) consumer cash loans (including overdraft accounts, auto loans for passenger cars and auto secured loans) and (c) financial leasing transactions with consumers to 150% for the loans issued after 31 July 2023; however, such increased risk weightings shall not be applied to customers located in the cities affected by such earthquakes until 1 January 2024. On 24 August 2023, the BRSA increased the risk weightings to 150% for residential mortgage loans extended to individuals who already had at least one residential property, either personally or through their spouses or children under 18 years of age (*however*, as per BRSA Decision No. 10849 dated 15 February 2024, if such persons own only one residential property and such is destroyed or a destruction decision has been taken due to such property being determined to be a "risky building" (in Turkish: *riskli yapı*) within the scope of Law No. 6306 on the Transformation of Areas under Disaster Risk, then such increased risk weight will not be applicable). With its decision dated 19 September 2024, the BRSA repealed both (a) its decision dated 31 July 2023, which set 150% risk weight for credit card instalment payments (including cash withdrawals and spending), consumer cash loans (including overdraft accounts, auto loans for passenger cars and auto secured loans) and financial leasing transactions, and (b) its decision dated 24 August 2023, which set 150% risk weight for residential mortgage loans extended to individuals who already had at least one residential property. In such repeal decision of 19 September 2024, the BRSA set out that the risk weight for these loans is to be determined according to the provisions of the Capital Adequacy Regulation.

The eight paragraph in the section titled "*Liquidity and Reserve Requirements*" starting on page 188 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

On 15 January 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements so that (starting with the maintenance period starting on 3 February 2023), the reserve requirement rate for Turkish Lira deposit accounts and participation accounts held by certain customers with maturities longer than three months is 0%. Additionally, should there be an increase (compared to 6 January 2023, based upon a calculation to be made on the last Friday of every two-week period) in a bank's foreign currency-denominated liabilities with maturities longer than six months provided directly from abroad, the reserve requirement rate for such increased amount is 0% until 20 December 2024. On 19 December 2024, the Central Bank further amended the Communiqué Regarding Reserve Requirements so that the six-month period has been revised to one year, and the date 20 December 2024 has been revised to 19 December 2025.

The eleventh and twelfth paragraphs in the section titled "*Liquidity and Reserve Requirements*" starting on page 188 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

Pursuant to the amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 2 November 2023 and No. 32357, with effect from 27 October 2023, the Central Bank also introduced an additional reserve requirement of 4% (to be deposited in Turkish Lira) for all foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) regardless of their maturities. The additional reserve requirement for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) was increased to 8% on 30 January 2024, effective retroactively from 27 October 2023. The same additional reserve requirement was decreased by the Central Bank to 5% with amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 21 September 2024 and No. 32669, with effect from 13 September 2024, and further to 4%, with amendments to the

Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 22 November 2024 and No. 32730, with effect from 22 November 2024.

On 4 February 2025, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 4 February 2025), which set forth the reserve requirements regarding Turkish Lira liabilities vary by category and tenor, as below:

Category of Turkish Lira Liabilities	Required Reserve Ratio
1) Deposit/participation accounts (excluding deposit/participation accounts held at foreign banks)	
Demand deposits, notice deposits	17.0%
Up to 1 month maturity (including 1 month)	17.0%
Up to 3 months maturity (including 3 months)	17.0%
Up to 6 months maturity (including 6 months)	10.0%
Up to 1 year maturity	10.0%
With maturities of 1 year and longer	10.0%
Deposits with FX or price protection by the Central Bank with up to 6 months maturity (including 6 months)	33.0%
Deposits with FX or price protection by the Central Bank with a maturity longer than 6 months	22.0%
2) Borrowers' deposit accounts held at development and investment banks*	0%
3) Other liabilities (including deposit/participation accounts held at foreign banks)	
Up to 1 year maturity (including 1 year)	8.0%
Up to 3 years maturity (including 3 years)	5.5%
Longer than 3 years maturity	3.0%
Securities issued by development and investment banks with a maturity longer than 1 year	0.0%
Deposits/participation funds from foreign banks, funds obtained from foreign repo transactions, and loans utilized from abroad among the other liabilities of banks with up to 1 year maturity (including 1 year)	12.0%

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* *Due to laws applicable to development and investment banks, the amount deposited in such accounts cannot exceed the total outstanding loan amount extended by the relevant development and investment bank to such borrower.*

The fourteenth, fifteenth and sixteenth paragraphs in the section titled "*Liquidity and Reserve Requirements*" starting on page 192 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) are hereby amended to read as follows:

The Central Bank also announced on 23 May 2024 that (i) the ratio of renewal of FX-protected TL time deposits converted initially from FX-deposits (in the calculation of which ratio, renewals as standard TL time deposits, with a maturity of at least 32 days, are also taken into account as renewal) required to be attained by the banks to be paid remuneration on their required reserves maintained with the Central Bank in respect of Turkish Lira deposit accounts and FX-protected deposit accounts was decreased to 75% (which was later reduced to 70% and 60% via announcements dated 22 November 2024 and 20 December 2024, respectively), and (ii) in the calculation of the same ratio of renewal, legal entities' FX-protected TL time deposits are not to be taken into account going forward.

On 5 February 2024, the Central Bank announced that eligible deposit banks will receive interest quarterly on their reserve requirements maintained for Turkish Lira deposits and foreign currency-protected deposit accounts with a maturity longer than one month. Further to the aforementioned announcement of the Central Bank on payment of remuneration by the Central Bank on required reserves maintained with the Central Bank in respect of Turkish Lira deposit accounts and FX-protected deposit accounts by the banks satisfying the relevant conditions (which announcement had been made on 5 February 2024), the Central Bank announced further on 25 April 2024 that (i) the upper limit of the interest rate applied to the required reserves, which is to be maintained with the Central Bank, in respect of FX-protected deposit accounts will be set as 60% of the Central Bank's policy rate in accordance with the level of the rollover and Turkish Lira conversion rate (which was later reduced to 40% of the Central Bank's policy rate via announcement dated 23 May 2024) and (ii) the upper limit of the interest rate applied to the required reserves, which is to be maintained with the Central Bank, in respect of Turkish Lira deposit accounts will be set as 80% of the Central Bank's policy rate (which was later increased to 84% of the Central Bank's policy rate through its announcement dated 29 August 2024), in accordance with the level of the rollover and Turkish Lira conversion rate. On 20 January 2025, the Central Bank decided to terminate the opening and renewal of 6-month and 12-month term accounts in FX and gold-converted currency-protected deposit and participation accounts, effective as of 20 January 2025. On 15 February 2025, the Central Bank decided to terminate the opening and renewal of accounts for legal entities in all FX-protected deposit accounts, effective as of 15 February 2025.

On 23 May 2024, the Central Bank announced that, if a bank's monthly foreign currency loan growth exceeds 2%, then it will be required to set aside a mandatory reserve equal to the Turkish Lira-equivalent of the excess amount, with such excess to be blocked for one year. According to further regulations introduced by the Central Bank, the following loans are not to be taken into account in the calculation of the foreign currency loan

growth for the application of this rule: (i) investment loans with a maturity of at least 2 years to fund expenditures based on an invoice (excluding those disbursed to fund real estate, financial asset or passenger car purchases), (ii) loans extended to other domestic banks and (iii) loans extended to institutions and organisations, state economic enterprises and their establishments, subsidiaries and affiliates included in tables (I), (II), (III) and (IV) in the annex of the Law No. 5018 on Public Finance Management and Control Law, local administrations and organised industrial region entities. On 20 July 2024, the Central Bank announced that (i) the aforementioned monthly growth limit of 2% for foreign currency loans is reduced to 1.5%, and (ii) it was decided to keep the monthly growth limit of 2% for Turkish Lira loans unchanged. On 4 January 2025, the Central Bank further announced that (i) the aforementioned monthly growth limit of 1.5% for foreign currency loans is reduced to 1.0%, and (ii) the aforementioned monthly growth limit of 2% for Turkish Lira loans has been differentiated as (a) 2.5% for SME loans; and (b) 1.5% for other commercial loans. With the amendments to the Communiqué Regarding Reserve Requirements published in the Official Gazette dated 4 January 2025 and numbered 32772, the Central Bank has clarified that the deadline for the application of aforementioned monthly loan growth limits was extended from 3 January 2025 to 2 January 2026, and, in accordance with the procedures and principles determined by the Central Bank, no mandatory reserve will be required for the portion of the credit exceeding the limit, provided that it is considered in the calculation of the growth rate for the next period as determined by the Central Bank. On 1 March 2025, the Central Bank further announced that the monthly foreign currency loan growth limit was reduced from 1.0% to 0.5%, and exemptions from this limit were narrowed. Specifically, investment loans under the investment incentive certificate must now have a minimum maturity of two years and be used exclusively for machinery and equipment purchases, while only loans obtained from international development finance institutions for these purchases remain exempt. Investment loans without an investment incentive certificate exemption must still be at least two years in maturity and used for heavy commercial vehicle purchases, and invoice submission is now mandatory for all exempted investment loans. Effective as of 1 March 2025, the exemption granted to loans in earthquake-affected regions has been terminated, and these decisions apply only to loans disbursed on or after 1 March 2025. However, loans removed from the exemption list may still be included in the base period stock balance for foreign currency loan growth calculations on an optional basis.

The twenty third paragraph in the section titled "*Liquidity and Reserve Requirements*" starting on page 192 of the Original Base Prospectus (as amended by the First Supplement and the Second Supplement) is hereby amended to read as follows:

In August 2022, the Central Bank introduced new regulations to increase the share of Turkish Lira-denominated assets in the collateral system and to ensure the maintenance of additional required reserves for foreign currency deposits. Effective as of 2 September 2022, the collateral discount rate for CPI-indexed securities and assets subject to collateral in foreign currency and gold was gradually increased from 50% to 80% and the remuneration rate for Turkish Lira-denominated required reserves was reduced to 0% from 8.5%. On 5 December 2024, the Central Bank further announced that the collateral discount rate for CPI-indexed securities and assets subject to collateral in foreign currency and gold is decreased from 80% to 30%.

The following sentence is hereby included as the last sentence of the third paragraph in the section titled "*Consumer Loan, Provisioning and Credit Card Regulations*" starting on page 203 of the Original Base Prospectus:

Finally, on 13 February 2025, the BRSA revised the overall maturity limits for general-purpose loans as follows: (i) for loans with an amount of TL125,000 or less, the maturity limit is 36 months, (ii) for loans with an amount exceeding TL125,000 but not exceeding TL250,000, the maturity limit is 24 months, (iii) for loans with an amount exceeding TL250,000, the maturity limit is 12 months.

The following paragraph is hereby included as the last paragraph in the section titled "*Turkish Lira Borrowing Restrictions*" starting on page 207 of the Original Base Prospectus:

On 6 February 2025, the BRSA decided to repeal its aforementioned decision dated 24 June 2022, and other BRSA decisions related to the foregoing, setting out the Turkish Lira borrowing restrictions explained above for non-financial institution as part of the coordinated macroprudential simplification steps to strengthen financial

stability and ensure the effective functioning of the credit system. Accordingly, from 6 February 2025, such restrictions explained above are no longer applicable.

The following paragraph is hereby included as the last paragraph in the section titled *"ESG Reporting"* starting on page 201 of the Original Base Prospectus:

In addition, the Regulation on Sustainability Audit, which outlines the audit procedures of mandatory sustainability reporting, was published by the POA in the Official Gazette dated 17 January 2025 and numbered 32785.

TAXATION

The eight paragraph in the section titled "Certain Turkish Tax Considerations" starting on page 301 of the Original Base Prospectus is hereby amended to read as follows:

Interest income derived by a resident corporation or resident individual is subject to further declaration and the withholding tax paid can be credited against the income tax calculated on the tax return. For resident individuals, the entire amount is required to be declared as taxable income if the interest income derived exceeds TL 330,000 (for the income derived in 2025) together with the income from other marketable securities, rental income from immovable property and salaries (except for salaries referred to under Article 86/1 of the Turkish Income Tax Law); provided that they were all subjected to income taxation through withholding. For resident corporations, interest income at any amount is subject to declaration.

The eleventh paragraph in the section titled "*Certain Turkish Tax Considerations*" starting on page 301 of the Original Base Prospectus (as amended by the Second Supplement) is hereby amended to read as follows:

Capital gains realised by a resident corporation or individual on the sale or redemption of the Notes (or beneficial interests therein) are subject to income tax or corporate (income) tax declaration. The corporate income tax rate in Türkiye for 2025 is: (a) 30% for banks, financial leasing, factoring and financing companies, e-money and payment services institutions, authorised foreign exchange currency-related entities, asset management companies (*varlık yönetim şirketleri*), securities intermediaries and other capital markets institutions, insurance and reinsurance companies and pension companies and (b) 25% for other corporate entities (the rate for individuals' income tax ranges from 15% to 40% at progressive rates); *provided that*, effective from a fiscal period starting in the year 2025, the corporate income tax rate on profits from specific public-private partnership and build-operate-transfer projects is 30% and a "minimum corporate income tax" requires a minimum amount of tax to be calculated at a flat rate of 10% based upon pre-exemption and pre-deduction net corporate income. Capital gains are, in principle, calculated in local currency terms and resident individuals' acquisition costs can be increased at the Producer Price Index's rate of increase for each month except for the month of discharge, so long as such index increased by at least 10%.

OTHER GENERAL INFORMATION

The section titled "Independent Auditors" on page 326 of the Original Base Prospectus is hereby amended to read as follows:

The BRSA Annual Financial Statements as of and for the years ended 31 December 2023 and 2024, which are incorporated by reference into this Base Prospectus, have been audited by EY, the group's independent auditors for such years, in accordance with the Turkish Auditor Regulation and the Standards on Independent Auditing that are part of the Turkish Standards on Auditing published by the POA as stated in the respective audit report included therein.

EY, independent auditors and independent certified public accountants in Türkiye, is authorised by the BRSA to conduct independent audits of banks in Türkiye. EY is located at Maslak Mahallesi Eski Büyükdere Cad. Orjin Plaza No:27 Kat: 2-3-4, Daire: 54-57-59, 34485 Sarıyer, İstanbul, Türkiye.

EY reports included in the BRSA Financial Statements incorporated by reference herein contains a qualification (see "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification*" for further information).

APPENDIX A – OVERVIEW OF DIFFERENCES BETWEEN IFRS AND THE BRSA PRINCIPLES

The second paragraph in the section titled "*Overview of Differences Between IFRS and The BRSA Principles—Hyperinflationary Accounting*" starting on page 329 of the Base Prospectus is hereby amended to read as follows:

With respect to TFRS, TAS 29 recommends that all entities that report in the currency of the same hyperinflationary economy apply this standard from the same date. As such, as indicated in TAS 29, in order to

ensure application compatibility within Türkiye, all reporting entities are expected to start to use TAS 29 at the same time following an announcement to do so by the POA. On 23 November 2023, the POA published an announcement requiring entities that apply TFRS to present their financial statements by adjusting for the impact of inflation for the annual period ending on or after 31 December 2023 in accordance with the principles set out in TAS 29; however, this announcement also provided that institutions authorised to regulate and supervise Turkish companies (e.g., the BRSA) may determine a different transition date and, on 12 December 2023, the BRSA announced that such shall not apply for banks for BRSA Financial Statements as of and for the year ended 31 December 2023. On 11 January 2024, the BRSA announced that such will apply for banks for accounting periods starting from 1 January 2025. However, on 5 December 2024, the BRSA announced the reversal of such position so that such entities, including the Bank, will not apply inflation accounting in 2025 either. As of the date of this Supplement, the BRSA has not announced an alternative timeline for the implementation of TAS 29. The Bank closely monitors the application of TAS 29 but cannot predict if or when TAS 29 will be applied by the BRSA under the BRSA Principles and therefore cannot predict the impact that the application of TAS 29 and related adjustments and reclassifications will have on its future financial statements, results of operations and financial condition. As a result, financial statements complying with the BRSA Principles currently materially differ from those complying with IFRS in the application of adjustments for the effects of changes in a general price index and will continue to materially differ until such time as the BRSA implements TAS 29 or IAS 29 is no longer applicable under IFRS.

EXHIBIT A

SUMMARY FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the following summary financial and other information have been extracted from the Group's BRSA Financial Statements incorporated by reference herein without material adjustment. The information in this section should be read in conjunction with the information contained in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the relevant BRSA Financial Statements (including the notes therein) incorporated by reference herein.

	Year ended 31 December		
	2022	**2023**	**2024**
		(*TL thousands*)	
Interest income	132,800,968	233,566,637	540,538,651
Interest expense	(44,708,341)	(147,200,186)	(414,500,152)
Net interest income	**88,092,627**	**86,366,451**	**126,038,499**
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674
Dividend income	94,753	104,640	179,401
Net trading income/losses(net)	10,512,298	32,094,651	7,227,055
Other operating income	17,449,406	40,534,549	58,642,268
Total operating profit	**134,295,404**	**202,600,915**	**289,193,897**
Expected credit losses[(1)]	(29,741,042)	(39,486,103)	(58,615,266)
Other operating expenses	(27,566,610)	(56,053,591)	(106,650,466)
Profit/(loss) before taxes	**76,987,752**	**107,061,221**	**123,928,165**
Provision for taxes	(18,477,446)	(20,154,005)	(31,749,279)
Net profit/(loss)	**58,510,306**	**86,907,216**	**92,178,886**
Attributable to equityholders of the Bank	58,285,378	86,374,997	91,243,136
Attributable to minority interests	224,928	532,219	935,750

(1) Including other providions.

Balance Sheet Data:	As of 31 December					
	2022	**%**	**2023**	**%**	**2024**	**%**
Assets:			(*TL thousands, except for percentages*)			
Cash and cash equivalents	271,499,741	20.8	524,306,450	23.8	622,570,737	20.7
Financial assets measured at fair value through profit/(loss) (FVTPL)[(1)]	5,771,459	0.4	8,589,689	0.4	12,126,843	0.4
Financial assets measured at fair value through other comprehensive income (FVOCI)	88,928,400	6.8	101,575,253	4.6	139,088,845	4.6
Derivative financial assets	11,035,218	0.8	11,627,700	0.5	13,960,009	0.5
Loans	761,104,244	58.4	1,217,975,966	55.3	1,776,363,816	59.2
Lease receivables	18,932,293	1.5	30,022,130	1.4	36,512,833	1.2
Factoring receivables	9,542,402	0.7	11,593,626	0.5	13,085,083	0.4
Other financial assets measured at amortised cost	110,019,856	8.4	216,382,865	9.8	270,072,445	9.0
Expected credit losses	(40,552,805)	(3.1)	(52,410,595)	(2.4)	(61,222,991)	(2.0)
Assets held for sale and assets of discontinued operations	780,418	0.1	2,141,054	0.1	3,807,084	0.1
Ownership investments (net)	2,280,962	0.2	6,379,791	0.3	9,012,068	0.3
Tangible assets	11,788,007	0.9	21,952,980	1.0	36,678,845	1.2
Intangible assets	1,263,022	0.1	2,548,249	0.1	4,364,462	0.1
Investment property	926,800	0.1	1,590,712	0.1	2,416,949	0.1
Current tax assets	9,604	0.0	127,590	0.0	159,784	0.0
Deferred tax assets	7,105,391	0.5	20,291,063	0.9	20,728,047	0.7
Other assets	43,143,471	3.3	77,018,572	3.5	102,854,520	3.4
Total assets	**1,303,578,483**	**100.0**	**2,201,713,095**	**100.0**	**3,002,579,379**	**100**
Liabilities:						
Deposits	908,739,459	69.7	1,604,930,709	72.9	2,154,347,642	71.7
Funds borrowed	45,856,723	3.5	60,439,559	2.7	68,116,773	2.3
Money markets funds	24,299,009	1.9	55,994,558	2.5	46,882,832	1.6
Securities issued (net)	17,608,189	1.4	11,142,952	0.5	28,109,501	0.9
Financial liabilities measured at FVTPL	32,020,818	2.5	49,046,956	2.2	57,223,084	1.9
Derivative financial liabilities	10,952,360	0.8	11,569,225	0.5	15,123,947	0.5
Lease payables	1,459,250	0.1	2,273,026	0.1	2,949,292	0.1
Provisions	21,476,401	1.6	21,578,965	1.0	26,447,227	0.9
Current tax liability	8,050,327	0.6	11,700,581	0.5	18,779,668	0.6
Deferred tax liability	197,828	0.0	129,369	0.0	186,841	0.0
Subordinated debts	15,245,929	1.2	23,639,403	1.1	67,070,618	2.2
Other liabilities	64,548,070	5.0	103,646,274	4.7	185,933,336	6.2
Total liabilities	**1,150,454,363**	**88.3**	**1,956,091,577**	**88.8**	**2,671,170,761**	**89.0**
Shareholders' equity	**153,124,120**	**11.7**	**245,621,518**	**11.2**	**331,408,618**	**11.0**
Total liabilities and shareholders' equity	**1,303,578,483**	**100.0**	**2,201,713,095**	**100.0**	**3,002,579,379**	**100**

(1) As disclosed in Note 5.1.2.2 of the Group's Annual Financial Statements dated as of and for the year ended 31 December 2024, loans whose contractual conditions are inconsistent with a basic lending agreement (consideration for the time value of money and credit risk are typically the most significant elements of interest) are measured at fair value through profit or loss. As of 31 December 2024, loans with a fair value of TL 54,062 (31 December 2023: TL 54,850) have been classified under other financial assets.

EXHIBIT B

CAPITALISATION OF THE GROUP

The Group's total shareholders' equity as of 31 December 2024 was TL 331,408,618 thousand, a 34.9% increase from TL 245,621,518 thousand as of 31 December 2023, which itself was a 60.4% increase from TL 153,124,120 thousand as of 31 December 2022. Shareholders' equity principally changes as a result of the Group's net profit/(loss) and changes in the amount of unrealised gains and losses on available-for-sale assets and financial assets measured at fair value through other comprehensive income (which changes are not included in profit/(loss)). The following table sets forth the components of the Group's shareholders' equity as of the indicated dates and should be read in conjunction with the Group's BRSA Financial Statements (including the notes therein) incorporated by reference into this Base Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of 31 December		
	2022	**2023**	**2024**
		(TL thousands)	
Paid-in capital	4,200,000	4,200,000	4,200,000
Capital reserves	784,434	784,434	784,434
Other comprehensive income/expense items not to be recycled to profit or loss	4,561,421	15,299,688	24,983,291
Other comprehensive income/expense items to be recycled to profit or loss	19,914,049	23,453,042	20,607,720
Profit reserves	63,782,784	114,589,030	187,933,574
Profit/(loss)	59,396,697	86,374,997	91,279,430
Minority interest	484,735	920,327	1,620,169
Total shareholders' equity	**153,124,120**	**245,621,518**	**331,408,618**

For additional information on the Group's shareholders' equity, see note 5.2.14 in the Group's BRSA Financial Statements.

The following table summarises the components of the Group's total capitalisation using the shareholders' equity figures set forth above:

	As of 31 December		
	2022	**2023**	**2024**
		(TL thousands)	
Total shareholders' equity	153,124,120	245,621,518	331,408,618
Subordinated debt	15,245,929	23,639,403	67,070,618
Total Capitalisation	168,370,049	269,260,921	398,479,236

EXHIBIT C

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the consolidated financial position and results of operations of the Group covers the fiscal years ended 31 December 2022, 2023 and 2024. Unless otherwise specified, the financial information presented in this discussion has been extracted from the BRSA Financial Statements incorporated by reference herein without material adjustment. This section should be read in conjunction with such BRSA Financial Statements and (including the notes therein) the other financial information included in (including incorporated by reference into) this Base Prospectus (including the section entitled "*Presentation of Financial and Other Information*"). The BRSA Financial Statements incorporated by reference herein have been prepared in accordance with the BRSA Principles except for the general reserves recognised by the Group as described in "*Presentation of Financial and Other Information*" and "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification.*" For a discussion of current significant differences between IFRS and the BRSA Principles, see Appendix A ("*Overview of Differences between IFRS and the BRSA Principles*").

Certain information contained in the discussion and analysis set forth below and elsewhere in this Base Prospectus includes "forward-looking statements." Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. See the section entitled "*Cautionary Statement Regarding Forward-Looking Statements*."

The Group's financial condition and results of operations depend significantly upon the macroeconomic, political and regulatory conditions prevailing in Türkiye and prospective investors should consider the factors set forth under "*Risk Factors—Risks Relating to Türkiye*" and "*Risk Factors—Risks Relating to the Group and its Business*."

The discussion and analysis of the financial condition and results of operations of the Group in this Base Prospectus are based upon the BRSA Financial Statements incorporated by reference herein. The Group prefers to present its financial condition and performance on the basis of the BRSA Financial Statements as the Group has historically presented its financial statements to investors and potential investors using the BRSA Principles and uses such financials for regulatory requirements, and thus the Bank's management believes that providing BRSA financial data in this Base Prospectus will provide for a consistent presentation of the Group's financial performance.

Unconsolidated Compared to Consolidated Financial Statements

The operations of the Bank are undertaken both by the Bank directly and through its consolidated entities; *however*: (a) the Bank is the issuer of the Notes, (b) it is only the Bank that has any payment or other obligations in respect of the Notes and (c) no other member of the Group nor any other entity will have any responsibility for the Bank meeting its obligations under the Notes.

The Bank produces audited unconsolidated and consolidated annual BRSA Financial Statements and, for each of the first three fiscal quarters of a fiscal year, unaudited unconsolidated and consolidated interim BRSA Financial Statements. The BRSA Annual Financial Statements discussed in this section are principally the Group's versions. As of 31 December 2022, 2023 and 2024, the Bank had total assets of TL 1,152.2 billion, TL 1,930.1 billion and TL 2,607.7 billion, respectively, as compared to total assets of the Group of TL 1,303.6 billion, TL 2,201.7 billion and TL 3,002.6 billion, respectively, with unconsolidated total assets representing 88.4%, 87.7% and 86.8% of consolidated total assets, respectively. As of the same dates, the Bank had total liabilities of TL 999.5 billion, TL 1,685.3 billion and TL 2,277.7 billion, respectively, as compared to total liabilities of the Group of TL 1,150.5 billion, TL 1,956.1 billion and TL 2,671.2 billion, respectively, with unconsolidated total liabilities representing 86.9%, 86.1% and 85.3% of consolidated total liabilities, respectively.

For 2022, 2023 and 2024, the Bank had current period profit/loss from continued operations of TL 58.5 billion, TL 87.3 billion and TL 92.2 billion, respectively, as compared to current period profit/loss from continued operations of the Group of TL 58.5 billion, TL 86.9 billion and TL 92.2 billion, respectively, with unconsolidated current period profit/loss from continued operations representing 100.0%, 100.5% and 100.0% of consolidated current period profit/loss from continued operations, respectively.

For further information on the consolidated financial condition and results of operations of the Group, please see the BRSA Financial Statements of the Group incorporated by reference herein.

Significant Factors Affecting the Group's Financial Condition and Results of Operations

The Group's financial condition, results of operations and prospects depend significantly upon the macroeconomic, political and regulatory conditions prevailing in Türkiye as well as other factors. The impact of these factors might vary significantly in the future and many of these factors are outside the control of the Group. Prospective

investors should (among other things) consider the factors set forth under "*Cautionary Statement Regarding Forward—Looking Statements*" and "*Risk Factors*." The following describes the most significant of such factors since the beginning of 2022.

Turkish Economy and Political Developments

The Group's operations are primarily in Türkiye (or related to Turkish activities) and almost all of its operating income and net income are derived from its Turkish operations (including Turkish-related business for the Group's operations abroad). Accordingly, its results of operations and financial condition are and will continue to be significantly affected by Turkish political, regulatory and macroeconomic factors, including factors such as currency fluctuations, the Central Bank's monetary and regulatory policies, economic growth rates, inflation and fluctuations in interest rates in Türkiye. For additional information on political developments in Türkiye, see "*Risk Factors—Risks Relating to Türkiye—Political Conditions—Political Developments.*"

The following table provides certain macroeconomic indicators for Türkiye, including real GDP growth, inflation rates and the Central Bank's overnight Turkish Lira policy rate for the indicated periods:

	As of or for the year ended 31 December (*unless otherwise indicated*)		
	2022	**2023**	**2024**
Nominal GDP at current prices (TL millions)....	15,011,776	26,545,722	43,410,515
Real GDP growth in Turkish Lira	5.5%	5.1%	3.2%
(Deficit)/surplus of consolidated budget/GDP[(1)]	(0.9)%	(5.2)%	(4.9)%
CPI[(2)]	64.3%	64.8%	44.4%
Producer Price Inflation[(2)]	97.7%	44.2%	28.5%
Central Bank overnight Turkish Lira borrowing interest rate, period-end.................................	7.5%	41.00%	46.00%
Central Bank one week Turkish Lira repo rate/policy rate, period-end[(3)]	9.0%	42.50%	47.50%
Refinancing rate of the Central Bank, period-end	10.5%	44.00%	49.00%
Central Bank late liquidity window lending interest rate, period-end.................................	13.50%	47.00%	52.00%
Central Bank weighted average cost of funding, period-end	9.0%	42.50%	48.13%
Depreciation of the Turkish Lira against the U.S. dollar[(4)]	(28.71)%	(36.40)%	(16.50)%
CPI-based real effective exchange rate appreciation (depreciation) (2003=100).........	16.5%	1.6%	21.8%
Gross gold and international currency reserves, period-end (U.S. dollars, millions)................	128,574	141,060	155,057

Sources: TurkStat (for nominal GDP at current prices, real GDP growth and inflation), Turkish Treasury, General Directorate of Public Accounts (for deficit/surplus of consolidated budget) and Central Bank (for reference overnight borrowing interest rate, refinancing rate, nominal appreciation (depreciation) of the Turkish Lira against the U.S. dollar, real effective exchange rate and total gross gold and international currency reserves).

(1) This figure is the sum of the budget deficit as of each month-end date for the 12-month period over the sum of the GDP amounts as of each quarter-end date for the four consecutive quarters ended on the last day of the applicable period.

(2) Annual percentage change of the applicable index.

(3) The Central Bank announces the weekly repo lending rate as the reference rate.

(4) Based upon the Turkish Lira indicative exchange rate for purchases of U.S. dollars announced by the Central Bank effective as of the last day of the period.

In the last three fiscal years, economic conditions across emerging markets, including Türkiye, have been volatile as a result of several factors, including policy rate changes and other actions by the U.S. Federal Reserve and other central banks, and the Russian invasion of Ukraine and Israel-Gaza, Israel-Lebanon and Israel-Iran conflicts and the collapse of Bashar al-Assad's regime in Syria. See "*—Global Economic Conditions*" below. In addition, there has been considerable uncertainty regarding Türkiye's political and geopolitical conditions resulting from a variety of factors (see "*Risk Factors—Risks Relating to Türkiye—Political Conditions—Political Developments*" and "*Risk Factors—Risks Relating to Türkiye—Political Conditions—Terrorism and Conflicts*"), including changes in the governance and/or policies of the Central Bank.

Partially as a result of these factors, GDP growth in Türkiye has been volatile, which has impacted the Group's growth and increased non-performing loans in 2022, 2023 and 2024. In 2022, GDP grew by 5.6%, which growth was primarily supported by private consumption, a rise in imports and an increase in finance and insurance activities and information and communication activities. There was strong growth in 2023 and as of the date of this Supplement, GDP growth in 2024 is expected to be lower, mainly due to the normalisation in economic activity with a change in demand composition in favour of investment and net exports. The level of growth in 2025 remains dependent upon global macroeconomic and geopolitical conditions and the successful implementation of Türkiye's economic policies. The

Turkish government has sought to improve economic growth and, in September 2023, the Turkish Treasury published the Medium Term Programme under which GDP growth was anticipated to be 4.0% in 2024 and 4.5% in 2025. The Bank expects GDP growth to be at 2.5% in 2025, due to ongoing economic rebalancing, the lagged effects of the restrictive monetary policy, and the potential downward impact of protectionist trade policies on the global economy.

It should be noted that though the Turkish Lira GDP results in nominal Turkish Lira terms are high, as the exchange rate of the Turkish Lira against the U.S. dollar varies (in some years, significantly), these reported changes in GDP would have been different (in some years, significantly different) were they determined in U.S. dollar terms. (*e.g.*, in 2023, the Turkish Lira (using daily average exchange rates) depreciated by 36.4% against the U.S. dollar, which greatly exceeded the year's nominal GDP increase, resulting in a significant decline in the Turkish GDP in U.S. dollar terms notwithstanding the significant increase in Turkish Lira terms).

In 2022, the CPI inflation rate surged to 64.27% and the domestic producer price inflation rate surged to 97.72% (it should be noted that this is the official inflation rate whereas other analysts have published different rates, in some cases significantly higher than the official rate), reflecting significant increases in the prices of food, energy and imported products as well as recent increases in interest rates and VAT and other consumption taxes. In 2023, the inflation rates were 64.77% and 44.22%, respectively, reflecting the inflationary pressures from food and core prices. In 2024, the inflation rates were 44.40% and 28.50%, respectively, due to favourable base effects and alleviated cost-push factors, although unanchored inflation expectations continued to exert upward pressure. On 6 September 2023, the Government's publication of the newest Medium-Term Programme for the country's economy anticipated inflation of 33.0% and 15.2% in 2024 and 2025, respectively. Subsequently, on 7 February 2025, the Central Bank published an inflation report forecasting inflation rates of 24%, 12% and 8% at the end of 2025, 2026 and 2027, respectively. The Bank anticipates year-end inflation in 2025 to be at 26.5%, with a clearer disinflation path, as a result of the lagged impact of restrictive monetary policy and increased support from fiscal consolidation.

Although the EU-defined Turkish government debt level decreased considerably since 2001 and reached its lowest level with 27.2% of GDP in 2015, it then increased to 25.6% as of the third quarter of 2024, and (although this remains well below the Maastricht criteria), Türkiye remains an emerging market and remains susceptible to a higher degree of volatility than more developed markets due to a number of factors (see "*Risk Factors—Risks Relating to Türkiye*").

Although unemployment rates fell from 10.3% as of December 2022 to 8.5% as of December 2024, continuing high levels of unemployment might affect the Group's customers, which might impair its business strategies and/or have a material adverse effect on its business, financial condition and/or results of operations.

Impact on Asset Quality. NPLs are particularly sensitive to economic conditions and this remains a key area of focus for the Bank given its strong loan growth and macroeconomic conditions in Türkiye. As of 31 December 2022, 2023 and 2024, the Group's NPL ratio for its entire loan portfolio was 2.6%, 2.1% and 2.1%, respectively, with an NPL ratio for its retail loan portfolio of 1.9%, 2.2% and 2.3%, respectively, as of such dates and an NPL ratio for its commercial and corporate loan portfolio of 2.8%, 1.6% and 1.8%, respectively, as of such dates. During 2022, the Group had TL 12.0 billion of write-downs and write-offs, accounting for a 1.46% decline in the NPL ratio (*i.e.*, the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). During 2023, the Group had TL 13.7 billion of write-downs and write-offs, accounting for a 1.05% decline in the NPL ratio (*i.e.*, the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). During 2024, the Group had TL 17.8 billion of write-downs and write-offs, accounting for a 0.95% decline in the NPL ratio (i.e., the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). In 2022, NPLs amounting to TL 829,066 thousand were sold, followed by TL 1,288,809 thousand in 2023. In 2024, NPLs amounting to TL 9,960,043 thousand were sold. The effect of NPL sales on the NPL ratio was to reduce it by 0.10% in 2022, 0.10% in 2023 and 0.53% in 2024 (i.e., the NPL ratios for such periods would have been higher by such amounts had such sales not occurred).

In addition, a number of large corporate borrowers have restructured their loans due to financial pressures resulting from the economic volatility in Türkiye, including in particular foreign exchange conditions, and the Bank's management anticipates that further such restructurings and even defaults might occur in corporate and SME loans as conditions remain challenging for borrowers, which might lead to further material NPL inflows. In addition, conditions remain challenging for a number of other large corporate borrowers, which might lead to further material NPL inflows. In 2024, one of the loans extended to Galataport İstanbul Liman İşletmeciliği ve Yatırımları A.Ş. ("**Galataport**") and Doğuş Galataport Gayrimenkul Yatırımları ve Ticaret A.Ş. ("**Doğuş Galataport**") by the Bank became non-performing. On 17 December 2024, the Bank, together with several other creditors, executed a restructuring agreement for the restructuring of the loan provided to Galataport and Doğuş Galataport. The restructuring agreement provided that, in order to collect a portion of the loan within the scope of the restructuring agreement, 49% of the shares representing the total capital of Galataport shall be acquired by the creditors pro-rata to their lending. The restructuring agreement grants a three-year repurchase right to Doğuş Galataport. The transfer of 12.28% of the shares representing the total capital of Galataport (representing a nominal value of TL 5.8 billion) to the Bank was completed on 20 December 2024. As of 31 December 2024, the amount of the non-performing loan payable to the Bank by Galataport stood at TL 7,201 million and Doğuş Galataport was TL 4,587 million. In the event that other loans become non-performing, or there is a slowdown in economic conditions, this might

lead to a deterioration in the asset quality of Turkish banks, including the Bank. Yet, given the high coverage ratios of the sector, including the Bank, asset quality deterioration is expected to remain at manageable levels.

As of 31 December 2024, the Bank's restructured loans represented 25.9% of the total Stage 2 loans and had a 33.7% coverage ratio, which was higher than the 12.5% coverage ratio for all Stage 2 loans (thus including also such restructured loans) as of such date.

Changes to Turkish Banking Policy and Regulations

The Central Bank adjusts reserve requirement ratios as a policy tool at various times to reduce or encourage certain actions by the banking sector, including both deposit and lending activity and changes to the holding of securities (primarily Turkish government securities). For example, under a policy to simplify the regulatory environment in the second half of 2023, the Central Bank has removed certain requirements relating to the conversion of foreign exchange-denominated deposits and related securities maintenance regulation and reserve requirements. The adjustments in reserve requirement ratios have frequently been combined with changes in the Central Bank's interest rate and liquidity management policies, which directly influence the Group's deposit and lending rates and thereby impact margins and results of operations given the maturity mismatch between shorter term assets and longer-term liabilities (see "*Risk Management—General—Liquidity Risk Management*"). The Central Bank has also used unconventional policy tools from time to time, including the foreign exchange-protected Turkish Lira deposit scheme and various measures aimed at limiting loan pricing in 2022 and 2023, which have impacted the financial condition and profitability of the Turkish banking sector.

In 2022, the Central Bank progressively decreased the policy rate. On 18 August 2022, the MPC decided to reduce the policy rate from 14.00% to 13.00%, followed by further reductions to 12.00% on 22 September 2022, 10.50% on 20 October 2022 and 9.00% on 24 November 2022. The policy rate was further decreased to 8.50% on 23 February 2023, however, following the presidential elections in May 2023, the MPC increased the rate to 15.00% in June 2023 and then raised it incrementally to 50.00% by 21 March 2024. The 50.00% rate was maintained until 26 December 2024, when the MPC decided to reduce the policy rate to 47.50% due to stable underlying inflation trend in November and slowing domestic demand. On the same day, the MPC adjusted the monetary policy operational framework by setting the Central Bank overnight borrowing and lending rates 150 basis points below and above the one-week repo auction rate, respectively. On 23 January 2025, the MPC decided to further reduce the policy rate from 47.50% to 45.00% due to its continued decisiveness regarding tight monetary stance which is aimed at strengthening the disinflation process through moderation in domestic demand, real appreciation in Turkish Lira, and improvement in inflation expectations. On 6 March 2025, the MPC decided to further reduce the policy rate from 45.00 % to 42.50%. The MPC stated that the tight monetary stance will be maintained until a significant and sustained decline in the underlying trend of monthly inflation is observed, and inflation expectations converge to the projected forecast range. The MPC also announced that it continues to target 5% inflation in the medium term. As noted in "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Inflation*," there was a de-linking of market interest rates in Türkiye from Central Bank policy rates in 2022, which had various effects, including resulting in very positive returns on CPI-linked securities and increased profitability of Turkish banks in Turkish Lira terms. For more information on the Central Bank's interest rates, see "*Interest Rates and Central Bank Policy*."

Laws also are imposed or amended from time to time to require Turkish banks to adhere to certain restrictions on their lending to consumers, including with respect to credit cards. These regulatory changes might inhibit the growth of both interest and fee income for the Group. For examples of certain such requirements, see "*Turkish Regulatory Environment—Consumer Loan, Provisioning and Credit Card Regulations*."

Global Economic Conditions

The Bank's performance will continue to be influenced by conditions in the global economy. The outlook for the global economy (and particularly emerging markets) over the near to medium term remain challenging, which in turn might impact prospects for stabilisation and improvement of economic and financial conditions in Türkiye. A lack of improvement, or deterioration in these conditions, might have a material adverse effect on the Bank's business, financial condition and/or results of operations.

While the global economy recovered in 2021 from the COVID-19, growth in 2022 and 2023 was negatively impacted by rate increases implemented by the U.S. Federal Reserve and other central banks in response to elevated inflation levels, with economic growth in the EU in particular stagnating in the second half of 2023. In the second half of 2024, the U.S. Federal Reserve and other central banks started loosening monetary policy and reducing the interest rates. However, economic growth in the U.S. slightly slowed down, where economic growth in the EU slightly improved compared to 2023. For further information on macroeconomic risk factors, see "*Risk Factors—Risks Relating to the Group and its Business*" and "*Risk Factors—Risks Relating to Türkiye*."

Inflation continued to accelerate throughout 2022 and 2023, prompting central banks towards tightening monetary policy.

As a result of continuing increase in inflationary pressures, in 2023, the Federal Reserve, the ECB and the Bank of England raised their policy rates to 5.25-5.50%, 4.5% and 5.25%, respectively. Developing countries have also tightened monetary policy in line with these advanced economies. A shift among major central banks monetary policies began in the second half of 2024, with the Federal Reserve, the ECB and the Bank of England initiating rate cuts and forecasts suggesting further rate reductions through 2025 and 2026. By December 2024, the Federal Reserve, the ECB and the Bank of England had policy rates of 4.25%-4.50%, 3% and 4.75%, respectively. These and other key factors, such as geopolitical tensions, might have a material adverse impact on international financial markets and economic conditions and, in turn, the market's anticipation of these impacts might have a material adverse effect on the Turkish economy and the Bank's business, financial conditions and/or liquidity. In particular, these factors might disrupt payment systems, money markets, long-term and short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding.

Loan Growth

In 2023, consumer loans (excluding credit card loans) increased by 50.3%, Turkish Lira-denominated business banking loans increased by 37.5% and credit card loans grew by 116.3% from 2022.. During 2022, the Bank gained market share among commercial banks in Turkish Lira-denominated loans, Turkish Lira-denominated business banking loans, SME loans, consumer general purpose loans and credit cards; *however*, the growth composition changed during 2023, with the Bank gaining market share among commercial banks in 2023 in Turkish Lira-denominated loans, Turkish Lira-denominated business banking loans and SME loans. According to bank-only BRSA weekly data, as of 27 December 2024, the Bank had a market share of 21.8% in Turkish Lira-denominated loans, compared to its private peers. As of the same date, the Bank ranked as number one in Turkish Lira-denominated consumer loans and number two in Turkish Lira-denominated business banking loans, compared to its private peers.

Growth in Turkish Lira-denominated loans in 2023, which also carried over into 2024, was significantly impacted by the regulatory environment. In 2024, the growth in Turkish Lira-denominated performing loans was 52.3%, which was above the sector growth of 30.1%. The growth remained strong in credit card loans and Turkish Lira-denominated consumer loans, which increased by 74.0% and 55.1%, respectively, and outperformed the sector's growth of 52.3% and 35.0% respectively, as of 31 December 2024 from the end of the previous year. As the regulatory price cap on Turkish Lira-denominated commercial loans gradually eased throughout 2023 and was removed in 2024, the growth in Turkish Lira-denominated commercial loans was 34.8% during 2024, which was above the sector's growth of 19.7%. The growth in Turkish Lira-denominated commercial loans was lower than other segments as demand from corporates was subdued due to expectation of rate cuts in 2025.

With respect to foreign currency-denominated loans, these increased by 5.0% in 2023 largely due to redemptions and attractive spreads on export loans. In 2024, foreign currency-denominated loan growth was 12.9%. A 2.0% monthly growth cap for foreign currency-denominated loans was introduced in May 2024 which was further tightened to 1.5% in July 2024 (which was further reduced to 1.0% in January 2025). However, the Bank grew in areas such as export loans, which are not subject to the cap.

As of 31 December 2024, total loans represented 59.2% of the Group's assets.

In December 2016, the Turkish government announced the KGF programme, which aimed to boost economic growth, support high potential companies that have difficulty accessing funding due to collateralisation constraints and help Turkish banks to grow by allowing 0% risk weight to be applied to the guaranteed portion of these loans. This programme has contributed significantly to the growth in Turkish Lira-denominated loans, in 2022 (but not 2023 and 2024). See "*Risk Factors—Risks Relating to the Group and its Business—Credit Risks—Counterparty Credit Risk*" for additional information about the KGF programme.

Currency Exchange Rates

A significant portion of the Group's assets and liabilities is denominated in foreign currencies, particularly U.S. dollars and euro. The share of Turkish Lira-denominated assets and liabilities in the Group's balance sheet changed from 55.5% and 44.3%, respectively, as of 31 December 2022 to 58.7% and 51.6%, respectively, as of 31 December 2023 and 61.2% and 55.9%, respectively, as of 31 December 2024. The increases in 2022 and 2023 for Turkish Lira-denominated assets in large part were due to higher demand for Turkish Lira-denominated loans, especially in 2022 and the first three months of 2023, as a result of the interest rates being low as opposed to the inflationary environment, and due to the fact that demand for foreign currency-denominated loans was muted as a result of the volatility in foreign currencies and lack of availability of large foreign currency-denominated project finance loans. In 2024, the demand in Turkish Lira-denominated loans remained strong driven by the robust growth in credit cards and SME loans.

While the Group monitors its net open position in foreign currencies (*i.e.*, the amount by which its foreign currency-denominated assets differ from its foreign currency-denominated liabilities) and each of the Bank and the Group is required to comply with foreign currency net open position limits promulgated by the BRSA, each of the Bank and the

Group has maintained (and likely will continue to maintain) gaps between the balances of its foreign currency assets and liabilities. A bank's limit imposed by the BRSA is defined as an amount plus/minus 20% of the total capital used in the calculation of such bank's regulatory capital adequacy ratios. The Group's and the Bank's foreign currency net long open position ratios were 5.7% and 4.6%, respectively, as of 31 December 2022, 9.5% and 9.3%, respectively, as of 31 December 2023 and 7.0% and 6.9%, respectively, as of 31 December 2024.

The Group had a net long open foreign currency position (including both on and off balance sheet positions) of US$532 million as of 31 December 2022, US$883 million as of 31 December 2023 and US$809 million as of 31 December 2024. In 2023 and 2024, derivative transactions were the primary factor in the continuing large net open foreign currency positions, with the Group hedging its balance sheet against the possibility of the continued depreciation of the Turkish Lira. The Group utilises swaps opportunistically to manage its funding cost, including (in times of excess foreign currency liquidity) utilising swaps when market conditions are attractive to create additional Turkish Lira liquidity.

The following table provides the Group's net open position in different currencies as of the indicated dates:

	As of 31 December		
	2022	**2023**	**2024**
		(millions)	
U.S. dollars	$(87)	$167	$(6)
Euro[1]	€226	€301	€390
Other currencies[2]	$377	$382	$411
Total net foreign currency position[1][2][3]	**$532**	**$883**	**$809**

(1) For the convenience of the reader, the total amounts of euro have first been converted into Turkish Lira by using the rates announced by the Bank as of the last day of the applicable period and were then converted into U.S. dollars based upon the TL/$ exchange rate as of such dates.

(2) For the convenience of the reader, the total amounts of other currencies have first been converted into Turkish Lira by using the rates announced by the Bank as of the last day of the applicable period and were then converted into U.S. dollars based upon the TL/$ exchange rate as of such dates.

(3) The positions indicated are net of the effects of hedging transactions and other off-balance sheet positions.

The Group translates its foreign currency-denominated assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains or losses realised upon the sale of such assets, into Turkish Lira in preparing its financial statements at the foreign exchange rate as of the balance sheet date. As a result, the Group's reported income is affected by changes in the value of the Turkish Lira with respect to foreign currencies. The overall effect of exchange rate movements on the Group's results of operations depends upon the successful implementation of the Group's hedging strategies as well as upon the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies, particularly if such depreciation or appreciation is of a larger scale than anticipated. The Group generally seeks to be fully hedged in terms of foreign exchange exposures; *however*, depending upon market conditions, it may prefer to carry certain open positions through spot or derivative foreign exchange transactions. In such cases, exposures are managed with hedges subject to the limits set by the management of the Bank and its subsidiaries and applicable BRSA legal limits. Recent regulatory changes for foreign currency transactions have aimed to preserve financial stability (*e.g.*, limiting the utilisation of foreign currency-denominated loans to exporters who have a natural foreign currency hedge and restricting the types of business contracts that can be executed in foreign currencies); *however*, the impact of these changes on the Group has been limited.

Currency volatility has been managed by the Group's reasonably balanced foreign currency position and hedging strategy. The Group had (after considering the Group's hedging strategy and other off-balance sheet positions) net foreign exchange and derivatives gains of TL 8,701,043 thousand in 2022, gains of TL 31,639,384 thousand in 2023 and gains of TL 7,384,763 thousand in 2024. These results were principally derived from swaps. See also "*—Operating Income—Other Operating Income*" and "*—Other Operating Expenses*" in "*—Analysis of Results of Operations for the years ended 31 December 2022, 2023 and 2024*."

Exchange rate movements can also have an effect on the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital, which can affect capital adequacy either positively (for example, if the Turkish Lira appreciates, then assets in foreign currencies translate into fewer Turkish Lira in the calculations of capital adequacy ratios and thus increase the capital adequacy ratios) or negatively (for example, if the Turkish Lira depreciates, then assets in foreign currency translate into more Turkish Lira in the calculations of capital adequacy ratios and thus reduce the capital adequacy ratios). In 2022 and 2023, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased as a result of the 28.71% and 36.40%, respectively, depreciation of the Turkish Lira against the U.S. dollar. In comparison, the increase in capital adequacy in 2024, compared to 2023, was mainly driven by issuance of two Tier-2 bonds with a nominal value of US$750 million and US$500 million by the Bank in 2024. In addition, the BRSA terminated the application of the 200% risk-weight to commercial cash loans and application of the 150% risk-weight to retail cash loans, which also contributed to the increase in capital adequacy in 2024. See "*—Capital*

Adequacy" below and "*Risks Relating to Türkiye—Economic Conditions*" and "*Risks Relating to Türkiye—Turkish Regulatory and Other Matters—Banking Regulatory Matters*."

Interest Rates and Central Bank Policy

One of the primary factors influencing the Group's profitability is the level of short-term interest rates in Türkiye (including both policy rates and market rates, which have been further impacted by market expectations regarding inflation and foreign exchange rates), which affects the return on its securities portfolio and its loan and deposit rates. Turkish Lira-denominated treasury bills and bonds sold through public auction had average compound interest rates of 16.96% and 11.46% in 2022 and 2023, respectively. Interest rates earned and paid on the Group's assets and liabilities reflect, to a certain degree, current inflation, expectations regarding inflation, shifts in short-term interest rates set by the Central Bank and movements in long-term real interest rates. The fluctuations in short-term and long-term interest rates impact the Group's net interest income differently based upon the repricing profile of the Group's interest-earning assets and interest-bearing liabilities. As of 31 December 2024, 13.3% of the Bank's Turkish Lira-denominated cash loan portfolio carried a floating interest rate (11.0% and 13.1%, respectively, as of 31 December 2022 and 2023).

The degree of the Group's exposure to interest rate risk is largely a function of the relative tenors of its interest-earning assets and interest-bearing liabilities, its ability to reprice (and the timing of any such repricing of) its interest-earning assets and interest-bearing liabilities (*e.g.*, whether their interest rates are determined on a fixed or floating basis) and its ability to hedge against interest rate risk.

Because the Group's interest-bearing liabilities (principally deposits) generally reprice faster than its interest-earning assets, changes in the short-term interest rates in Türkiye are generally reflected in the rates of interest paid by the Group on its liabilities before such interest rates are reflected in the rates of interest earned by the Group on its assets. Therefore, when short-term interest rates fall, the Group is both positively affected (for example, the value of its fixed rate securities portfolio might increase and its interest margins might improve), but can also be negatively impacted (for example, through the decline in net interest margins on assets (such as new loans) funded by relatively low interest rate deposits, including demand deposits). On the other hand, when short-term rates increase, the Group's interest margin is generally negatively affected as it will generally pay higher interest rates on its interest-bearing liabilities before it can modify the rates of its interest-earning assets. As rates were reduced through 2022, the Group benefitted by obtaining reduced funding costs and improved margins, particularly as market interest rates on loans and securities were de-linked from policy rates. An increase in long-term rates generally has at least a short-term negative effect on the Group's net interest margin because its interest-earning assets generally have a longer repricing duration than its interest-bearing liabilities and because a portion of its interest-earning assets have fixed rates of interest.

Notwithstanding that general result, the first half of 2023 saw an increased lack of correlation between the policy rate and actual funding costs due to rapid changes in the regulatory environment and the Central Bank's Liraisation strategy, which increased Turkish Lira deposit costs due to increased competition among Turkish banks. On the other hand, the resultant volatility in the market, which was also impacted by the lead-up to the May 2023 elections, enabled the Bank to reduce its duration gap significantly in order to prepare its balance sheet for potential increases in the policy rate after the election. After the elections, the Central Bank gradually increased the rate to 42.50% as of the end of 2023 and to 50.00% by 21 March 2024. The rate remained at 50.00% until 26 December 2024, when the Central Bank lowered the key interest rate by 2.5 percentage points to 47.50%. Subsequently, on 23 January 2025, the Central Bank reduced the rate by another 2.5 percentage points, bringing it to 45.00% and on 6 March 2025, it further reduced the policy rate to 42.50%, where it remains as of the date of this Supplement. In addition, although many regulatory measures were eased by the Central Bank following the election, new ones that incentivise Liraisation (specifically to require exit from the foreign currency-protected deposit scheme) and increased reserve requirement costs were introduced, with respect to which the Turkish banking sector (including the Bank) increased the interest rate paid on Turkish Lira deposits in order to encourage customers to switch to standard Turkish Lira time deposit from foreign currency deposits.

Due to an increasing trend in inflation, income from CPI-linked securities increased in 2022 and 2023 (the CPI used in the determination of the Group's CPI-linked securities was 85.5% and 61.4% in 2022 and 2023, respectively), serving as a hedge in an inflationary environment. In 2024, income from CPI-linked securities increased, with the CPI used in the determination of the Group's CPI-linked securities being 48.6% in 2024. As of 31 December 2022, 2023 and 2024, 41.0%, 46.8% and 42.4%, respectively, of the Group's securities portfolio consisted of CPI-linked securities.

Interest rates are expected to remain volatile as a result of factors generally affecting emerging markets as well as domestic economic and political conditions in Türkiye. See "*—Turkish Economy" above and "Risk Factors—Risks Relating to the Group and its Business—Market Risks—Interest Rate Risks*."

As noted above, the Central Bank has adjusted reserve requirement ratios as a policy tool at various times in the past several years to reduce or encourage certain actions by the banking sector, including both deposit and lending activity. For example, on 19 August 2019, the Central Bank decided to revise the reserve requirement ratios for Turkish Lira liabilities of banks whose annual loan growth (to be calculated according to the procedures and principles determined by

the Central Bank) is between 10% and 20% of the sum of their loans of a standard nature and loans under close monitoring (calculated in Turkish Lira) (excluding foreign currency-indexed loans and loans extended to banks). Accordingly, the reserve requirement ratio for such liabilities is set at 2% in all maturity brackets, excluding: (a) deposits and participation funds with one year or longer maturity (excluding deposits/participation funds obtained from banks abroad) and (b) other liabilities with a longer than three year maturity (including deposits/participation funds obtained from banks abroad). Such reserve requirement ratios are applied for a three-month period after the calculation period, which will be determined by the Central Bank.

On 26 March 2019, the Central Bank started to execute short-term U.S. dollar/Turkish Lira swap transactions (where the Central Bank borrows U.S. dollars and lends Turkish Lira) with local banks in order to limit the impact of the tight liquidity of the Turkish Lira (before this date, the Central Bank had only been executing swap transactions with local banks where it lent foreign currency and borrowed Turkish Lira).

On 24 February 2021, the Central Bank: (a) increased Turkish Lira reserve requirement ratios by 200 basis points for all liability types and maturity brackets, (b) revised portions of the Turkish Lira reserve requirements that Turkish banks are permitted to maintain in U.S. dollars and standard gold and (c) revised to 13.50% the remuneration rate for Turkish Lira-denominated required reserves. On 1 July 2021, the Central Bank: (i) reduced the maximum percentage of Turkish Lira reserves it can allow to be held in U.S. dollars from 20% to 10% and terminated the option of Turkish banks to maintain a portion of the Turkish Lira reserve requirements in U.S. dollars as of 1 October 2021, (ii) increased the reserve requirement ratios for foreign currency-denominated deposits and participation funds by 200 basis points for all maturity brackets and (iii) started to apply remuneration rates from 13.5% to 19.0% *per annum* for Turkish Lira-denominated reserves of banks depending upon certain conditions, each of which changes became effective from the calculation date of 6 August 2021 (with the maintenance period starting on 19 July 2021). On 15 September 2021, the Central Bank increased reserve requirement ratios for foreign currency-denominated deposits and participation funds and precious metals deposit accounts by 200 basis points for all maturity brackets effective as of 17 September 2021. On 9 November 2021, the Central Bank: (A) further reduced the maximum percentage of Turkish Lira reserves it would allow to be held in standard gold from 15% to 10% and announced that the facility for holding standard gold for Turkish Lira reserve requirements will be gradually decreased and eventually terminated and (B) increased the reserve requirement ratios for foreign currency deposits/participation funds by a further 200 basis points for all maturity brackets effective from the calculation date of 12 November 2021 (with the maintenance period starting on 28 October 2021). On 21 December 2021, the Central Bank amended the Communiqué Regarding Reserve Requirements to exclude in the calculation of reserve requirements the amounts converted from foreign exchange deposits/participation funds into Turkish Lira term deposits/participation funds. In addition to that, the Central Bank abolished with effect from 21 June 2024 the requirement of additional mandatory reserves based on the financial leverage ratio falling within certain intervals, with its Communiqué No. 2024/15 amending the Communiqué on Reserve Requirements published in the Official Gazette dated 28 June 2024 and numbered 32586.

On 23 April 2022, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 29 April 2022) to require Turkish banks to establish mandatory reserves for their Turkish Lira-denominated commercial cash loans; *provided* that the following are excluded: (a) loans provided to SMEs, tradesmen, financial institutions and/or certain governmental authorities and their subsidiaries and (b) export and investment loans, agricultural loans and corporate credit cards. With respect to such amendments (as further amended on 10 June 2022), banks are required to reserve 20% of the relevant commercial loans (as calculated on the last Friday of every four-week period) for a maintenance period of four weeks. In addition, as a provisional application, banks with a growth rate in loans subject to reserve requirements above 20% as of 31 May 2022 compared to 31 December 2021 were required to maintain mandatory reserves between 10 June 2022 and 24 November 2022 at a rate of 20% of the difference between their existing such loan balances on 31 March 2022 and 31 December 2021. In addition to that, the Central Bank abolished with effect from 21 June 2024 the requirement of additional mandatory reserves based on the financial leverage ratio falling within certain intervals, with its Communiqué No. 2024/15 amending the Communiqué on Reserve Requirements published in the Official Gazette dated 28 June 2024 and numbered 32586. See also "*Turkish Regulatory Environment—Liquidity and Reserve Requirements*" with respect to certain other actions taken since the beginning of 2022.

Such adjustments have had, and are likely to continue to have, an impact on the Group's results of operations and financial condition.

The Group's balance sheet structure provides a partial hedge against short- to medium-term interest rate movements. Lower interest rates, together with economic stability, support loan growth and NPL collections. Higher interest rates, on the other hand, have a positive effect on yields on securities, since a significant portion of the Group's securities have a variable interest rate, which partly mitigates higher deposit costs and slowing loan growth. The Group's senior management seeks to proactively change the mix of the Group's variable and fixed rate assets and liabilities depending upon market conditions and expectations, while bearing in mind market trends and the Group's risk management policies, to minimise risk and maintain a balanced composition of assets and liabilities.

The following table provides the Bank's net interest margin and average spread for the indicated periods:

	As of 31 December		
	2022	2023	2024
Net interest margin	11.1%	6.2%	5.8%
Turkish Lira assets	16.5%	6.6%	6.3%
Foreign currency assets	2.3%	5.5%	4.5%
Average spread			
Turkish Lira assets/liabilities	9.1%	2.1%	2.0%
Foreign currency assets/liabilities	3.2%	3.3%	3.2%

The following table provides the Group's net interest margin and average spread for the indicated periods:

	As of 31 December		
	2022	2023	2024
Net interest margin	9.1%	5.4%	5.4%
Average spread	5.3%	(1.4)%	(5.7)%

In 2023, the net interest margin declined to 5.4% compared to 9.1% in 2022, reflecting the increased funding costs (due in part to strong competition for deposits). In 2024, net interest margin remained stable at 5.4%. Despite the continuing impact of macroprudential policies which capped the loan growth and led to an increase in the cost of deposits, due to increased reserve requirements and revised conversion targets for conversion of foreign currency-protected deposits to standard Turkish Lira deposits, the Group's net interest margin remained stable mainly with the support of interest income from reserve requirements.

Significant Securities Portfolio

The Group has historically generated a significant portion of its interest income from its securities portfolio, with interest income on the Group's securities portfolio in 2022, 2023 and 2024, accounting for 31.3%, 23.1% and 15.4%, respectively, of its total interest income and 22.5%, 14.9% and 11.2%, respectively, of its total operating profit before deducting interest expense and fees and commissions. The CPI-linked securities in the Group's investment securities portfolio provided high real yields compared to other government securities in each of such periods, benefitting from the high inflation environment, but their impact on the Group's earnings might vary as inflation rates change.

The Group has also experienced large realised and unrealised gains and losses from the mark-to-market valuation and sale of securities, the results for which showed gains representing 9.4% of the Group's other operating income in 2022, gains representing 1.1% of the Group's other operating income in 2023 and losses representing 0.2% of the Group's other operating income in 2024. In addition, the Group experienced meaningful trading income in 2022, 2023 and 2024 as a result of increased foreign exchange trading by customers due to the volatility in the Turkish Lira.

Contribution of income from the Group's securities portfolio (including interest earned, trading income and other income) has been significant over the past three fiscal years, and in 2024, interest income on the securities portfolio was higher compared to 2023. Despite lower CPI rate used in the valuation of CPI linkers (i.e., instruments such as bonds that have their interest payments directly tied to the CPI), income on CPI linkers was higher due to growing internal rate of return value of CPI linkers. Other securities' income (excluding CPI linkers) also increased year on year due to an increase in the amount of fixed rate securities in the Group's securities portfolio. As of the date of this Supplement, the Bank's management expects that (in the short- to medium-term) the relative size of the Bank's securities portfolio compared to its total assets will likely remain fairly stable.

The Group's securities portfolio principally contains Turkish government debt securities, with more limited holdings of other securities such as corporate and foreign government debt securities. The Group's investment securities portfolio (which: (a) excludes its financial assets measured at fair value through profit or loss and (b) includes: (i) financial assets measured at fair value through other comprehensive income and (ii) financial assets measured at amortised cost) represented 15.3%, 14.4% and 13.6%, respectively, of the Group's total assets as of 31 December 2022, 2023 and 2024. The recent increases in the Group's securities portfolio were largely due to the introduction of regulations requiring Turkish banks to hold Turkish government securities (*e.g.*, the Bank's share of Turkish Lira deposits in its retail and commercial deposits were (separately) below 60%, which required the Bank to purchase long-term fixed rate Turkish government securities); *however*, some of these regulations (*e.g.*, the Bank's share of Turkish Lira deposits in its retail and commercial deposits (separately)) were, at the end of October 2023, changed to require the payment of a commission instead of holding Turkish government securities. The Bank's management actively manages the Bank's balance sheet composition to seek to minimise the impact of these regulations related additions and improve its net interest margin, which management has enabled the share of the Group's investment securities portfolio in its total assets to remain fairly constant and allow the Group to continue its focus on cash loan lending.

TFRS 9 provides for a forward-looking expected credit loss ("*ECL*") approach. See note 3.8 in the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2023 and note 3.8 in the Group's BRSA Financial Statements as of and for the year ended 31 December 2024. Therefore, the Group recognises expected credit losses at initial recognition for all financial assets measured at fair value through other comprehensive income (excluding equity instruments) and financial assets measured at amortised cost.

Provisions for Expected Credit Losses

The Group's financial results can be significantly affected by the amount of provisions for expected credit losses. In 2023, the Group's provisions for losses on loans and other receivables increased 50.58% to TL 39,154,209 thousand from TL 26,005,040 in 2022; *however*, the NPL ratio decreased to 2.1% from 2.6%. In 2023, the NPL ratio decline was principally the result of the limited NPL inflows during a time of high growth in loans and TL 13.7 billion in write-downs (write-downs reduced the NPL ratio by 1.05%). See "*Turkish Regulatory Environment—Expected Credit Losses*."

In 2024, the Group's provisions for expected credit losses were TL 58,096,119 thousand. Although NPL inflows continued, mainly driven by unsecured consumer loans, the Group's NPL ratio remained stable at 2.1% as of 31 December 2024.

The Bank's management has taken additional provisions in the form of general reserves, which the Bank's management has implemented in accordance with the conservatism principle; *however*, all of such reserves were reversed in 2023. See "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification*." The Group is unable to deduct general reserves from its taxable income, and thus an increase in general reserves increases the Group's effective tax rate.

The Bank's management elected to allocate TL 330,000 thousand in general reserves in 2009 in order to act conservatively in the context of the uncertainty created by the global financial crisis. The Bank's management revised these reserves over the years, including increasing them by TL 500,000 thousand in 2022 (to TL 8,000,000 thousand), in each case due to the possible effects of negative circumstances that might arise in the economy or in market conditions. During 2023, the Bank's management (in light of the normalisation of the macro-economic conditions after the May 2023 elections) reversed all of such general reserves. EY's reports included in the BRSA Financial Statements incorporated by reference into this Base Prospectus was qualified with respect to general reserves that were allocated by the Bank in 2023, because general reserves are not permitted under the BRSA Principles. See "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification*."

Critical Accounting Policies

The Group's accounting policies are integral to understanding its financial condition and results of operations presented in the BRSA Financial Statements. The Group's critical accounting policies under the BRSA Principles as of and for the year ended 31 December 2024 are described in the notes to the Group's BRSA Financial Statements (critical accounting policies for BRSA Financial Statements for other accounting periods being set forth in the notes in the applicable BRSA Financial Statements).

In the application of the Group's critical accounting policies, the management is required to make judgments, estimates and assumptions about future conditions. The use of available information and the application of judgment are inherent in the formation of estimates. The Group's critical accounting policies are those that are most important to the portrayal of its financial condition and results of operations and that require the Group to make its most difficult and subjective judgments, often as a result of a need to make estimates of matters that are inherently unpredictable. The Bank's management believes that, as of the date of this Supplement, the Group's critical accounting policies where judgment is necessarily applied are those related to expected credit losses, business model assessment, a significant increase in credit risk, the establishment of groups of assets with similar credit risk characteristics, models and assumptions used, establishing the number and relative weightings of forward-looking scenarios and determining the forward looking information relevant to each scenario, probability of default, loss given default, fair value measurement and valuation process, valuation of defined benefit plans and income taxes. Management bases its estimates and judgments upon historical experience and various other factors that the Bank's management believes to be reasonable under the circumstances. The Group's actual results might differ significantly from these estimates under different assumptions, judgments and conditions.

The policies related to the critical accounting judgments are outlined below. All other significant accounting policies that are necessary for a fair presentation of the Group's financial condition and results of operations are presented in Section Three of the notes in the applicable BRSA Financial Statements.

Classification of financial assets

Financial assets comprise cash, contractual rights to obtain cash or another financial asset from or to exchange financial instruments with a counterparty, or capital instrument transactions with a counterparty. They have the ability to

affect and diminish the liquidity, credit and interest rate risks in the Group's financial statements. The rules that apply to the classification of financial assets under TFRS 9 are described below.

Classification and measurement of financial assets. According to TFRS 9 requirements, the classification and measurement of a financial asset depends upon: (a) the business model within which such financial asset is managed and (b) the contractual cash flow characteristics of such financial asset. Each of the categories of financials assets under TFRS 9 is described below.

Financial assets measured at fair value through profit or loss: Financial assets measured at fair value through profit or loss are financial assets that are either acquired to generate profit from short-term fluctuations in their prices or are financial assets included in a portfolio that has been created to realise short-term profit. Financial assets measured at fair value through profit or loss are initially recognised at fair value and are thereafter remeasured at their fair value. All gains and losses arising from these valuations are reflected in the Group's income statement.

Financial assets measured at fair value through other comprehensive income: In addition to financial assets within a business model for which there is an intention of holding to collect contractual cash flows and to sell, financial asset with contractual terms for which expected cash flows are solely payments of principal and interest at certain dates are classified as financial assets measured at fair value through other comprehensive income. These financial assets are recognised by adding transaction cost to acquisition cost, the sum of which represents the initial fair value of the financial asset. After their initial recognition, financial assets measured at fair value through other comprehensive income are remeasured at their fair value. Interest income, calculated with the effective interest rate method, arising from financial assets measured at fair value through other comprehensive income and dividend income from equity securities are recorded under the Group's income statement. "Unrealised gains and losses" arising from the difference between the amortised cost and the fair value of financial assets measured at fair value through other comprehensive income are not reflected in the Group's income statement until the acquisition of the financial asset, sale of the financial asset, disposal of the financial asset and impairment of the financial asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" line item under shareholders' equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are reflected to the Group's income statement.

Equity securities that have a quoted market price in an active market and the fair value of which can be reliably measured are carried at fair value and classified as financial assets measured at fair value through other comprehensive income. Equity securities that do not have a quoted market price in an active market and the fair value of which cannot be reliably measured are carried at cost less provision for impairment.

Financial assets measured at amortised cost: Financial assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortised cost. Financial assets measured at amortised cost are initially recognised at their acquisition cost, including the transaction costs, which reflect the fair value of those financial assets, and then are subsequently recognised at amortised cost by using the effective interest rate method. Interest income obtained from financial assets measured at amortised cost is accounted in the Group's income statement.

Loans: Loans are financial assets that have fixed or determinable payment terms and are not quoted in an active market. Loans are initially recognised at acquisition cost *plus* transaction costs, which represent their initial fair value, and are thereafter measured at amortised cost using the effective interest rate method. Group loans and receivables are initially carried at cost value. Group loans are measured at amortised cost using an internal rate of return. Short-term and long-term loans are grouped as uncollateralised or collateralised, foreign currency-denominated loans are initially recognised in their original currency and revalued thereafter using the applicable foreign exchange buying rate of the Group. Foreign exchange-indexed loans are revalued in Turkish Lira by the applicable foreign exchange buying rate of the Group at the date they are revalued. Repayments of these loans are calculated in Turkish Lira terms by applying the applicable foreign exchange selling rate of the Group at the repayment date. The Group's loans are recognised under the "measured at amortised cost" account.

Explanations for expected credit loss provisions: The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial assets. The amount of expected credit losses, known as loss provision or provisions, varies according to the credit risk. There are two measurements according to the general approach:

- a 12-month expected loss provision (Stage 1) applies to all assets unless there is a significant deterioration in the credit quality, and
- a lifetime expectation loss (Stage 2 and Stage 3) is applied when there is a significant increase in credit risk or there is observed evidence of impairment.

Impairment. The Group recognises provisions for impairment of its financial assets in accordance with TFRS 9 requirements according to the Classification of Loans and Provisions Regulation. In this framework, the method of

calculating provisions for impairment as set out in accordance with the relevant laws was replaced by the expected credit loss model under TFRS 9. The expected credit loss model includes financial assets that are measured at amortised cost or at fair value in other comprehensive income (such as bank deposits, loans and securities), financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts. The guiding principle of the expected credit loss model is to reflect the increase in the credit risk of financial assets or the general view of the recovery thereon. The amount of allowance for an expected credit loss depends upon the degree of the increase in credit risk since the initial allocation of the loan. Expected credit loss for a financial asset is an estimate of the expected credit losses over the life of such financial instrument.

Hedge Accounting

TFRS 9 introduced hedge accounting rules aiming for alignment with risk management activities; *however*, TFRS 9 allows companies to defer application of TFRS 9 hedge accounting rules and instead choose to continue applying hedge accounting provisions of TAS 39 as a policy choice. Accordingly, as of the date of this Supplement, the Bank and its financial subsidiaries continue to apply hedge accounting in accordance with TAS 39.

Impairment of Financial Assets and Expected Credit Losses

The Group's accounting policy for losses/expected credit losses arising from the impairment of customer loans and other financial assets is described in note 3.8 of the Group's BRSA Financial Statements as of and for the year ended 31 December 2024. Under TFRS 9, the measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information, which is based upon assumptions for future movement of different economic drivers and how these drivers will affect each other. These estimates are driven by a number of factors, changes in which might result in different levels of allowances. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The Group reviews its financial assets as of each balance sheet date to determine whether there is objective evidence of impairment. If there is objective evidence that the Group will not be able to collect all amounts due (principal and interest) according to the original contractual terms of a loan, then the loan is considered impaired and classified as an "NPL." Under TFRS 9, Stage 3 (credit-impaired) loans are classified as NPLs. The Group considers an asset to be in default in the following two conditions:

(a) *Objective Default*: There is an objective default if the debt is past due more than 90 days, and/or

(b) *Subjective Default*: There is a subjective default if a debt is unlikely to be paid regardless of the existence of any past-due amount or the number of days past due.

Accordingly, if there is either an objective default or a subjective default, then the Group considers a financial asset to be defaulted and therefore classifies it as a Stage 3 (credit-impaired) financial asset.

The allowance for a loan is measured as the difference between the loan's carrying amount and the present value of expected future cash flows discounted at the loan's original effective interest rate, including any probable foreclosure of collateral. Impairment and uncollectibility are measured and recognised individually for loans and receivables that are individually significant, and on a portfolio basis for a group of similar loans and receivables that are not individually identified as impaired.

Any expected credit loss assessment is performed either on a collective basis or an individual basis. Collective assessment is applied for segments defined on the basis of similar risk characteristics. On the other hand, individual assessment is performed for loans that are individually significant and exhibit specific characteristics. Accordingly, certain commercial and corporate loans are individually assessed. Calculations are performed by discounting the expected cash flows for the individual financial instrument to its present value using the effective interest rate.

See also the discussion under "*Significant Factors Affecting the Group's Financial Condition and Results of Operations—Provisions for Expected Credit Losses*" for further risk assessment of the Group regarding expected credit losses and "*Selected Statistical and Other Information—Summary of Loan Loss Experience*" below for classification of the Group's loan portfolio and provisions.

Fair Value of Securities

The Group's securities are classified as either financial assets measured at fair value through profit or loss or investment securities (which include both financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost). Financial assets measured at amortised cost are recorded at their acquisition

cost and measured at amortised cost calculated as per the effective interest rate method and financial assets measured at fair value through other comprehensive income (which collectively represented 43.5%, 31.1% and 33.0%, respectively, of the Group's total securities portfolio as of 31 December 2022, 2023 and 2024) were recorded at fair value, with changes in fair value being recorded in income (for the trading portfolio and where there is an impairment or sale of financial assets measured at fair value through other comprehensive income) or shareholders' equity (for mark-to-market movements in financial assets measured at fair value through other comprehensive income).

The following table sets out the distribution of the Group's securities recorded at fair value as of each of the indicated dates:

	31 December		
	2022	**2023**	**2024**
		(TL thousands)	
Financial assets measured at fair value through profit or loss (net) (excluding derivative financial assets held for trading)	5,712,575	8,534,839	12,072,781
Financial assets measured at fair value through other comprehensive income	88,928,400	101,575,253	139,088,845
Total	**94,640,975**	**110,110,092**	**151,161,626**

Fair value is defined as the value at which a position could be closed out or sold in a transaction with a willing and knowledgeable unrelated party (without any deduction for transaction costs). The Bank estimates fair value using quoted market prices when available. When quoted market prices are not available, the Bank uses a variety of models that include dealer quotes, pricing models and quoted prices from instruments with similar characteristics or discounted cash flows. The determination of fair value when quoted market prices are not available involves judgment by the Bank's senior management as to whether the change in the value of a security is "other-than-temporary."

There is often limited market data to rely upon when estimating the impact of holding a large or aged position. Similarly, judgment must be applied in estimating prices when no external parameters exist. Other factors that can affect the estimates include incorrect model assumptions and unexpected correlations. The imprecision in estimating these factors might affect the amount of revenue or loss recorded for a specific asset or liability. As of 31 December 2024, the Group held financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income for which it could not use market prices or observable market inputs to determine fair value representing 5.0% of its total assets.

In addition to the financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, the Group also monitors the fair value of its financial assets measured at amortised cost to determine whether a decline in their fair value reflects that a write-down would be appropriate, which occurs if such a decline represents a loss event as described in Note 3.8 of the Group's BRSA Financial Statements as of and for the year ended 31 December 2024. Factors that are used by the Group's management in determining whether a decline is other than temporary and represents a loss event include the credit quality of the issuer, the conditions of the issuer's operations and business segments, the observed period of the loss, the degree of the loss and management's expectations. The Group calculates expected credit losses at initial recognition for all financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income that have not yet experienced a loss event.

Derivatives

The Group enters into transactions with derivative instruments, including forward contracts, swaps and options in the foreign exchange and capital markets. For example, the Group enters into interest rate swap transactions in order to hedge certain cash flow and currency exposures primarily on floating rate assets and liabilities through converting its floating rate income/payments into fixed rate income/payments. These derivative transactions are considered as effective economic hedges under the Group's risk management policies but (other than transactions in which the hedge accounting relationship is evidenced), if they do not qualify for hedge accounting under the specific provisions of TAS 39, then they are treated as derivatives held-for-trading. Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently are remeasured at their fair value.

The fair value of derivative instruments is based upon their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, then the fair value of a derivative is estimated using the available market information and the appropriate valuation methodologies; *however*, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates made are not necessarily indicative of the amounts that could be realised in a current market exchange.

The fair value of a derivative that is not exchange-traded is estimated at the amount that the Group would receive or pay to terminate the contract as of the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties. All derivatives are carried as assets when fair value is positive and recorded in the

balance sheet under "derivative financial assets measured at fair value through profit or loss" and as liabilities when fair value is negative and recorded in the balance sheet under "derivative financial liabilities measured at fair value through profit or loss." For derivatives that do not qualify for special hedge accounting (which are held for trading purposes instead), any gains or losses arising from changes in fair value are taken directly to income for the period as a component of "trading income/losses (net)" whereas gains and losses on derivative financial assets held for cash flow hedges are reflected directly as a separate component of shareholders' equity and reclassified to income when the hedged transaction is settled. TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Group has continued to apply hedge accounting in accordance with TAS 39 in this context.

Defined Benefit Plan

As described in "Management – Compensation – Pension Plans," the Bank has a defined benefit plan for its Turkish employees (*i.e.*, the Defined Benefit Fund described therein). As described therein, certain of the assets and obligations of the Defined Benefit Fund are subject to transfer to the Social Security Institution of Türkiye (*Türkiye Cumhuriyeti Sosyal Güvenlik Kurumu*) (the "*SSF*") and the SSF is required to collect the unfunded portion (if any) from the employee benefit funds and the banks employing the relevant fund participants, which will be severally liable, in annual instalments to be paid over a period of up to 15 years. If there is a shortfall at the time of the transfer of the Defined Benefit Fund (as determined by the SSF), then the Bank would be liable to make the supplemental payments described above for 15 years.

The excess benefits, which are not subject to the transfer to the SSF, are accounted for in the Group's BRSA Financial Statements in accordance with TAS 19 ("*Employee Benefits*"). The obligation in respect of this retained portion of the benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, which benefit is discounted to determine its present value by using the projected unit credit method, and any unrecognised past service costs and the fair value of any plan assets are deducted.

Taxation

Income tax is calculated on the basis of taxable income as calculated by applicable tax laws, which differ in certain material respects from the BRSA Principles. The Group's effective tax rate was 24.00% for 2022, 19.00% for 2023 and 25.62% for 2024, respectively. In preparing its financial statements, the Group is required to estimate taxes on income, which involves an estimation of current tax expenses together with an assessment of temporary differences resulting from differences between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding bases used in the calculation of taxable profit. The Group's carrying value of deferred tax assets assumes that the Group will be able to generate sufficient future taxable income based upon estimates and assumptions. If these estimates and related assumptions prove to be incorrect, then the Group might be required to record valuation allowances against its deferred tax assets resulting in additional tax expense in its income. The Group evaluates the recoverability of the deferred tax assets on each business day.

Key Performance Indicators

The Group calculates certain ratios in order to measure its performance and compare it to the performance of its main competitors. The following table sets out certain key performance indicators for the Group for the indicated dates/periods, which indicators are (among others) those used by the Group's management to manage its business:

	As of (or for the year ended) 31 December		
Ratios	**2022**	**2023**	**2024**
Annual net interest margin	9.1%	5.4%	5.4%
Net fees and commissions income/expenses as a percentage of total operating profit	13.6%	21.8%	33.8%
Cost-to-income ratio	25.6%	34.3%	46.1%
Operating expenses as a percentage of average total assets ratio	2.4%	3.0%	3.9%
NPL ratio	2.6%	2.1%	2.1%
Group's capital adequacy ratios			
Tier 1 capital adequacy ratio[(1)(4)]	16.2%	16.8%	16.1%
Common equity Tier 1 capital adequacy ratio[(2)(4)]	16.2%	16.8%	16.1%
Total capital adequacy ratio[(3)(4)]	18.6%	18.9%	19.8%
Expected credit losses to NPLs	197.6%	196.4%	155.3%
Expected credit losses to gross loans	2.4%	1.0%	1.5%
Return on average total assets	5.1%	4.6%	3.4%
Return on average shareholders' equity	47.4%	44.5%	32.5%
Loan-to-deposit ratio	84.7%	76.9%	82.9%

(1) The "Tier 1" capital adequacy ratio is calculated by dividing the "Tier 1" capital (after required deductions) by the aggregate of the value at credit risk, value at market risk and value at operational risk. See "—*Capital Adequacy*" below.

(2) The common equity Tier 1 capital adequacy ratio is calculated by dividing the "Common Equity Tier 1" capital (after required deductions) by the aggregate of the value at credit risk, value at market risk and value at operational risk. See "—*Capital Adequacy*" below.

(3) The total capital adequacy ratio is calculated by dividing: (a) the "Tier 1" capital (*i.e.*, its share capital, reserves and retained earnings) *plus* the "Tier 2" capital (*i.e.*, the "supplementary capital," which comprises expected credit losses for Stage 1 and Stage 2 assets, subordinated debt, unrealised gains/(losses) on available-for-sale assets and revaluation surplus (reduced by certain items such as leasehold improvements and intangibles)) and *minus* items to be deducted from capital (the "deductions from capital," which comprises items such as unconsolidated equity interests in financial institutions and assets held for resale but held longer than five years), by (b) the aggregate of the risk-weighted assets and off-balance sheet exposures (*i.e.*, value at credit risk), value at market risk and value at operational risk. See "—*Capital Adequacy*" below.

(4) On 17 June 2021 (as revised multiple times thereafter), the BRSA announced that capital adequacy ratio calculations until such date as determined by the BRSA may be calculated using a favourable foreign exchange rate. If such measure had not been taken into account, then the Group's Tier 1, common equity Tier 1 and total capital adequacy ratios would decline to 14.5%, 14.5%, and 16.8%, respectively, as of 31 December 2022, 14.5%, 14.5%, and 16.5%, respectively, as of 31 December 2023 and 14.7%, 14.7%, and 18.2%, respectively, as of 31 December 2024.

The calculation of the Group's net interest margin for the indicated periods is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Net interest income	88,092,627	86,366,451	126,038,499
Average interest-earning assets	973,128,470	1,599,809,771	2,327,583,438
Net interest margin	**9.1%**	**5.4%**	**5.4%**

The calculation of the Group's core net interest margin for the indicated periods is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Net interest income	88,092,627	86,366,451	126,038,499
Swap costs	10,075,636	4,464,870	31,921,648
Income from CPI-linked securities	33,575,554	37,325,700	44,816,375
Average interest-earning assets	973,128,470	1,599,809,771	2,327,583,438
Core net interest margin	**4.9%**	**2.4%**	**2.1%**

The calculation of the Group's net fees and commissions income/expenses as a percentage of total operating profit for the indicated periods is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674
Total operating profit	133,311,376	199,324,012	287,168,372
Net fees and commissions income/expenses as a percentage of total operating profit	**13.6%**	**21.8%**	**33.8%**

The calculation of the Group's cost-to-income ratio for the indicated years is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Net interest income	88,092,627	86,366,451	126,038,499
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674
Net trading income/losses	10,512,298	32,094,651	7,227,055
Dividend income	94,753	104,640	179,401
Other income	17,449,406	40,534,549	58,642,268
Provisions for loans, provisions for marketable securities and general reserves	(26,505,040)	(39,154,209)	(58,096,119)
Total income	**107,790,364**	**163,446,706**	**231,097,778**
Personnel expenses	10,141,331	20,849,382	40,785,353
Other operating expenses	17,425,279	35,204,209	65,865,113
Total cost	**27,566,610**	**56,053,591**	**106,650,466**
Cost-to-income ratio	**25.6%**	**34.3%**	**46.1%**

The calculation of the Group's operating expenses as a percentage of average total assets for the indicated periods is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Personnel expenses	10,141,331	20,849,382	40,785,353
Other operating expenses	17,425,279	35,204,209	65,865,113
Operating expenses	**27,566,610**	**56,053,591**	**106,650,466**
Average total assets	1,144,109,433	1,885,199,322	2,740,078,680
Operating expenses as a percentage of average total assets	**2.4%**	**3.0%**	**3.9%**

The calculation of the Group's NPL ratio for the indicated dates is as follows:

	As of 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Loans	769,289,135	1,233,433,116	1,786,815,863
NPLs	20,289,804	26,158,606	39,145,869
Total loans	**789,578,939**	**1,259,591,722**	**1,825,961,732**
NPL ratio	**2.6%**	**2.1%**	**2.1%**

The calculation of the Group's allowance for expected credit losses to NPLs for the indicated dates is as follows:

	As of 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Expected credit losses (Stage 3)	14,689,002	17,730,763	26,198,191
Expected credit losses (Stages 1 & 2)	25,397,287	33,635,130	34,612,392
Total provisions	**40,086,289**	**51,365,893**	**60,810,583**
NPLs	20,289,804	26,158,606	39,145,869
Expected credit losses to NPLs	**197.6%**	**196.4%**	**155.3%**

The calculation of the Group's return on average shareholders' equity for the indicated periods is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Net profit/(loss)	58,510,306	86,907,216	92,178,886
Average shareholders' equity	123,461,491	195,418,043	283,478,635
Return on average shareholders' equity	**47.4%**	**44.5%**	**32.5%**

The calculation of the Group's return on average total assets for the indicated periods is as follows:

	Year ended 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Net profit/(loss)	58,510,306	86,907,216	92,178,886
Average total assets	1,144,109,433	1,885,199,322	2,740,078,680
Return on average total assets	**5.1%**	**4.6%**	**3.4%**

The calculation of the Group's expected credit losses to gross loans for the indicated dates is as follows:

	As of 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Expected credit losses (Stage 3)	6,288,528	10,951,966	25,328,186
Expected credit losses (Stages 1 & 2)	19,716,512	28,202,243	32,767,933
Total provision expenses	**26,005,040**	**39,154,209**	**58,096,119**
Collections	(10,381,297)	(28,508,883)	(42,375,985)
Net provision expense	**15,623,743**	**10,645,326**	**15,720,134**
Average total loans	644,810,356	1,048,910,810	1,022,024,604
Expected credit losses to gross loans	**2.4%**	**1.0%**	**1.5%**

The calculation of the Group's net cumulative cost of risk for the indicated date is as follows:

	Year ended 31 December 2024
	(TL thousands, except percentages)
Net Provisions	16,524,853
Average Loans and Receivables - Cumulative	1,547,008,920
Net Cumulative Cost of Risk	**1.07%**
Net Provisions	16,524,853
Currency Impact	(4,427,063)
Net Provisions excluding currency impact	**12,097,790**
Average Loans and Receivables - Cumulative	1,547,008,920
Net Cumulative Cost of Risk excluding currency impact	**0.78%**

Analysis of Results of Operations for the years ended 31 December 2022, 2023 and 2024

As of 31 December 2024, the Bank had the following market shares among commercial banks (each as measured on a bank-only basis): (a) based upon BRSA weekly data, 11.1% of performing loans, 16.9% of consumer loans (including credit cards), 13.1% of consumer mortgage loans, 19.3% of consumer credit cards, 10.2% in customer deposits and 12.4% in customer demand deposits, and (b) based upon BRSA monthly data, 9.3% of total assets, 15.6% in net fees and commissions and 18.2% in net income.

The following summary financial and operating data as of and for the years ended 31 December 2022, 2023 and 2024 have been extracted from the Group's BRSA Annual Financial Statements without material adjustment. This information should be read in conjunction with such BRSA Financial Statements (including the notes therein).

The table below summarises the Group's income statement and statement of profit or loss for the indicated periods, the components of which are described in greater detail in the following sections:

	Year ended 31 December		
	2022	**2023**	**2024**
		(TL thousands)	
Interest income	132,800,968	233,566,637	540,538,651
Interest expense	(44,708,341)	(147,200,186)	(414,500,152)
Net interest income	**88,092,627**	**86,366,451**	**126,038,499**
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674
Dividend income	94,753	104,640	179,401
Net trading income/losses (net)	10,512,298	32,094,651	7,227,055
Other operating income	17,449,406	40,534,549	58,642,268
Total operating profit	**134,295,404**	**202,600,915**	**289,193,897**
Expected credit losses[(1)]	(29,741,042)	(39,486,103)	(58,615,266)
Other operating expenses	(27,566,610)	(56,053,591)	(106,650,466)
Profit/(loss) before taxes	**76,987,752**	**107,061,221**	**123,928,165**
Provision for taxes	(18,477,446)	(20,154,005)	(31,749,279)
Net profit/(loss)	**58,510,306**	**86,907,216**	**92,178,886**
Attributable to equityholders of the Bank	58,285,378	86,374,997	91,243,136
Attributable to minority interests	224,928	532,219	935,750

(1) Includes other provisions.

Results of Operations for the years ended 31 December 2022, 2023 and 2024

Net Profit/(Loss)

The Group's net profit/(loss) for a period is calculated by reducing its total operating profit for such period by expected credit losses on loans and other receivables, personnel expenses, other operating expenses and provision for taxes for such period. The Group's net profit/(loss) for 2022 was TL 58,510,306 thousand, increasing by 48.5% to TL 86,907,216

thousand in 2023 and then increasing by 6.1% to TL 92,178,886 thousand in 2024. The net profit/(loss) for these three years was affected by certain exceptional items, which are quantified in the table below:

	2022	2023	2024
Exceptional items		*(TL thousands)*	
General reserves[(1)]	500,000	(8,000,000)	-
Revaluation of real estate	(1,345,312)	(706,352)	(1,111,297)
NPL sale	(284,401)	(492,000)	-
Administrative fine[(2)]	(160,038)	127,000	-
Tax effects of the items listed above	236,020	604,338	250,042
Total impact on net profit/(loss)	**(1,053,732)**	**(8,467,014)**	**(861,255)**
Net profit/(loss)	58,510,306	86,907,216	92,178,886
Net profit/(loss) adjusted for exceptional items	**57,456,574**	**78,440,202**	**91,317,631**

(1) See "—*Provisions for Expected Credit Losses*" above. As such general provisions are not permitted under the BRSA Principles, the Group's independent auditors noted this departure in the Group's BRSA Financial Statements by qualifying their audit opinion.

(2) The fine in 2022 resulted from the Central Bank's application of an additional fee of a "penal nature" to Turkish banks (including the Bank) on the grounds that they did not fulfil their obligation to inform the Central Bank about spot foreign currency transfers abroad. The positive amount in 2023 reflects the reversal of fines.

Net profit/(loss) adjusted for exceptional items increased by 16.4% in 2024 from 2023, which itself increased by 36.3% from 2022. In 2023, the change was primarily due to increasing net interest income, net fees and commissions and trading income. In 2024, this change was mainly due to increasing net interest income and higher net fees and commissions.

The following sections describe the components of the Group's net profit/(loss) (*i.e.*, total operating profit, other operating expenses and provision for taxes) in greater detail.

Total Operating Profit

The Group's total operating profit is comprised of its net interest income, net fees and commissions income/expenses, dividend income, net trading income/losses and other operating income. Each of these is described in greater detail below. The following table identifies the share that these categories have represented in the Group's total operating profit before taxes for the indicated years:

	2022	2023	2024
Net interest income	65.6%	42.6%	43.6%
Net fees and commissions income/expenses	13.5%	21.5%	33.6%
Dividend income	0.1%	0.1%	0.1%
Net trading income/losses	7.8%	15.8%	12.3%
Other operating income	13.0%	20.0%	20.3%

Net Interest Income

The Group's net interest income is the difference between its interest income and its interest expense (each described below) and is the principal area of income for the Group. As a result, the differential between the interest rates that the Group receives on interest-earning assets and the interest rates that it pays on interest-bearing liabilities (*i.e.*, its average spread) and the volume of such assets and liabilities have the most significant impact on the Group's results of operations. Net interest income represented 65.6%, 42.6% and 43.6% of the Group's total operating profit in 2022, 2023 and 2024 respectively. Net interest income amounted to TL 126,038,499 thousand in 2024 which was an 45.9% increase from TL 86,366,451 thousand in 2023, which itself was a 2.0% decrease from TL 88,092,627 thousand in 2022. There has been a general decline in margins in the Turkish market from 2010 onwards as a result of increased competition across all sectors of the Group's business; *however*, the Group's net interest margins (as further described below) and volumes, especially in lending activities (as further described in "Assets - Loans" below), increased in 2022. Also in 2022, strong lending activity supported the Group's interest income on loans. In 2023, regulatory measures that sought to reduce the growth in loans compressed lending activity while other regulations seeking to promote the government's Liraisation goals resulted in higher deposit costs as noted above, both contributing to a decline in margins in 2023. The net interest margin in both 2022 and 2023 was supported by income from CPI-linked securities, which might become less supportive in future periods if inflation declines. In 2024, increase in net interest income was mainly due to higher spread between the Turkish Lira-denominated loans (excluding credit card loans) yields and Turkish Lira-denominated deposit costs. Also, in 2024, despite lower CPI rate used in the valuation of CPI linkers, income on CPI linkers was higher due to growing internal rate of return value of CPI linkers. However, while income from CPI linkers was higher year in year, its contribution to net interest margin was lower.

The Group's net interest margin was 9.1%, 5.4% and 5.4%, respectively, in 2022, 2023 and 2024. In 2022, the Group's net interest margin expanded, primarily due to lower funding costs, especially in the first half of the year, due in

part to the Central Bank's low policy rate and an increase in interest income as a result of significant increases in loans. In 2023, the main factors behind the contraction were interest rate caps imposed on Turkish Lira-denominated business loans in the first half of the year during a low-interest environment and, in the second half, the continued increase in Turkish Lira deposit costs due to the increases in the Central Bank's policy rate (which was 8.50% as of March 2023; *however*, after the presidential elections in May 2023, the Central Bank increased the rate in steps to 50.00%, and then reduced it to 47.50% in November 2024 and to 45.00% in January 2025) and the continued impact of regulations (See "*Turkish Regulatory Environment—Liquidity and Reserve Requirements*"). In 2024, the Group's net interest margin remained stable at 5.4%. In this environment, the Bank's management managed loan growth to seek to minimise the negative impact of these regulatory changes while reducing the duration gap in order to position the balance sheet for an expected increasing interest rate environment. Interest earning on CPI-linked securities also contributed in both 2022 and 2023; *however*, despite an increased volume of income accruals, the contribution of CPI-linked securities decreased in 2023 due to the decline in the October inflation rate from 85% in 2022 to 62% in 2023. See also "*—Significant Factors Affecting the Group's Financial Condition and Results of Operations—Interest Rate Environment*." In 2024, despite the continuing impact of macroprudential policies, which capped the loan growth and led to an increase in the cost of deposits, due to increased reserve requirements and revised conversion targets for conversion of foreign currency-protected deposits to standard Turkish Lira deposits, the Group's net interest margin remained stable, mainly with the support of interest income from reserve requirements.

Interest Income. Interest income is the interest (including the amortisation of interest-earning assets purchased at a discount and the interest component of lease receivables entered into for margin management purposes) and certain loan-related fees (such as closing fees received on project finance loans) received by the Group on its interest-earning assets, principally loans and debt securities. Interest income is a function of both the volume of interest-earning assets and the yield that the Group earns on these holdings. In 2024, the Group's interest income increased by 131.4% to TL 540,538,651 thousand from TL 233,566,637 thousand in 2023, which itself was a 75.9% increase from TL 132,800,968 thousand in 2022. The following table sets out the interest-earnings on the Group's interest-earning assets during each of the indicated years:

	2022	2023	2024
		(TL thousands)	
Interest income on loans	85,245,876	162,139,970	392,678,020
Interest income on reserve deposits	296,237	498,240	39,492,748
Interest income on banks	718,077	5,596,569	10,838,986
Interest income on money market transactions	2,760,820	4,637,906	6,209,142
Interest income on securities portfolio	41,555,705	54,052,934	83,280,720
Financial lease income	1,565,010	4,163,540	6,282,592
Other interest income	659,243	2,477,478	1,756,443
Total interest income	**132,800,968**	**233,566,637**	**540,538,651**

In 2023, the change in interest income was principally due to a 90.2% increase in "interest income on loans" resulting largely from increasing loan volumes and improved yields through the Group's selective lending strategy on more profitable products. During 2023, interest income on loans increased due in large part to increasing yields on loans, while interest income from securities also increased significantly due to higher interest rates and increased income on CPI-linked securities. In 2024, the change in interest income was principally due to a 142.2% increase in "interest income on loans" resulting largely from higher interest rates on loans compared to 2023 due to high policy rate environment and continuation of robust growth in credit card loans and other loans that are not subject to caps.

The following table sets forth the average yield earned by the Bank (daily average) and the Group (quarterly average) on certain interest-earning assets for the indicated years. For additional information with respect to the Bank's interest income during these years, including with respect to Turkish Lira- and foreign currency-denominated assets, see "*Selected Statistical and Other Information—Distribution of Assets, Liabilities and Shareholders' Equity; Interest Rates and Interest Differential—Average Balance Sheet and Interest Data*" and "*—Net Changes in Interest Income and Expense—Volume and Rate Analysis*."

	2022	2023	2024
Total average yield for the Bank	**17.36%**	**18.12%**	**28.02%**
Deposits at banks	5.05%	6.02%	23.14%
Investments in securities	31.61%	23.26%	24.01%
Loans and advances to customers	15.43%	18.64%	29.96%
Total average yield for the Group	**14.33%**	**15.32%**	**22.53%**

The increase in the yield earned by the Bank in 2023 and 2024 was mainly due to increases in loan rates (following increases in the policy rate) leading to an increase in yields from loans and advances to customers, the impact of which was more visible in 2024 due to duration of the loan mix.

Interest Expense. Interest expense is the interest and certain loan-related fee expenses (such as fees paid on syndicated loans) of the Group on its interest-bearing liabilities, principally time deposits. As with interest income, interest expense is a function of both the volume of interest-bearing liabilities and the interest rates that the Group pays on these liabilities. In 2024, the Group's interest expense increased by 181.6% to TL 414,500,152 thousand from TL 147,200,186 in 2023, itself an increase of 229.2% from TL 44,708,341 in 2022. The following table sets out the interest expense on the Group's interest-bearing liabilities by category during each of the indicated years:

	2022	2023	2024
		(TL thousands)	
Interest on deposits	34,307,435	131,507,584	371,132,294
Interest on funds borrowed	3,184,986	8,228,429	10,505,757
Interest on money market transactions	1,105,104	2,856,006	25,488,397
Interest on securities issued	3,068,434	3,036,749	5,351,701
Lease interest expense	173,890	291,295	539,171
Other interest expenses	2,868,492	1,280,123	1,482,832
Total interest expense	**44,708,341**	**147,200,186**	**414,500,152**

In 2023, the increase was principally in line with the increase in the size of the Group's funding base and interest rates. In 2024, the increase was due to the continuation of a high interest rate environment and macroprudential measures. As noted above, changes in the interest rates that the Group pays on its interest-bearing liabilities significantly affect the Group's interest expense. As the Group's interest-bearing deposits represent the largest portion of its liabilities (43.6%, 48.3% and 51.3%, respectively, as of 31 December 2022, 2023 and 2024), the interest rates that the Group pays on its deposits typically have the largest impact on the Group's interest expense.

The following table sets forth the average interest rates paid by the Bank (daily average) and the Group (quarterly average) on interest-bearing deposits and other interest-bearing liabilities for the indicated years:

	2022	2023	2024
Total interest rates for the Group	**7.70%**	**15.06%**	**28.39%**
Total interest rates for the Bank	**8.83%**	**18.14%**	**32.65%**
Deposits	9.00%	20.29%	37.81%
Short-term debt (one year or less)	11.87%	22,15%	36.42%
Long-term debt	8.15%	9.61%	9.73%
Repurchase agreements	8.67%	4.43%	17.86%

The increase in interest rates in 2023 was primarily a result of complying with new regulatory measures, implemented by the Central Bank as part of its Liraisation strategy. In 2024, the increase in the interest rates was mainly due to high interest rate and macroprudential measures. See "—*Financial Condition—Liabilities*" below. See "—*Financial Condition—Liabilities*" below.

For additional information with respect to the Bank's interest expense during these years, including with respect to the size of and yield paid on Turkish Lira- and foreign currency-denominated liabilities, see "*Selected Statistical and Other Information—Distribution of Assets, Liabilities and Shareholders' Equity; Interest Rates and Interest Differential—Liabilities—Average Interest-Bearing Liabilities*" and "*—Net Changes in Interest Income and Expense—Volume and Rate Analysis*." In addition, certain information on the interest rates paid by the Group on its interest-bearing liabilities can be found in "*Selected Statistical and Other Information—Funds Borrowed and Certain Other Liabilities*" below.

Net Fees and Commissions Income/Expenses

The second largest component of the Group's operating income is its net fees and commissions income/(expenses). The Group earns fee and commission income on both capital-intensive products (such as origination fees on cash loans and fees for credit cards, letters of credit and guarantees) and capital-free products (such as money transfers, payment system fees, investment advice and brokerage fees in respect of debt and equity trading). The principal drivers for fee and commission income are money transfer and payment system fees.

The Group's net fees and commissions income/expenses for 2024 was TL 97,106,674 thousand, an increase of 123.2% from TL 43,500,624 in 2023, itself an increase of 137.7% from TL 18,146,320 thousand in 2022. In 2023, the increase was primarily driven by credit card and consumer loan originations and money transfer fees, both of which resulted from the strong growth in the economy and high inflation. In 2024, the increase continued to be driven by higher payment system fees, attributable to increased merchant fee rates in line with the policy rate hike and robust growth in credit card usage. Additionally, money transfer fees and lending-related fees contributed to the overall growth.

The following table sets out the components of the Group's fees and commissions income and expenses for the indicated years:

	2022	2023	2024
		(TL thousands)	
Fees and commissions income	**25,181,084**	**60,066,697**	**141,650,649**
Non-cash loans	1,908,133	3,440,414	5,083,120
Others	23,272,951	56,626,283	136,567,529
Fees and commissions expenses	**7,034,764**	**16,566,073**	**44,543,975**
Non-cash loans	71,015	67,557	93,753
Others	6,963,749	16,498,516	44,450,222
Net fees and commissions income/expenses	**18,146,320**	**43,500,624**	**97,106,674**

Dividend Income

Dividend income, which is principally received from the Group's securities portfolio and certain small equity investments, is a very small portion of the Group's income. Dividend income of TL 94,753 thousand in 2022, TL 104,640 thousand in 2023 and TL 179,401 thousand in 2024 each represented less than 0.1% of the Group's total operating profit for the year.

Net Trading Income/Losses

Net trading income/losses represent trading account income/losses, income/losses from derivative financial instruments and foreign exchange gain/losses. Swap funding is used by the Bank opportunistically to manage its funding cost.

In 2022, 2023 and 2024, the Group experienced a net trading gain of TL 10,512,298 thousand, TL 32,094,651 thousand and TL 7,227,055 thousand, respectively. In 2022, the net trading gains primarily resulted from foreign currency buy and sell activity, including as a result of the high levels of volatility in the Turkish Lira, which gains more than offset swap funding costs. The net trading gain increased by 205.3% in 2023 mainly due to an increase in the foreign exchange gain which was a result of increased foreign currency buy and sell activity, including as a result of the high levels of volatility in the Turkish Lira. The net trading gain decreased by 77.5% in 2024 which was mainly attributable to an increase in the foreign exchange losses as a result of high swap costs due to high interest rate environment.

The following table sets out the categories of the Group's net trading income/losses during each of the indicated years:

	2022	2023	2024
		(TL thousands)	
Trading income			
Trading account income	4,893,527	4,879,362	3,561,739
Derivative financial instruments	41,996,522	38,605,578	49,682,977
Foreign exchange gain	242,447,739	399,678,564	544,488,648
Total trading income	**289,337,788**	**443,163,504**	**597,733,364**
Trading losses			
Trading account losses	(3,082,272)	(4,424,095)	(3,683,447)
Derivative financial instruments	(64,115,593)	(54,231,035)	(70,971,426)
Foreign exchange losses	(211,627,625)	(352,413,723)	(515,851,436)
Total trading losses	**(278,825,490)**	**(411,068,853)**	**(590,506,309)**
Net trading income/losses	**10,512,298**	**32,094,651**	**7,227,055**

Other Operating Income

Other operating income includes various additional sources of income, including the collection or reversal of previous periods' provisions (including from the sale of NPLs), banking services-related costs recharged to customers, premium income from insurance business and income on custody services. Total other operating income was TL 16,465,378 thousand in 2022, increasing by 190.5% in 2023 to TL 37,257,646 thousand and further increasing by

152.0% to TL 56,616,743 thousand in 2024. The following table sets out the Group's other operating income by category for the indicated years:

	2022	2023	2024
		(TL thousands)	
Prior Year Reversals	10,381,297	28,508,883	42,375,985
Stage 1	4,614,011	10,814,449	12,955,534
Stage 2	2,695,178	4,427,900	20,942,362
Stage 3	2,800,678	4,700,030	7,673,370
Others(1)	271,430	8,566,504	804,719
Income from term sale of assets	623,848	578,785	1,196,174
Others(2)	5,460,233	8,169,978	13,044,584
Other operating income	**16,465,378**	**37,257,646**	**56,616,743**

(1) Includes a reversal of general reserves amounting to TL 8,000,000 thousand in 2023.

(2) Premium income from insurance business amounting to TL 9,495,909 (TL 5,065,772 thousand in 2023, TL 2,608,757 thousand in 2022) which is included in other operating income in the accompanying financial statements is presented in "others" line item

In 2022, 2023 and 2024, non-performing loans, lease receivables and factoring receivables of the Bank and/or its consolidated financial subsidiaries amounting to TL 829,066 thousand, TL 1,070,392 thousand and TL 9,960,043 thousand, respectively, were sold. After reflecting the related provisions that had been provided for in prior periods, a gain/(loss) from these sales amounting to TL 7,702 thousand, TL 22,170 thousand and TL 2,867 thousand, respectively, was recognised under "other operating income."

Provision for Losses on Loans or other Receivables

The Group's results might be materially negatively affected by provisions that the Group takes for its ECLs on financial assets and loans measured at amortised cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss based upon TFRS 9. The Group applies an impairment model that has three stages based upon the changes in credit quality since initial recognition. ECLs are required to be measured through a loss allowance:

(a) at an amount equal to 12-month ECL (*i.e.*, an ECL that results from default events on the financial instrument that are possible within 12 months after the reporting date) (referred to as Stage 1), or

(b) for lifetime ECL (*i.e.*, an ECL that results from all possible default events over the life of the financial instrument) (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments within the scope of impairment, ECLs are measured at an amount equal to the 12-month ECL.

The following table sets out the Group's expected credit losses by category during each of the indicated years:

	2022	2023	2024
		(TL thousands)	
Expected credit losses	**26,005,040**	**39,154,209**	**58,096,119**
12 month ECL (Stage 1)	*6,328,589*	*9,274,868*	10,550,392
Significant increase in credit risk (Stage 2)	*13,387,923*	*18,927,375*	22,217,541
Impaired credits (Stage 3)	*6,288,528*	*10,951,966*	25,328,186
Impairment losses on securities	**304,558**	**-**	-
Financial assets measured at fair value through profit or loss	*304,558*	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-
Impairment losses on associates, subsidiaries and joint-ventures	**19,102**	**-**	-
Associates	*19,102*	-	-
Subsidiaries	-	-	-
Joint-ventures (business partnership)	-	-	-
Others(1)	**3,412,342**	**331,894**	**519,147**
Total	**29,741,042**	**39,486,103**	**58,615,266**

(1) Includes general reserves amounting to TL 500,000 thousand in 2022 and TL (8,000,000) thousand in 2023. There were no general reserves in 2024.

The following table sets out the Group's expected credit losses for loans as of 31 December 2022, 2023 and 2024:

	Stage 1	Stage 2	Stage 3	Total
		(TL thousands)		
Balances at beginning of period (1 January 2023)	4,490,335	20,906,952	14,689,002	40,086,289
Additions during the period (+)	9,543,307	18,376,506	5,192,688	33,112,501
Disposal (-)	(15,308,730)	(10,177,058)	(5,125,597)	(30,611,385)
Debt sale (-)	(28,051)	(1,805)	(1,112,974)	(1,142,830)
Write-offs (-)	-	-	(1,410,115)	(1,410,115)
Transfer to Stage 1	8,543,428	(8,506,589)	(36,839)	-
Transfer to Stage 2	(2,167,065)	2,292,130	(125,065)	-
Transfer to Stage 3	(43,597)	(4,146,128)	4,189,725	-
Foreign currency differences	821,449	9,040,046	1,469,938	11,331,433
Balance as of 31 December 2023	**5,851,076**	**27,784,054**	**17,730,763**	**51,365,893**
Additions during the period (+)	15,860,561	39,026,601	14,782,501	69,669,663
Disposal (-)	(18,651,763)	(29,213,307)	(5,565,049)	(53,430,119)
Debt sale (-)	(7,278)	(16,212)	(7,006,233)	(7,029,723)
Write-offs (-)	-	-	(3,471,068)	(3,471,068)
Transfer to Stage 1	10,037,645	(9,978,523)	(59,122)	-
Transfer to Stage 2	(4,398,150)	4,989,930	(591,780)	-
Transfer to Stage 3	(65,037)	(9,836,973)	9,902,010	-
Foreign currency differences	291,738	2,938,030	476,169	3,705,937
Balance as of 31 December 2024	**8,918,792**	**25,693,600**	**26,198,191**	**60,810,583**

The Group's NPL ratio was 2.6% as of 31 December 2022 and then decreased to 2.1% as of 31 December 2023 and remained stable at 2.1% as of 31 December 2024. The decline in 2022 resulted from strong collection performance and loan growth whereas the decline in 2023 was principally the result of the increase in the size of the loan portfolio (*i.e.*, a denominator effect). The stable NPL ratio in 2024 was due to strong collection performance, NPL sales and write-downs.

The effect of NPL sales on the Group's NPL ratio was to reduce it by 0.10%, 0.10% and 0.50% in 2022, 2023 and 2024 respectively (*i.e.*, the NPL ratio for such periods would have been higher by such amounts had such sales not occurred).

The Group also reflects on its balance sheet a category of "loans under follow-up," which are loans transferred to Stage 2 due to a significant increase in credit risk since initial recognition based upon TFRS 9. This amount was TL 107,204,867 thousand, TL 129,895,560 thousand and TL 208,931,164 thousand, respectively, as of 31 December 2022, 2023 and 2024 portions of which amount might later either be transferred to Stage 1 (*i.e.*, when a loan becomes a loan in good standing) or be transferred to Stage 3 and treated as an NPL (and have related specific provisions) should a loan become non-performing.

The Bank's management increased the general reserves by TL 500,000 thousand (to TL 8,000,000 thousand) in 2022, due to the possible effects of negative circumstances that might arise in the economy or in market conditions. In 2023, the Bank's management (in light of the normalisation of the macro-economic conditions after the May 2023 elections) reversed all TL 8,000,000 thousand of such general reserves. In 2024, the Bank's management (in light of the normalisation of the macro-economic conditions after the May 2023 elections) reversed all TL 8,000,000 thousand of such general reserves. The BRSA Annual Financial Statements were qualified with respect to such general reserves. See "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification*."

Write-off policy

The general policy of the Bank regarding the write-off process for loans is to write-off a loan that has, during the legal follow-up process, been determined to be uncollectible. An amendment to the Classification of Loans and Provisions Regulation entered into force on 27 November 2019, which amendment enables Turkish banks to write down and move off their balance sheets the portion of a loan that is classified as a "Group V" loan (Loans Considered as Losses) if it cannot reasonably be expected to be recovered. As a result, the Bank performs both objective and subjective assessments of its Group V loans to determine whether there is such a reasonable expectation.

In accordance with TFRS 9, provisions are provided for the portion of a loan that is not expected to be recovered. Accordingly, a loan that is classified in "Group V" and cannot reasonably be expected to be recovered (after considering the opinion of the department responsible) from the collection of such loan and/or the provisions provided for such loan can be subject to this write-down operation. In addition, a loan that meets the conditions set out below is assessed by the Bank as having lost its ability to be collected and thus can be written-down based upon the opinion of the relevant department: (a) such loan has been monitored as a non-performing loan for at least two years, (b) there has not been any collection on such loan in the last 6 months and (c) there not being any tangible collateral other than a pledge over movable assets.

Total loans written off from assets were TL 7,588,107 thousand, TL 120,920 thousand and TL 418,429 thousand, respectively, as of 31 December 2022, 2023 and 2024, with the large amount recorded in 2022 relating to one corporate loan that had been in restructuring for a number of years and for which the balance was written-off in the third quarter of 2022.

As of 31 December 2024, the Bank's written-down "Group V" loans amounted to TL 15,217,104 thousand and the Bank's consolidated subsidiaries' written-down "Group V" loans amounted to TL 2,594,499 thousand (TL 12,390,541 thousand and TL 1,277,462 thousand, respectively as of 31 December 2023 and TL 10,837,948 thousand and TL 1,182,522 thousand, respectively, as of 31 December 2022).

Personnel Expenses

Personnel expenses increased by 95.6% to TL 40,785,353 thousand in 2024 from TL 20,849,382 thousand in 2023, itself a 105.6% increase from TL 10,141,331 thousand in 2022, which increases were mainly the result of higher wage levels due to salary increases driven by inflation.

Other Operating Expenses

The Group's other operating expenses include traditional business expenses such as depreciation and amortisation expenses on tangible and intangible assets and operational lease-related expenses. Other operating expenses in 2024 increased by 87.1% to TL 65,865,113 thousand from TL 35,204,209 in 2023, itself a 102.0% increase from TL 17,425,279 thousand in 2022. These increases principally resulted from an increase in "other expenses," which includes various normal course expenses such as legal expenses and utility charges, none of which is individually material.

As noted above, as a banking institution, the Group's management focuses closely on the Group's efficiency and (within the context of maintaining the quality of its services) seeks to decrease its cost-to-income ratio. The Group's cost-to-income ratio (which includes both personnel expenses as well as other operating expenses) increased to 34.3% in 2023 from 25.6% in 2022, which change was due to increasing expenses, including as a result of multiple salary adjustments as a result of very high levels of inflation and donations relating to the February 2023 earthquakes. In 2024, the Group's cost-to-income ratio increased to 46.1% due to a relatively higher increase in expenses compared to income as a result of high levels of inflation. A similar ratio monitored by the Group is its operating expenses to average total assets ratio, which ratio was 2.4% in 2022, 3.0% in 2023 and 4.1% in 2024.

The following table sets out the components of the Group's other operating expenses for the indicated years:

	2022	2023	2024
		(TL thousands)	
Reserve for employee termination benefits	245,142	527,432	774,400
Impairment losses on tangible assets	995	7,626	16,193
Depreciation expenses of tangible assets	527,455	1,105,555	1,842,908
Impairment losses on intangible assets	-	-	0
Amortisation expenses of intangible assets	288,556	481,128	831,772
Impairment losses on assets to be disposed	1,253	-	7,326
Depreciation expenses of right-of-use assets	425,767	659,010	1,032,640
Impairment losses on assets held for sale and discontinued assets	3,286	750	8,774
Operational lease-related expenses	259,729	385,732	598,904
Repair and maintenance expenses	206,380	422,664	774,561
Advertisement expenses	472,760	1,276,884	3,701,005
Loss on sale of assets	19,354	10,967	680,452
Other expenses(1)	11,212,250	22,554,395	39,661,365
Others(2)	3,762,352	7,772,066	15,934,813
Other operating expenses	**17,425,279**	**35,204,209**	**65,865,113**

(1) Other expenses includes various normal course expenses such as legal expenses, utility charges, none of which is individually material. See note 5.4.7 in the Group's BRSA Financial Statements as of and for the year ended 31 December 2024.

(2) Others includes SDIF-related expenses, repayments of certain fees and commissions to customers and insurance business-claim losses. See note 5.4.7 in the Group's BRSA Financial Statements as of and for the year ended 31 December 2024.

Provision for Taxes

The Group is subject to different forms of income taxation in each market in which it has operations, although the principal driver is Turkish taxation of the Group's income. Taxation and duties other than on income are included in operating expenses whereas taxation on income is applied to profit/(loss) before taxes in order to determine the Group's net operating profit/(loss) after taxes. The provision for taxes for a particular period is a combination of the current tax charge, which is the tax that is calculated to apply to the taxable income for such period, and deferred tax charges/(credits), which reflect the Group's calculation of taxes that it might be required to pay in the future as a result of certain events (*e.g.*,

mark-to-market increases in the valuation of financial assets, which would result in the payment of taxes should such financial asset be sold).

Income taxation charges for 2024 amounted to TL 32,962,532 thousand, which was a 10.02% increase from TL 29,961,124 thousand in 2023, itself a 43.00% increase from TL 20,884,000 thousand in 2022. The Group's taxation charges for 2024 included a deferred tax credit of TL 1,213,253 thousand (primarily due to as a result of securities rediscounts, loan provisions and inflation adjustments applied in accordance with tax legislation) whereas 2023 included a deferred tax credit of TL 9,807,119 thousand (primarily due to inflation-related adjustments to the tax base of certain assets and liabilities) and 2022 included a deferred tax credit of TL 2,366,554 thousand (primarily due to the revaluation of fixed assets). The change in the Group's taxation charges in 2023 reflected the change in the corporate tax rate described in the next paragraph.

The corporate tax rate, which had been 20% since 1 January 2006, was increased to 22% for 2022 and 2023, but was then further increased to 25% for the last three quarters of 2022 and 30% for 2023 and 2024. The Group's effective income tax rate (calculated based upon its reported provision for taxes *divided by* its profit/(loss) before taxes) for 2022, 2023 and 2024 was 24.00%, 19.00% and 25.62%, respectively. The deviations from the applicable corporate tax rate of 25% in 2022 was due to both general reserves and expected credit losses for Stage 1 and 2 loans not being deductible based upon the BRSA Principles whereas the deviation in 2023 and 2024 was primarily due to the revaluation of fixed assets and inflation adjustments in accordance with tax legislation. In line with the TAS 12 standard for income taxes, deferred tax assets and liabilities are to be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in each case based upon the tax rates (and tax laws) that have been enacted (or substantively enacted) by the end of the reporting period. The Group thus has made deferred tax calculations according to the rates of 25% for 2022, 30% for 2023 and 2024, as applicable, corresponding to the maturity of the assets and liabilities (for 2025, a 30% rate continues to apply as of the date of this Supplement).

Taxes on income from the Group's non-Turkish operations were immaterial in each of 2022, 2023 and 2024.

Financial Condition

The following summary balance sheet data for the indicated dates have been extracted from the Group's BRSA Financial Statements (including the notes thereto) incorporated by reference herein. This information should be read in conjunction with such BRSA Financial Statements.

Balance Sheet Data:	**As of 31 December**					
	2022	**%**	**2023**	**%**	**2024**	**%**
	(TL thousands, except for percentages)					
Assets:						
Cash and cash equivalents	271,499,741	20.8	524,306,450	23.8	622,570,737	20.7
Financial assets measured at fair value through profit/(loss) (FVTPL)[1]	5,771,459	0.4	8,589,689	0.4	12,126,843	0.4
Financial assets measured at fair value through other comprehensive income (FVOCI)	88,928,400	6.8	101,575,253	4.6	139,088,845	4.6
Derivative financial assets	11,035,218	0.8	11,627,700	0.5	13,960,009	0.5
Loans	761,104,244	58.4	1,217,975,966	55.3	1,776,363,816	59.2
Lease receivables	18,932,293	1.5	30,022,130	1.4	36,512,833	1.2
Factoring receivables	9,542,402	0.7	11,593,626	0.5	13,085,083	0.4
Other financial assets measured at amortised cost	110,019,856	8.4	216,382,865	9.8	270,072,445	9.0
Expected credit losses	(40,552,805)	(3.1)	(52,410,595)	(2.4)	-61,222,991	-2.0
Assets held for sale and assets of discontinued operations	780,418	0.1	2,141,054	0.1	3,807,084	0.1
Ownership investments (net)	2,280,962	0.2	6,379,791	0.3	9,012,068	0.3
Tangible assets	11,788,007	0.9	21,952,980	1.0	36,678,845	1.2
Intangible assets	1,263,022	0.1	2,548,249	0.1	4,364,462	0.1
Investment property	926,800	0.1	1,590,712	0.1	2,416,949	0.1
Current tax assets	9,604	0.0	127,590	0.0	159,784	0.0
Deferred tax assets	7,105,391	0.5	20,291,063	0.9	20,728,047	0.7
Other assets	43,143,471	3.3	77,018,572	3.5	102,854,520	3.4
Total assets	**1,303,578,483**	**100.0**	**2,201,713,095**	**100.0**	**3,002,579,379**	**100.0**
Liabilities:						
Deposits	908,739,459	69.7	1,604,930,709	72.9	2,154,347,642	71.7
Funds borrowed	45,856,723	3.5	60,439,559	2.8	68,116,773	2.3
Money markets funds	24,299,009	1.9	55,994,558	2.5	46,882,832	1.6
Securities issued (net)	17,608,189	1.4	11,142,952	0.5	28,109,501	0.9
Financial liabilities measured at FVTPL	32,020,818	2.5	49,046,956	2.2	57,223,084	1.9
Derivative financial liabilities	10,952,360	0.8	11,569,225	0.5	15,123,947	0.5
Lease payables	1,459,250	0.1	2,273,026	0.1	2,949,292	0.1
Provisions	21,476,401	1.6	21,578,965	1.0	26,447,227	0.9
Current tax liability	8,050,327	0.6	11,700,581	0.5	18,779,668	0.6
Deferred tax liability	197,828	0.0	129,369	0.0	186,841	0.0
Subordinated debts	15,245,929	1.2	23,639,403	1.1	67,070,618	2.2
Other liabilities	64,548,070	5.0	103,646,274	4.7	185,933,336	6.2
Total liabilities	**1,150,454,363**	**88.3**	**1,956,091,577**	**88.8**	**2,671,170,761**	**89.0**
Shareholders' equity	**153,124,120**	**11.7**	**245,621,518**	**11.2**	**331,408,618**	**11.0**
Total liabilities and shareholders' equity	**1,303,578,483**	**100.0**	**2,201,713,095**	**100.0**	**3,002,579,379**	**100.0**

(1) As disclosed in note 5.1.2.2 of the Group's BRSA Financial Statements dated as of and for the year ended 31 December 2024, loans whose contractual conditions are inconsistent with a basic lending agreement (consideration for the time value of money and credit risk are typically the most significant elements of interest)

are measured at fair value through profit or loss. As of 31 December 2024, loans with a fair value of TL 54.062 (31 December 2023: TL 54,850) have been classified under other financial assets.

The following summary balance sheet data have been extracted from the Group's BRSA Financial Statements incorporated by reference herein. This information should be read in conjunction with such BRSA Financial Statements.

Assets

As of 31 December 2024, the Group's total assets amounted to TL 3,002,579,379 thousand, a 36.4% increase from TL 2,201,713,095 thousand as of 31 December 2023, itself a 68.9% increase from TL 1,303,578,483 thousand as of 31 December 2022. Cash and balances with central banks (and, after a change to the presentation of the financial statements as per new rules introduced by the BRSA, cash and cash equivalents) represented 20.8%, 23.8% and 20.7% of the Group's total assets as of 31 December 2022, 2023 and 2024, respectively, as most of the Group's funds are invested in interest-earning assets. The following describes the Group's loans and financial assets (including: (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income and (c) financial assets measured at amortised cost), which jointly represented 68.6%, 69.7% and 72.8%, respectively, of the Group's total assets as of 31 December 2022, 2023 and 2024.

Loans. Loans to customers represented 58.4%, 55.3% and 59.2% of the Group's total assets as of 31 December 2022, 2023 and 2024, respectively. The Group's loans amounted to TL 1,766,363,816 thousand as of 31 December 2024, a 45.8% increase from TL 1,217,975,966 thousand as of 31 December 2023, itself a 60.0% increase from TL 761,104,244 thousand as of 31 December 2022. Note 5.1.5 in the Group's BRSA Financial Statements provides significant details about the breakdown of the Group's loan portfolio, including information on performing loans, collateral, maturity, consumer loan breakdown and provisions.

This growth was spread across a wide range of groups and industries, reflecting the Group's ability to meet the strong demand for consumer loans and loans to certain industry sectors (including energy and transportation vehicles) and the impact of the KGF programme. The Bank has a low direct exposure to the real estate sector and benefits from state guarantees for its loans to various large infrastructure projects. In 2023, the growth in Turkish Lira-denominated performing loans was 59.1%, which was slightly above the sector growth of 53.3%. The growth remained strong in credit card loans and consumer loans, which increased by 116.3% and 50.3%, respectively, as of 31 December 2023 from the end of the previous year. As the regulatory price cap on Turkish Lira-denominated commercial loans gradually eased throughout 2023, the Bank adjusted its overall lending strategy accordingly while maintaining its SME-oriented growth strategy. As such, the growth in Turkish Lira-denominated commercial loans was 37.5% during 2023, which was slightly below the sector's growth of 38.9%. In the 2024, the growth in Turkish Lira-denominated performing loans was 52.3%, which was above the sector growth of 30.1%. The growth remained strong in credit card loans and consumer loans, which increased by 74.0% and 52.3%, respectively, as of 31 December 2024 from the end of the previous year. As the regulatory price cap on Turkish Lira-denominated commercial loans were removed in 2024, the growth in Turkish Lira-denominated commercial loans was 34.8% during 2024, which was above the sector's growth of 19.7%. The growth in Turkish Lira-denominated commercial loans was lower than other segments as demand from corporates was subdued due to expectation of rate cuts in 2025. With respect to foreign currency-denominated loans, these loans increased by 5.0% in 2023 due largely to attractive spreads on export loans. In 2024, foreign currency-denominated loan growth was 12.9%. A 2.0% monthly growth cap for foreign currency-denominated loans was introduced in May 2024 which was further tightened to 1.5% in July 2024 and to 1.0% in January 2025. However, the Bank grew in areas such as export loans, which are not subject to the cap.

In 2024, the Group's NPLs increased by 49.6% to TL 39,145,869 thousand, which was mainly due to inflow coming from unsecured consumer loans and credit cards. The Group's NPLs increased by 28.9% to TL 26,158,606 thousand as of 31 December 2023 from TL 20,289,804 thousand as of 31 December 2022.

As of 31 December 2022, 2023 and 2024, the Group's restructured loans amounted to TL 47,882,654, TL 43,060,173 thousand and TL 67,655,644 thousand, respectively. The increase in the Group's restructured loans in 2024 was the result of restructuring of credit card receivables. For additional information on the movement of the NPL balances in the Group's balance sheet, see note 5.1.5.10 in the Group's BRSA Financial Statements.

The NPL ratio declined to 2.1% as of 31 December 2023 from 2.6% in 2022, which was due to significant increase in loans during a time of limited NPL inflows and TL 13,668,003 thousand in write-downs in 2023 and TL 1,288,809 thousand of NPL sales, both of which reduced the NPL ratio. The Group's NPL ratio remained stable at 2.1% as of 31 December 2024, as a result of strong collection performance, TL 9,960,043 thousand NPL sales and write-downs amounting to TL 17,811,603 thousand.

For additional information on the Group's loan portfolio, see "*Selected Statistical and Other Information—Distribution of Assets, Liabilities and Shareholders' Equity; Interest Rates and Interest Differential—Average Balance Sheet and Interest Data*" and "*—Summary of Loan Loss Experience*."

Financial Assets. Financial assets (including: (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income and (c) financial assets measured at amortised cost), principally Turkish government securities, have historically represented a significant portion of the Group's assets. As of 31 December 2022, 2023 and 2024, investment securities represented 15.7%, 14.8% and 14.0%, respectively, of the Group's total assets. In each of these periods, the change in investment securities as a portion of the Group's total assets was the result of the Bank's focus on lending. The following table provides information as to the breakdown of the Group's financial asset portfolio (excluding derivative financial assets held for trading) as of the indicated dates:

	As of 31 December					
	2022	**%**	**2023**	**%**	**2024**	**%**
	(*TL thousands, except for percentages*)					
Financial assets measured at fair value through profit/(loss)						
Government securities	2,513,999	1.2	5,357,399	1.6	10,342,555	2.5%
Equity securities	2,647,455	1.3	2,167,803	0.7	531,582	0.1%
Other financial assets	551,121	0.3	1,009,637	0.3	1,198,644	0.3%
Total financial assets measured at fair value through profit/(loss)	**5,712,575**	**2.8**	**8,534,839**	**2.6**	**12,072,781**	**2.9%**
Financial assets measured at fair value through other comprehensive income						
Government securities	77,097,126	37.8	79,943,012	24.6	104,232,716	24.8%
Equity securities	1,022,719	0.5	1,930,116	0.6	3,268,408	0.8%
Other financial assets	10,808,555	5.3	19,702,125	6.1	31,587,721	7.5%
Total financial assets measured at FVOCI	**88,928,400**	**43.6**	**101,575,253**	**31.2**	**139,088,845**	**33.1%**
Financial assets measured at amortised cost						
Government securities	105,264,533	51.6	199,007,329	61.1	242,442,776	57.6%
Other financial assets	4,755,323	2.3	17,375,536	5.3	27,629,669	6.6%
Total financial assets measured at amortised cost	**110,019,856**	**53.9**	**216,382,865**	**66.5**	**270,072,445**	**64.2%**
Expected credit losses (-)	**(466,516)**	**(0.2)**	**(1,044,702)**	**(0.3)**	**(412,408)**	**(0.1)%**
Total	**204,194,315**	**100.0**	**325,448,255**	**100.0**	**420,821,663**	**100%**

As of 31 December 2022, 2023 and 2024, respectively, securities issued by Türkiye represented 90.3%, 87.1% and 84.8% of the Group's securities portfolio consisting of: (a) financial assets measured at fair value through profit or loss (excluding derivative financial assets), (b) financial assets measured at fair value through other comprehensive income and (c) financial assets measured at amortised cost.

The most significant changes in the Group's securities portfolio from 2022 through 2024 was the increase in holdings of Turkish government securities held as financial assets measured at amortised cost in the table above, which increased from 51.6% of the Group's total investment securities portfolio as of 31 December 2022 to 61.1% as of 31 December 2023 and to 57.6% as of 31 December 2024.

Pursuant to Turkish market practice, the Group pledges securities to acquire funding under security repurchase agreements. The Group utilises such funding depending upon the difference in rates paid on deposits compared to Central Bank rates, which vary based upon market conditions as well as Central Bank policy. The securities in its securities portfolio that were so pledged amounted to TL 24,788,685 thousand as of 31 December 2022, TL 45,308,190 thousand as of 31 December 2023 and TL 40,479,558 thousand as of 31 December 2024, comprising 12.1%, 13.9% and 9.9%, respectively, of the Group's total securities portfolio.

For additional information on the Group's securities portfolio, see notes 5.1.2, 5.1.3 and 5.1.8 in the Group's BRSA Financial Statements and "*Selected Statistical and Other Information—Securities Portfolio*."

Liabilities

As of 31 December 2024, the Group's total liabilities amounted to TL 2,671,170,761 thousand, a73.2% increase from TL 1,956,091,577 thousand as of 31 December 2023, itself a 58.8% increase from TL 1,150,454,363 thousand as of 31 December 2022.

The Group's TL 1,387,669,537 thousand in average interest-bearing liabilities during 2024 resulted primarily from average time deposits of customers (85.6%), average funds borrowed (4.4%) and average securities issued (1.2%). These same categories represented 85.6%, 5.9% and 1.1%, respectively, of the Group's TL 922,741,292 thousand in average interest-bearing liabilities during 2023, 80.5%, 8.9% and 4.1%, respectively, of the Group's TL 536,903,774 thousand in average interest-bearing liabilities during 2022.

The following summarises the three principal categories of the Group's liabilities - deposits, funds borrowed, and securities issued.

Deposits. Deposits have been and are expected to continue to be the most important source of funding for the Group. The Group's total deposits amounted to TL 2,154,347,642 thousand as of 31 December 2024, a 34.2% increase

from TL 1,604,930,709 thousand as of 31 December 2023, itself a 76.6% increase from TL 908,739,459 thousand as of 31 December 2022. Foreign currency deposits (principally U.S. dollars and euro) represented 53.2%, 45.3% and 41.9% of the Group's total deposits as of 31 December 2022, 2023 and 2024, respectively. For additional information on the Group's deposits, see note 5.2.1 in the Group's BRSA Financial Statements and "*Selected Statistical and Other Information—Deposits*."

Funds borrowed. As deposits are generally of a short-term duration, the Group has obtained wholesale funding on a more limited basis principally to better match the maturity and currency of its longer-term assets. This funding has included the Bank's borrowings (including syndicated bank loans) and financings collateralised by certain of the wire transfers and other remittances received by the Bank from its correspondent banks and other senders of such transfers. Funds borrowed amounted to TL 68,116,773 thousand as of 31 December 2024 (2.3% of the Group's total liabilities), TL 60,439,559 thousand as of 31 December 2023 (2.7% of the Group's total liabilities), TL 45,856,723 thousand as of 31 December 2022 (3.5% of the Group's total liabilities). A portion of these liabilities (either when incurred or as a result of aging) are themselves short-term (as of 31 December 2024, 22.9% of funds borrowed were "short term" (*i.e.*, having a remaining term-to-maturity of one year or less) as compared to 15.6% and 13.7%, respectively, as of 31 December 2022 and 2023). For additional information on the Group's funds borrowed, see note 5.2.2 in the Group's BRSA Interim Financial Statements and "*Selected Statistical and Other Information—Funds Borrowed and Certain Other Liabilities*."

Securities issued. Securities issued amounted to TL 28,109,501 thousand as of 31 December 2024, constituting 0.9% of the Group's total liabilities, increasing its share of the Group's total liabilities as compared to TL 11,142,952 thousand as of 31 December 2023 (2.5% of the Group's total liabilities) and TL 17,608,189 thousand as of 31 December 2022 (1.4% of the Group's total liabilities). In 2024, the increase was due to the issuance of Tier-2 bonds and various Series of Notes under the Programme. In 2023 the decline was due to the Bank's strategy for its wholesale portfolio, taking into consideration the high liquidity levels of the Bank and unfavourable market conditions for new issuances, the Bank utilised bilateral loans and rolling over syndicated loans (while not refinancing a maturing eurobond in 2023). The share of the outstanding balances of such transactions in the Group's balance sheet changes depending upon the relative costs of funding in the market; *however*, it has increased in recent years due to the Group's successful use of the Programme (which it launched in 2013). For additional information on the Group's securities issued, see note 5.2.4 in the Group's BRSA Financial Statements.

Shareholders' Equity

The Group's total shareholders' equity as of 31 December 2024 amounted to TL 331,408,618 thousand, an increase of 34.9% from TL 245,621,518 thousand as of 31 December 2023, which was an increase of 60.4% from TL 153,124,120 thousand as of 31 December 2022. Shareholders' equity principally changes as a result of the Group's net profit/(loss) and changes in the amount of unrealised gains and losses on financial assets measured at fair value through other comprehensive income (which changes are not included in profit/(loss)). The following tables summarise the components of the Group's shareholders' equity as of the indicated dates:

	As of 31 December		
	2022	**2023**	**2024**
		(*TL thousands*)	
Paid-in capital	4,200,000	4,200,000	4,200,000
Capital reserves	784,434	784,434	784,434
Other comprehensive income/expense items not to be recycled to profit or loss	4,561,421	15,299,688	24,983,291
Other comprehensive income/expense items to be recycled to profit or loss	19,914,049	23,453,042	20,607,720
Profit reserves	63,782,784	114,589,030	187,933,574
Profit/(loss)	59,396,697	86,374,997	91,279,430
Minority interest	484,735	920,327	1,620,169
Total shareholders' equity	**153,124,120**	**245,621,518**	**331,408,618**

For additional information on the Group's shareholders' equity, see note 5.2.14 in the Group's BRSA Financial Statements. In addition, see "*—Capital Adequacy*" below.

The Bank's dividend policy is to distribute up to 30% of the distributable net profit subject (as is required by law) to the approval of the BRSA. With respect to 2022 net income, the BRSA limits for distributions was 15% of a bank's distribution net income, which represents the maximum amount that the Bank elected to distribute in the following year. With respect to 2023 net income, the Bank distributed in April 2024 13.5% of its distributable net income for the year 2023. With respect to 2024 net income, such will be determined (subject to BRSA approval) at the Bank's general shareholders' meeting expected to occur in Spring 2025. See "*Ownership—Dividends and Dividend Policy*."

Off-Balance Sheet Commitments and Contingencies

In the normal course of business in order to meet the needs of its customers and to hedge the Group's own positions (and generally not for speculative purposes), the Group enters into certain off-balance sheet transactions. These transactions expose the Group to credit risk that is not reflected on the Group's balance sheet. The Group applies to these transactions the same credit policies in making commitments and assuming conditional obligations as it does for on-balance sheet transactions, including the requirement to obtain collateral when it is considered necessary.

The Group generates significant amounts of fees from these transactions while incurring a very small amount of credit losses thereon as almost all of these transactions expire without any need for payment by the Group (for example, a letter of credit expiring when the related buyer of goods makes its payment to the seller). Since many of the commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements.

The most significant category of such transactions includes letters of guarantee, letters of credit, bank acceptances and other support that the Group provides to its import and export customers, as well as off-balance sheet exposure for derivative financial instruments and the Group's commitments to make loans to its borrowers.

The following summarises the three principal categories of the Group's off-balance sheet exposures – letters of credit and similar transactions, commitments to customers under credit facilities and derivative financial instruments. See also note 5.3 in the Group's BRSA Financial Statements for additional information.

Guarantees and sureties. Most of the Group's letters of guarantee and credit were issued (or confirmed) in connection with the export and trade finance-related activities of the Group's customers. The following table summarises the Group's exposure under such transactions as of the indicated dates:

	As of 31 December		
	2022	**2023**	**2024**
		(TL thousands)	
Letters of guarantee	187,090,406	343,736,133	482,063,138
Letters of credit	35,059,723	53,548,755	58,671,180
Bank acceptances	3,918,563	7,962,125	8,433,493
Endorsements	5,653,771	2,619,600	3,539,092
Other guarantees	646,094	12,043,653	19,617,000
Total guarantees and sureties	**232,368,557**	**419,910,266**	**572,323,903**

The Group generates significant amounts of fees from these transactions while incurring a very small amount of credit losses thereon as almost all of these transactions expire without any need for payment by the Group (for example, a letter of credit that expires when the related buyer of goods makes its payment to the seller). The Group has not experienced any material credit events with respect to its guarantees and sureties during the last three fiscal years. The Group accounts for expected credit losses for non-cash exposures, including irrevocable unused credit card limits, at initial recognition by using credit conversion factors in line with TFRS 9.

Commitments. The Group's "commitments" are composed principally of unused credit limits for credit cards, overdrafts, checks and loans to customers and commitments for credit-linked-notes, under which the Group has unused commitments of TL 1,508,498,618 thousand as of 31 December 2024, an increase of 101.4% from TL 748,892,416 thousand as of 31 December 2023, itself an increase of 200.2% from TL 249,499,657 thousand as of 31 December 2022. These increases are consistent with the general growth of the Group's lending business, including its credit card business.

Derivative Financial Instruments. The Group's exposure to derivative transactions arises principally in connection with customer-dealing and funding activities. The Group also enters into certain derivatives transactions in order to hedge its currency, interest rate and other risks. The Group enters into derivative financial instruments with domestic and foreign counterparties that it considers to be creditworthy (mostly with an investment grade rating) or, in most cases, that are fully secured. As of 31 December 2024, the Group's face values of outstanding derivative contracts arising from various derivatives amounted to TL 1,671,806,611 thousand, a 41.9% increase from TL 1,177,937,839 thousand as of 31 December 2023, itself a 9.0% increase from TL 1,081,008,221 thousand as of 31 December 2022. The changes resulted from currency swap transactions and interest rate swaps entered into for the Group and its customers mainly in order to hedge the positions against the volatility in exchange rates and interest rates in the markets. See note 5.3.2 in the BRSA Financial Statements and, for a breakdown of the Group's commitments arising from derivatives as of 31 December 2022, 2023 and 2024, see "*Selected Statistical and Other Information—Derivative Transactions*."

Governments in the United States, Europe and elsewhere have made or are expected to make changes in laws relating to derivatives transactions, including how they settle. The Bank's management does not anticipate that such changes will have a material adverse effect on its ability to obtain reasonably priced hedges for its currency, interest rate and other risks; *however*, the volatility in the markets in recent years has made certain derivatives more expensive than in previous years and such increased costs might make the Group's hedging operations less cost-effective.

Capital Adequacy

Each of the Bank and the Group is required to comply with capital adequacy guidelines promulgated by the BRSA, which are based upon the standards established by the Bank of International Settlements. These guidelines require banks to maintain adequate levels of regulatory capital against risk-bearing assets and off-balance sheet exposures. In accordance with these guidelines, each of the Bank and the Group must maintain a total capital ratio in excess of 8% calculated in accordance with BRSA regulations. In addition, as a prudential requirement, the BRSA requires a target capital adequacy ratio that is 4% higher than the legal capital ratio (see "*Turkish Regulatory Environment—Capital Adequacy*" for further details).

In order to implement the rules of the report entitled "A Global Regulatory Framework for More Resilient Banks and Banking Systems" published by the Basel Committee in December 2010 and revised in June 2011 (*i.e*., Basel III) into Turkish law, the Equity Regulation and amendments to the then-existing capital adequacy regulation each entered into force on 1 January 2014. Subsequently, the BRSA replaced such capital adequacy regulation with the Capital Adequacy Regulation, which entered into force on 31 December 2016. The Equity Regulation defines capital of a bank as the sum of: (a) principal capital (*i.e*., Tier 1 capital), which is composed of core capital (*i.e.*, Common Equity Tier 1 capital) and additional principal capital (*i.e*., additional Tier 1 capital) and (b) supplementary capital (*i.e*., Tier 2 capital) *minus* capital deductions. Pursuant to the Capital Adequacy Regulation: (i) both the unconsolidated and consolidated minimum common equity Tier 1 capital adequacy ratios are 4.5% and (ii) both unconsolidated and consolidated minimum Tier 1 capital adequacy ratios are 6.0%; *however*, due to the application of certain requirements (including the D-SIBs requirements, which only applies on a consolidated basis), such ratios as they apply to the Bank as of the date of this Supplement are 7.02% and 8.52%, respectively, on a Bank-only basis and 8.64% and 10.14%, respectively, on a Group basis.

In calculating its capital adequacy ratios, the Capital Adequacy Regulation allows the Bank to use ratings of eligible external credit assessment institutions (namely Fitch, S&P Global Ratings Europe Limited, Moody's, Japan Credit Rating Agency, Ltd., DBRS Ratings Ltd. and International Islamic Rating Agency) while calculating the risk-weighted assets for capital adequacy purposes. Each of S&P, Moody's and Fitch downgraded certain credit ratings or changed the outlook to negative of Türkiye, and both Moody's and Fitch downgraded certain ratings of the Bank, in 2021, 2022 and/or 2023 (S&P does not provide a credit rating for the Bank). According to guidance published by the BRSA on 24 February 2017, foreign exchange-required reserves held with the Central Bank are subject to a 0% risk weight, which amendment offset the negative impact on capital adequacy that otherwise would have resulted from past downgrades of Türkiye. See "*The Group and its Business—Credit Ratings*."

The Group maintains regulatory capital adequacy ratios on both a Bank-only and consolidated basis in excess of the regulatory minimums required and recommended levels. The Group's Tier 1 and common equity Tier 1 capital adequacy ratios both stood at 16.2% as of 31 December 2022 and then increased to 16.8% as of 31 December 2023 before decreasing to 16.1% as of 31 December 2024 (18.1%, 18.4% and 18.0%, respectively, with respect to the Bank).

The Group's total capital adequacy ratio of 18.6% as of 31 December 2022 increased to 18.9% as of 31 December 2023 before increasing to 19.8% as of 31 December 2024 (20.6%, 20.6% and 21.9%, respectively, with respect to the Bank). On 12 December 2023, the BRSA announced that capital adequacy ratio calculations until such date as determined by the BRSA may be calculated using the Central Bank's foreign exchange buying rates as of 26 June 2023 also that negative revaluation differences of securities classified under "financial assets measured at fair value through other comprehensive income" need not be included in the capital calculation. If such measure had not been taken into account, then the Group's total capital adequacy ratios as of 31 December 2023 and 2024 would decline to 16.5% and 18.2%, respectively (18.3% and 20.3%, respectively, with respect to the Bank).

The following table sets out information on the Group's capital and its capital adequacy ratios as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	(TL thousands, except percentages)		
Paid-in capital	4,200,000	4,200,000	4,200,000
Paid-in capital inflation adjustment	772,554	772,554	772,554
Reserves	63,782,784	114,589,030	187,933,574
Profit	59,396,697	86,374,997	91,279,430
Tier 1 Capital (I)	152,025,140	241,666,189	327,125,355
Tier 2 Capital (II)	22,370,738	30,426,490	75,256,969
Deductions (III)	82	2,356	8,779
Own Funds (I+II-III)	174,395,796	272,090,323	402,373,545
Risk Weighted Assets (including market and operational risk)	937,541,310	1,437,302,870	2,035,471,894
Capital Ratios:			
Tier 1 capital adequacy ratio[(1)]	16.2%	16.8%	16.1%
Common equity Tier 1 capital adequacy ratio[(1)]	16.2%	16.8%	16.1%
Total capital adequacy ratio[(1)]	18.6%	18.9%	19.8%

(1) On 17 June 2021 (as revised multiple times thereafter), the BRSA announced that capital adequacy ratio calculations until such date as determined by the BRSA may be calculated using a favourable foreign exchange rate. If such measure had not been taken into account, then the Group's Tier 1, common equity Tier 1 and total capital adequacy ratios would decline to 14.5%, 14.5%, and 16.8%, respectively, as of 31 December 2022, 14.5%, 14.5%, and 16.5%, respectively, as of 31 December 2023 and 14.7%, 14.7%, and 18.2%, respectively, as of 31 December 2024.

The significant increases in the Group's capital in 2022 and 2023 were driven by growth in the Group's retained earnings, despite significant depreciation of the Turkish Lira. In 2024, the Group's capital remained stable, primarily due to strong income generation, the BRSA's termination of the 200% risk-weight on commercial cash loans and 150% risk-weight on retail cash loans, along with the two Tier-2 issuances in 2024, which largely offset the negative effects of increases in operational market and credit risk adjustments, as well as dividend payments.

Please see: (a) "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Turkish Economy*" with respect to the negative impact on the capital ratios resulting from the depreciation of the Turkish Lira and positive (but likely temporary) impacts of certain regulatory accommodations provided by the BRSA and (b) "*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Inflation*" with respect to the potential distorting impact of high inflation, including the use of non-inflation-adjusted figures in the BRSA Financial Statements.

Liquidity and Funding

The Group manages its assets and liabilities to seek to ensure that it has sufficient liquidity to meet its present and future financial obligations and that it is able to take advantage of appropriate business opportunities as they arise. Liquidity risk represents the potential for loss as a result of limitations on the Group's ability to adjust future cash flows to meet the needs of depositors and borrowers and to fund operations on a timely and cost-effective basis. Financial obligations arise from withdrawals of deposits, repurchase transactions, extensions of loans or other forms of credit and the Group's own working capital needs.

The ability to maintain or replace interest-bearing deposits is a key factor in determining liquidity requirements, as well as the exposure to interest and exchange rate risks. The Group's principal sources of funding are short-term and demand deposits and the Group has developed a diversified and stable deposit base in each of its retail, commercial, corporate and SME business lines, including having one of the largest shares of the Turkish demand deposit market. As of the date of this Supplement, the Bank's management believes that funds from the Group's deposit-taking operations generally will continue to meet its liquidity needs for the foreseeable future; *however*, maturities of large borrowings or securities offerings do from time to time require the Group to have sufficient liquidity on hand, which does require the Group to closely monitor market conditions for potential opportunities to obtain replacement financing on a cost-effective basis. As of 31 December 2022, 2023 and 2024, the Group's loan-to-deposit ratio was 84.7%, 76.9% and 82.9%, respectively. In 2023, the ratio declined significantly due to regulatory changes that limited loan growth and encouraged conversion of foreign currency deposits to Turkish Lira. In 2024, the increase in the Group's loan-to-ratio deposit was due to growth in foreign currency-denominated loans and in Turkish Lira-denominated loans. For additional information on deposits, see "*Selected Statistical and Other Information—Deposits*."

To a lesser extent, the Group also funds its operations through short-term and long-term borrowings, eurobond issuances and other domestic and international transactions. The Bank uses the relationships that it develops with its correspondent banks in connection with international payment and trade-related finance activities to raise funds from the

syndicated loan markets. The Bank has also capitalised on its ability to generate foreign currency-denominated payments from abroad (such as diversified payment rights) by tapping international capital markets through "future flow" transactions. See "*Selected Statistical and Other Information—Funds Borrowed and Certain Other Liabilities*."

The Bank has issued various Series of Notes under the Programme, including some small and/or short-term private transactions. The Bank may issue, from time to time, additional Series of Notes under the Programme, which (as permitted by the Programme) may be in any currency, with any tenor and with any interest rate, which issuances may be listed or unlisted.

The Bank is subject to the BRSA's regulations on the measurement of the liquidity adequacy of a bank. The Regulation on Liquidity Coverage Ratios was published in order to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30-calendar day period. According to this regulation, the liquidity coverage ratio of banks is not permitted to fall below 100% on an aggregate basis and 80% on a foreign currency-only basis. See "*Turkish Regulatory Environment—Capital Adequacy*."

The Group's simple averages of daily liquidity ratios for each of the last three months of 2022 and 2023 and each month during 2024 are shown below:

	Turkish Lira + Foreign Currency	**Foreign Currency**
31 October 2022	218.36%	556.61%
30 November 2022	212.16%	511.81%
31 December 2022	216.28%	499.90%
31 October 2023	230.51%	273.56%
30 November 2023	216.66%	275.78%
31 December 2023	221.86%	316.78%
31 January 2024	235.85%	316.96%
29 February 2024	254.25%	244.29%
31 March 2024	235.12%	240.82%
30 April 2024	198.57%	265.49%
31 May 2024	179.98%	198.39%
30 June 2024	177.05%	177.15%
31 July 2024	200.89%	202.18%
31 August 2024	194.36%	207.13%
30 September 2024	187.29%	190.76%
31 October 2024	181.03%	195.34%
30 November 2024	159.29%	184.82%
31 December 2024	158.02%	209.76%

The following table sets out the calculation of the Group's period-end liquidity ratios during each of the past three fiscal years, including the "liquidity coverage ratios" that are applied to the applicable asset and liability category in

determining (with respect to assets) how much liquidity the Group maintains and (with respect to liabilities) how much liquidity the Group is required to maintain:

	2022		2023		2024	
	TL + FC	**Foreign Currency**	**TL + FC**	**Foreign Currency**	**TL + FC**	**Foreign Currency**
			(TL thousands, except percentages)			
High-Quality Liquid Assets						
Total high-quality liquid assets	361,051,673	205,102,320	589,511,259	299,020,752	717,304,698	415,652,755
Cash Outflows						
Retail deposits and deposits from small business customers, of which	54,756,102	33,116,976	90,846,229	45,357,298	120,485,597	53,853,736
Stable deposits	*4,034,434*	*114,473*	*7,703,698*	*299,495*	13,202,109	569,384
Less stable deposits	*50,721,668*	*33,002,503*	*83,142,531*	*45,057,803*	107,283,488	53,284,352
Unsecured wholesale funding, of which	134,854,792	76,050,569	213,804,925	111,678,164	381,459,771	216,061,780
Non-operational deposits	*97,918,142*	*63,189,598*	*151,516,739*	*89,305,942*	295,721,696	147,537,438
Unsecured funding	*36,936,650*	*12,860,971*	*62,288,186*	*22,372,222*	85,738,075	68,524,342
Secured wholesale funding	*500,933*	-	*925,210*	-	2,233,432	87,469
Other cash outflows, of which	56,339,836	45,286,616	96,245,132	45,435,240	150,257,322	62,321,723
Outflows related to derivative exposures and other collateral requirements	*18,052,938*	*29,861,010*	*16,577,158*	*22,018,280*	13,051,158	33,059,718
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	*38,286,898*	*15,425,606*	*79,667,974*	*23,416,960*	137,206,164	29,262,005
Other revocable off-balance sheet commitments and contractual obligations	535,007	451,385	777,522	675,418	1,115,741	1,001,276
Other irrevocable or conditionally revocable off-balance sheet obligations	1,681,002	1,601,198	2,669,579	2,522,292	2,996,240	2,863,549
Total Cash Outflows	**248,667,672**	**156,506,744**	**405,268,597**	**205,668,412**	**658,548,103**	**336,189,533**
Cash Inflows						
Secured receivables	-	-	-	-		
Unsecured receivables	79,044,232	41,249,546	137,615,179	64,082,701	212,453,365	82,031,396
Other cash inflows	1,871,426	99,332,105	2,540,690	35,992,194	10,146,487	37,893,858
Total Cash Inflows	**80,915,658**	**140,581,651**	**140,155,869**	**100,074,895**	**222,599,852**	**119,925,254**
Total High-Quality Liquid Assets (HQLA)	**361,051,673**	**205,102,320**	**589,511,259**	**299,020,752**	**717,304,698**	**415,652,755**
Total Net Cash Outflows	**167,752,014**	**39,126,686**	**265,112,728**	**105,593,517**	**435,948,251**	**216,264,279**
Liquidity Coverage Ratio	**215.60%**	**522.77%**	**223.01%**	**288.71%**	**166.11%**	**196.64%**

The following table sets out similar information for the year ended 31 December 2024:

	Year ended 31 December 2024
	(TL thousands, except percentages)
Net Provisions	16,524,853
Average Loans and Receivables - Cumulative	1,547,008,920
Net Cumulative Cost of Risk	**1.07%**
Net Provisions	16,524,853
Currency Impact	(4,427,063)
Net Provisions excluding currency impact	**12,097,790**
Average Loans and Receivables - Cumulative	1,547,008,920
Net Cumulative Cost of Risk excluding currency impact	**0.78%**

	Year ended 31 December 2024	
	TL + FC	Foreign Currency
	(TL thousands, except percentages)	
High-Quality Liquid Assets		
Total high-quality liquid assets	717,304,698	415,652,755
Cash Outflows		
Retail deposits and deposits from small business customers, of which	120,485,597	53,853,736
Stable deposits	13,202,109	569,384
Less stable deposits	107,283,488	53,284,352
Unsecured wholesale funding, of which	381,459,771	216,061,780
Non-operational deposits	295,721,696	147,537,438
Unsecured funding	85,738,075	68,524,342
Secured wholesale funding	2,233,432	87,469
Other cash outflows, of which	150,257,322	62,321,723
Outflows related to derivative exposures and other collateral requirements	13,051,158	33,059,718
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	137,206,164	29,262,005
Other revocable off-balance sheet commitments and contractual obligations	1,115,741	1,001,276
Other irrevocable or conditionally revocable off-balance sheet obligations	2,996,240	2,863,549
Total Cash Outflows	**658,548,103**	**336,189,533**
Cash Inflows		
Secured receivables		
Unsecured receivables	212,453,365	82,031,396
Other cash inflows	10,146,487	37,893,858
Total Cash Inflows	**222,599,852**	**119,925,254**
Total High-Quality Liquid Assets (HQLA)	**717,304,698**	**415,652,755**
Total Net Cash Outflows	**435,948,251**	**216,264,279**
Liquidity Coverage Ratio	**166.11%**	**196.64%**

In addition to the liquidity ratios described above, the Bank is also required to maintain deposits with the Central Bank against a minimum reserve requirement. These reserve deposits are calculated on the basis of Turkish Lira and foreign currency liabilities taken at the rates determined by the Central Bank. The Central Bank started to pay interest for U.S. dollar (but not other foreign currency) reserve accounts as of 5 May 2015; *however*, through the date of this Supplement, interest has not been paid on U.S. dollar reserve deposits since September 2019.

The Group's banks in the Netherlands and Romania are also subject to similar reserve deposit requirements. For detailed information on the Group's reserve deposits requirements see note 5.1.1 in the Group's BRSA Financial Statements.

Capital Expenditures

As a financial group, capital expenditures are not a material part of the Group's expenses and principally relate to expenses for branch expansion. The following table summarises the Group's capital expenditures for the indicated periods:

	2022	2023	2024
		(TL thousands)	
Real estate	831,024	62,256	503,143
Leased tangible assets	-	-	-
Right-of-use assets	897,021	2,509,050	1,771,643
Vehicles	8,675	83,748	39,239
Other tangible assets	1,057,596	3,288,986	5,807,646
Intangible assets	697,805	1,756,660	1,876,917
Total capital expenditures	**3,582,121**	**7,700,700**	**9,998,589**