

*(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED FINANCIAL STATEMENTS AND
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)*

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED DISCLOSURES
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2024
WITH INDEPENDENT AUDITOR'S REPORT**



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Güney Bağımsız Denetim ve SMMM A.Ş.
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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türk Ekonomi Bankası A.Ş.

Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the unconsolidated statement of financial position of Türk Ekonomi Bankası A.Ş. ("the Bank") as of December 31, 2024, and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year ended and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements.

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

Basis for Qualified Opinion

As explained in Section Five Part II.8.d and IV.6.a, the accompanying unconsolidated financial statements as at December 31, 2024 include a free provision at an amount of TL 1,500,000 thousands of which TL 2,050,000 thousands was provided in prior years and TL 550,000 thousands reversed in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of "Turkish Accounting Standard" (TAS) 37 "Provisions, Contingent Liabilities and Contingent Assets".

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

Other Matter

As of December 31, 2023, the unconsolidated financial statements of the Bank, prepared in accordance with the "BRSA Accounting and Financial Reporting Legislation", were audited by another audit firm. The independent audit firm expressed a qualified opinion in its independent audit report dated January 31, 2024 due to the inclusion of free provisions at an amount of TL 2,050,000 thousands, of which TL 400,000 thousands was provided in prior years and TL 1,650,000 thousands was provided in 2023, by the Bank management.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of classification, measurement and impairment on financial assets and related important disclosures</i></p> <p>As presented in Section 3, disclosure 7 and 8, the Bank recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since:</p> <ul style="list-style-type: none"> - Amount of on and off-balance sheet items that are subject to expected credit loss calculation is material to the financial statements - There are complex and comprehensive requirements of TFRS 9 - The classification of the financial assets is based on the Bank’s business model and characteristics of the contractual cash flows in accordance with TFRS 9 and the Bank uses significant judgment on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments - Policies implemented by the Bank management include compliance risk to the regulations and other practices - Processes of TFRS 9 are advanced and complex - Judgements and estimates used in expected credit loss, complex and comprehensive - Disclosure requirements of TFRS 9 are comprehensive and complex. 	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none"> - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Bank’s past experience, local and global practices - Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Bank’s Business model - Reviewing the Bank’s classification and measurement models of the financial instruments and comparing with TFRS 9 requirements - Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Bank’s past performance, regulations, and other processes that has forward looking estimations - Assessing the completeness and the accuracy of the data used for expected credit loss calculation. - Testing the mathematical accuracy of expected credit loss calculation on sample basis - Evaluating the judgments and estimates used for individually assessed financial assets based on expert opinion - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process - Auditing of TFRS 9 disclosures.



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Pension Fund Obligations	How the key audit matter was addressed in the audit
<p>The Bank's defined benefit pension plan (the "Plan") is managed by "Fortis Bank Anonim Şirketi Mensupları Emekli Sandığı" (the "Fund") established as per the provisional article 20 of the Social Security Law No. 506 and the Bank's employees are the members of this Fund. As a legal entity, the Fund provides retirement and post-retirement benefits to all eligible employees.</p> <p>As disclosed in Section 2, disclosure 8.c.2 to the unconsolidated financial statements, the Plan is composed of benefits which are subject to transfer to Social Security Foundation ("SSF") as per the Social Security Law No. 5510 provisional article 20, and other social rights and pension benefits provided by the Bank that are not transferable to SSF. The authority of the "Council of Ministers" on the determination of the mentioned transfer date is changed as "President" in the Decree Law No. 703 published in the Official Gazette numbered 30473 and dated July 9, 2018.</p> <p>Following the transfer, the non-transferable social rights and pension benefits provided under the Plan will be covered by the funds and the institutions that employ the funds' members.</p> <p>As of December 31, 2024, the Bank's transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377.</p> <p>As of December 31, 2024, the Bank's non- transferrable liabilities are also calculated by independent actuary. The valuation of the Pension Fund liabilities requires judgement in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in Pension Plan.</p> <p>Management uses independent actuaries to assist in assessing the uncertainty around these assumptions. Considering the subjectivity of key judgements and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the law, we considered this to be a key audit matter.</p>	<p>It has been addressed whether there have been any significant changes in regulations governing pension liabilities, employee benefits plans during the period, that could lead to adjust the valuation of employee benefits. Support from actuarial auditor of our firm, has been taken to assess the appropriateness of the actuarial assumptions and calculations performed by the external actuary.</p> <p>Furthermore, the accuracy and adequacy of the footnotes in the unconsolidated financial statements of the Bank have been evaluated.</p>

Responsibilities of Management and Directors for the Unconsolidated Financial Statements

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

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

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



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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner who supervised and concluded this independent auditor's report is Fatma Ebru Yücel.

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

Fatma Ebru Yücel, SMMM
Partner

February 4, 2025
İstanbul, Türkiye

**Convenience Translation of
Publicly Announced Unconsolidated Financial Statements and Review Report
Originally Issued in Turkish, See in Note I. of Section Three**

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
AS OF THE YEAR-END 31 DECEMBER 2024**

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Website E-mail : www.teb.com.tr
: yatirimciiliskileri@teb.com.tr

The unconsolidated financial report for the year-end, prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information about the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on Financial Structure and Risk Management of the Bank
- Disclosures and Footnotes on Unconsolidated Financial Statements
- Other Disclosures
- Independent Auditor’s Report

The accompanying unconsolidated financial statements, related disclosures and footnotes which have been reviewed and presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidances, and incompliance with the financial records of our Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Dr. Akın Akbaygil	Patrick Philippe Poupon	Ayşe Aşardağ	Ümit Leblebici	Tolga Güler	Kamer Kıdıl
Chairman of the Board of Directors	Chairman of the Audit Committee and Board Member	Deputy Chairman of the Audit Committee and Board Member	Chief Executive Officer and Executive Member	Chief Financial Officer	Financial Reporting Director

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Ashhan Kaya / External Reporting Senior Manager
Telephone Number : (0216) 635 24 51
Fax Number : (0216) 636 36 36

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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION ONE

GENERAL INFORMATION

I. History of the Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status

Türk Ekonomi Bankası Anonim Şirketi (“TEB” or “Bank”), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas became indirect shareholder of TEB with 42.125% ownership. In 2009 BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas have the share of 50%.

II. Explanation on the Bank’s Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to

As of 31 December 2024 and 31 December 2023, the shareholders’ structure and their respective ownerships are summarized as follows:

Name of Shareholders	31 December 2024		31 December 2023	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2024, the Bank’s paid-in-capital consists of 2,204,390,000 shares of TL 1.00 (full TL) nominal each.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>	<u>Education</u>
Board of Directors;		
Dr. Akın Akbaygil	Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors	University
Patrick Philippe Poupon	Member of the Board of Directors and Chairman of the Audit Committee	Master
Ayşe Aşardağ	Deputy Chairman of the Audit Committee and Board Member	University
Yavuz Canevi	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Jean-Charles Joseph Gabriel Aranda	Member of the Board of Directors	Master
Ayşe Meral Çimenbiçer	Member of the Board of Directors, Member of the Audit Committee	University
Metin Toğay	Member of the Board of Directors	Master
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of the Audit Committee	Master
Ümit Leblebici	Chief Executive Officer and Executive Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Executive Vice President Responsible for Corporate and SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Tolga Güler	Chief Financial Officer	University
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit Group	University
Orhan Hatipoğlu	Assistant General Manager Responsible from Banking Operations and Support Services Group	University
Çiğdem Ünsal	Assistant General Manager Responsible from Human Resources Group	University
Tolga Gürdem	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	University
Göker Orhan	Assistant General Manager Responsible from Financial Markets	Master
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate	Master
Group Heads (*);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit (*);		
Hasan Onar	Head of Internal Audit	Master

(*) Group Heads and Head of Internal Audit are in Assistant General Manager status.

There are no Bank shares owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

IV. Information on the Bank’s Qualified Shareholders

Name / Commercial Name	Share Amount	Share Ratio	Paid-Up Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,415	55.00%	1,212,415	-
BNPP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23%	467,879	-

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is %100 owned and controlled by BNP Paribas Fortis NV/SA. Similarly, BNPP Yatırımlar Holding A.Ş. is %100 owned and controlled by BNP Paribas SA.

V. Summary on the Bank’s Functions and Lines of Activity

The Bank’s operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş., Cardif Hayat Sigorta A.Ş. and HDI Sigorta A.Ş. As of 31 December 2024, the Bank has 432 local branches and 4 foreign branches (31 December 2023: 440 local branches, 4 foreign branches). As of 31 December 2024, the number of employees of the Bank is 8,047 (31 December 2023: 8,333).

VI. Differences between the Communiqué on Preparation of Financial Statements of Banks and Turkish Accounting Standards and Short Explanation about the Entities Subject to Full Consolidation or Proportional Consolidation and Entities which are Deducted from Equity or Entities which are not Included in These Three Methods

There is no difference for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, and it is carried by cost value since necessary requirements for consolidation is not met.

TEB ARF Teknoloji A.Ş., a non-financial subsidiary owned 100% and by the Bank, was registered in the Trade Registry Gazette on 16 July 2020. The Bank presents TEB ARF Teknoloji A.Ş. in the subsidiaries line in its financial statements.

VII. Current or Likely, Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Bank and its Subsidiaries

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
- II. Off-Balance Sheet Items
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows
- VII. Statement of Profit Distribution

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

BALANCE SHEET AS OF 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS		Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	Section 5 Note	TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		101,134,859	86,099,326	187,234,185	62,556,957	74,152,574	136,709,531
1.1 Cash and Cash Equivalents		74,311,610	69,060,594	143,372,204	54,430,193	69,429,745	123,859,938
1.1.1 Cash and Balances with Central Bank	(I-1)	66,641,874	53,916,476	120,558,350	40,590,024	63,894,514	104,484,538
1.1.2 Banks	(I-4)	7,693,810	15,191,794	22,885,604	1,607,670	5,586,915	7,194,585
1.1.3 Money Market Placement		-	-	-	12,243,739	-	12,243,739
1.1.4 Expected Loss Provisions (-)		24,074	47,676	71,750	11,240	51,684	62,924
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-2)	2,676,157	963,073	3,639,230	352,244	660,327	1,012,571
1.2.1 Government Debt Securities		2,491,105	471,032	2,962,137	242,988	345,477	588,465
1.2.2 Equity Securities		185,052	371,561	556,613	109,256	164,734	273,990
1.2.3 Other Financial Assets		-	120,480	120,480	-	150,116	150,116
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-5)	21,105,785	14,311,619	35,417,404	5,103,118	2,722,321	7,825,439
1.3.1 Government Debt Securities		21,003,844	14,311,619	35,315,463	5,020,783	2,722,321	7,743,104
1.3.2 Equity Securities		101,941	-	101,941	82,335	-	82,335
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		3,041,307	1,764,040	4,805,347	2,671,402	1,340,181	4,011,583
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	2,932,751	1,712,794	4,645,545	1,935,635	1,037,427	2,973,062
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	108,556	51,246	159,802	735,767	302,754	1,038,521
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		275,251,918	112,874,080	388,125,998	180,572,861	71,874,109	252,446,970
2.1 Loans	(I-6)	226,697,962	105,945,738	332,643,700	150,617,852	59,267,626	209,885,478
2.2 Lease Receivables	(I-11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(I-7)	54,301,797	7,635,220	61,937,017	34,609,839	14,681,619	49,291,458
2.4.1 Government Debt Securities		54,301,797	7,635,220	61,937,017	34,609,839	14,681,619	49,291,458
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)	(I-6,7)	5,747,841	706,878	6,454,719	4,654,830	2,075,136	6,729,966
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-17)	32,289	-	32,289	82,060	-	82,060
3.1 Held for Sale Purpose		32,289	-	32,289	82,060	-	82,060
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		279,026	-	279,026	279,026	-	279,026
4.1 Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-9)	279,021	-	279,021	279,021	-	279,021
4.2.1 Unconsolidated Financial Subsidiaries		278,971	-	278,971	278,971	-	278,971
4.2.2 Non-Financial Subsidiaries		50	-	50	50	-	50
4.3 Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
V. TANGIBLE ASSETS (Net)	(I-13)	3,043,626	-	3,043,626	1,933,104	-	1,933,104
VI. INTANGIBLE ASSETS (Net)	(I-14)	1,953,352	-	1,953,352	1,269,693	-	1,269,693
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		1,532,228	-	1,532,228	848,569	-	848,569
VII. INVESTMENT PROPERTIES (Net)	(I-15)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		74,736	-	74,736	220,897	-	220,897
IX. DEFERRED TAX ASSET	(I-16)	1,376,821	-	1,376,821	2,410,400	-	2,410,400
X. OTHER ASSETS (Net)	(I-18)	28,819,327	478,456	29,297,783	10,973,389	593,949	11,567,338
TOTAL ASSETS		411,965,954	199,451,862	611,417,816	260,298,387	146,620,632	406,919,019

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

BALANCE SHEET AS OF 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES		Section 5 Note	Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS		(II-1)	299,621,196	105,989,001	405,610,197	185,454,941	99,290,895	284,745,836
II. FUNDS BORROWED		(II-3)	464,120	25,298,210	25,762,330	112,235	19,827,362	19,939,597
III. MONEY MARKET FUNDS		(II-4)	12,015,992	50,936,393	62,952,385	-	28,109,842	28,109,842
IV. SECURITIES ISSUED (Net)		(II-3)	-	-	-	-	-	-
4.1 Bills			-	-	-	-	-	-
4.2 Asset Backed Securities			-	-	-	-	-	-
4.3 Bonds			-	-	-	-	-	-
V. FUNDS			-	-	-	-	-	-
5.1 Borrower Funds			-	-	-	-	-	-
5.2 Other			-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS			-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES			3,991,001	1,333,182	5,324,183	1,834,898	800,400	2,635,298
7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss		(II-2)	3,919,671	1,333,182	5,252,853	1,752,443	800,400	2,552,843
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		(II-7)	71,330	-	71,330	82,455	-	82,455
VIII. FACTORING LIABILITIES			-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)		(II-6)	1,696,833	78,762	1,775,595	965,961	25,188	991,149
X. PROVISIONS		(II-8)	5,202,758	639,273	5,842,031	5,580,312	781,515	6,361,827
10.1 Restructuring Provisions			-	-	-	-	-	-
10.2 Reserve for Employee Benefits			2,561,982	154,406	2,716,388	2,777,948	108,441	2,886,389
10.3 Insurance Technical Provisions (Net)			-	-	-	-	-	-
10.4 Other Provisions			2,640,776	484,867	3,125,643	2,802,364	673,074	3,475,438
XI. CURRENT TAX LIABILITY		(II-9)	2,640,469	-	2,640,469	1,282,111	3	1,282,114
XII. DEFERRED TAX LIABILITY			-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		(II-10)	-	-	-	-	-	-
13.1 Held for Sale			-	-	-	-	-	-
13.2 Held from Discontinued Operations			-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		(II-11)	-	28,243,687	28,243,687	-	11,637,967	11,637,967
14.1 Loans			-	-	-	-	-	-
14.2 Other Debt Instruments			-	28,243,687	28,243,687	-	11,637,967	11,637,967
XV. OTHER LIABILITIES		(II-5)	27,076,477	2,286,128	29,362,605	13,722,859	2,447,840	16,170,699
XVI. SHAREHOLDERS' EQUITY		(II-12)	43,999,058	(94,724)	43,904,334	34,911,647	133,043	35,044,690
16.1 Paid-in Capital			2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Capital Reserves			389,769	-	389,769	389,769	-	389,769
16.2.1 Share Premiums			2,565	-	2,565	2,565	-	2,565
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Other Capital Reserves			387,204	-	387,204	387,204	-	387,204
16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss			(516,250)	-	(516,250)	(344,917)	-	(344,917)
16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss			(499,293)	(94,724)	(594,017)	(26,971)	133,043	106,072
16.5 Profit Reserves			31,516,711	-	31,516,711	20,962,728	-	20,962,728
16.5.1 Legal Reserves			836,739	-	836,739	718,690	-	718,690
16.5.2 Status Reserves			-	-	-	-	-	-
16.5.3 Extraordinary Reserves			30,679,972	-	30,679,972	15,627,134	-	15,627,134
16.5.4 Other Profit Reserves			-	-	-	4,616,904	-	4,616,904
16.6 Profit or Loss			10,903,731	-	10,903,731	11,726,648	-	11,726,648
16.6.1 Prior Periods' Profit / Loss			-	-	-	-	-	-
16.6.2 Current Periods' Profit / Loss			10,903,731	-	10,903,731	11,726,648	-	11,726,648
TOTAL LIABILITIES			396,707,904	214,709,912	611,417,816	243,864,964	163,054,055	406,919,019

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

OFF BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. OFF-BALANCE SHEET ITEMS

		Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	Section 5 Note	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET LIABILITIES (I+II+III)	405,364,254	521,569,877	926,934,131	219,914,666	342,246,423	562,161,089
I.	GUARANTEES AND WARRANTIES	36,136,834	66,499,219	102,636,053	19,654,698	62,281,912	81,936,610
1.1	Letters of Guarantee	19,055,452	33,187,634	52,243,086	13,366,519	31,813,601	45,180,120
1.1.1	Guarantees Subject to State Tender Law	86,567	233,141	319,708	104,520	205,134	309,654
1.1.2	Guarantees Given for Foreign Trade Operations	1,143,311	1,411,408	2,554,719	862,611	1,207,038	2,069,649
1.1.3	Other Letters of Guarantee	17,825,574	31,543,085	49,368,659	12,399,388	30,401,429	42,800,817
1.2	Bank Acceptances	-	62,540	62,540	-	70,513	70,513
1.2.1	Import Letter of Acceptance	-	62,540	62,540	-	70,513	70,513
1.2.2	Other Bank Acceptances	-	-	-	-	-	-
1.3	Letters of Credit	12,209	25,696,746	25,708,955	-	22,935,305	22,935,305
1.3.1	Documentary Letters of Credit	-	2,925,840	2,925,840	-	5,661,471	5,661,471
1.3.2	Other Letters of Credit	12,209	22,770,906	22,783,115	-	17,273,834	17,273,834
1.4	Prefinancing Given as Guarantee	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Türkiye	-	-	-	-	-	-
1.5.2	Other Endorsements	-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued	-	-	-	-	-	-
1.7	Factoring Guarantees	-	-	-	-	-	-
1.8	Other Guarantees	10,843,208	7,552,299	18,395,507	3,246,496	7,446,704	10,693,200
1.9	Other Collaterals	6,225,965	-	6,225,965	3,041,683	15,789	3,057,472
II.	COMMITMENTS	170,332,556	31,709,485	202,042,041	72,370,428	9,642,055	82,012,483
2.1	Irrevocable Commitments	168,332,962	31,709,485	200,042,447	71,516,146	9,642,055	81,158,201
2.1.1	Asset Purchase Commitments	7,056,464	30,665,471	37,721,935	1,651,971	8,591,528	10,243,499
2.1.2	Deposit Purchase and Sale Commitments	-	-	-	-	-	-
2.1.3	Share Capital Commitment to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4	Loan Granting Commitments	32,887,686	160	32,887,846	13,465,372	111,782	13,577,154
2.1.5	Securities Issuance Brokerage Commitments	-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments	5,731,412	-	5,731,412	4,044,146	-	4,044,146
2.1.8	Tax and Fund Liabilities from Export Commitments	2,395,399	-	2,395,399	302,721	-	302,721
2.1.9	Commitments for Credit Card Limits	120,254,472	-	120,254,472	52,048,755	-	52,048,755
2.1.10	Commitments for Credit Cards and Banking Services Promotions	7,529	-	7,529	3,181	-	3,181
2.1.11	Receivables from Short Sale Commitments on Securities	-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments on Securities	-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments	-	1,043,854	1,043,854	-	938,745	938,745
2.2	Revocable Commitments	1,999,594	-	1,999,594	854,282	-	854,282
2.2.1	Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2	Other Revocable Commitments	1,999,594	-	1,999,594	854,282	-	854,282
III.	DERIVATIVE FINANCIAL INSTRUMENTS	198,894,864	423,361,173	622,256,037	127,889,540	270,322,456	398,211,996
3.1	Derivative Financial Instruments for Hedging Purposes	19,010,000	51,557,376	70,567,376	1,665,300	24,498,209	26,163,509
3.1.1	Fair Value Hedge	-	40,283,436	40,283,436	-	-	-
3.1.2	Cash Flow Hedge	19,010,000	11,273,940	30,283,940	1,665,300	24,498,209	26,163,509
3.1.3	Foreign Net Investment Hedges	-	-	-	-	-	-
3.2	Held for Trading Transactions	179,884,864	371,803,797	551,688,661	126,224,240	245,824,247	372,048,487
3.2.1	Forward Foreign Currency Buy/Sell Transactions	25,483,014	31,930,514	57,413,528	14,255,687	21,682,347	35,938,034
3.2.1.1	Forward Foreign Currency Transactions-Buy	9,472,966	18,090,782	27,563,748	13,230,615	5,264,009	18,494,624
3.2.1.2	Forward Foreign Currency Transactions-Sell	16,010,048	13,839,732	29,849,780	1,025,072	16,418,338	17,443,410
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	101,270,723	203,121,332	304,392,055	86,388,981	131,816,100	218,205,081
3.2.2.1	Foreign Currency Swap-Buy	22,807,537	79,564,684	102,372,221	869,068	59,729,356	60,598,424
3.2.2.2	Foreign Currency Swap-Sell	12,809,828	89,536,664	102,346,492	32,587,503	33,978,278	66,565,781
3.2.2.3	Interest Rate Swaps-Buy	32,826,679	17,009,992	49,836,671	26,466,205	19,054,233	45,520,438
3.2.2.4	Interest Rate Swaps-Sell	32,826,679	17,009,992	49,836,671	26,466,205	19,054,233	45,520,438
3.2.3	Foreign Currency, Interest Rate and Securities Options	36,616,635	121,937,978	158,554,613	24,999,030	88,493,331	113,492,361
3.2.3.1	Foreign Currency Options-Buy	29,182,019	47,429,673	76,611,692	13,714,144	37,016,644	50,730,788
3.2.3.2	Foreign Currency Options-Sell	7,434,616	65,139,215	72,573,831	11,284,886	40,045,729	51,330,615
3.2.3.3	Interest Rate Options-Buy	-	4,684,545	4,684,545	-	5,715,479	5,715,479
3.2.3.4	Interest Rate Options-Sell	-	4,684,545	4,684,545	-	5,715,479	5,715,479
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	16,514,492	14,334,409	30,848,901	-	-	-
3.2.4.1	Foreign Currency Futures-Buy	-	14,334,409	14,334,409	-	-	-
3.2.4.2	Foreign Currency Futures-Sell	16,514,492	-	16,514,492	-	-	-
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	-	479,564	479,564	580,542	3,832,469	4,413,011
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)	614,126,793	165,168,493	779,295,286	303,612,583	145,764,338	449,376,921
IV.	ITEMS HELD IN CUSTODY	188,877,174	34,160,780	223,037,954	70,628,072	27,007,273	97,635,345
4.1	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	104,927,619	32,510,465	137,438,084	13,670,212	25,264,456	38,934,668
4.3	Cheques Received for Collection	65,237,623	356,053	65,593,676	44,899,493	256,367	45,155,860
4.4	Commercial Notes Received for Collection	1,766,419	89,809	1,856,228	1,259,605	130,698	1,390,303
4.5	Other assets Received for Collection	125	1,204,453	1,204,578	125	1,355,752	1,355,877
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items under Custody	16,945,388	-	16,945,388	10,798,637	-	10,798,637
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGES RECEIVED	420,898,602	130,974,292	551,872,894	231,628,157	118,400,989	350,029,146
5.1	Marketable Securities	2,785,986	2,382,458	5,168,444	537,996	1,056,614	1,594,610
5.2	Guarantee Notes	168,369,658	95,092,060	263,461,718	77,513,244	83,066,063	160,579,307
5.3	Commodity	1,164,486	416,793	1,581,279	664,315	604,663	1,268,978
5.4	Warranty	-	-	-	-	-	-
5.5	Immovable	175,409,340	26,658,233	202,067,573	114,279,639	27,356,588	141,636,227
5.6	Other Pledged Items	73,169,132	6,424,748	79,593,880	38,632,963	6,317,061	44,950,024
5.7	Pledged Items-Depository	-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES	4,351,017	33,421	4,384,438	1,356,354	356,076	1,712,430
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		1,019,491,047	686,738,370	1,706,229,417	523,527,249	488,010,761	1,011,538,010

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Section 5 Note	Audited Current Period 01.01-31.12.2024	Audited Prior Period 01.01-31.12.2023
I.	INTEREST INCOME	(IV-1)	127,000,797	51,548,127
1.1	Interest Income on Loans		89,094,203	34,217,467
1.2	Interest Income on Reserve Requirements		10,077,820	171,551
1.3	Interest Income on Banks		2,038,867	1,131,746
1.4	Interest Income on Money Market Transactions		5,008,665	3,424,194
1.5	Interest Income on Securities Portfolio		18,459,216	12,329,136
1.5.1	Financial Assets at Fair Value Through Profit or Loss		985,552	207,377
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		3,628,270	1,810,360
1.5.3	Financial Assets Measured at Amortized Cost		13,845,394	10,311,399
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		2,322,026	274,033
II.	INTEREST EXPENSES (-)	(IV-2)	98,937,092	34,792,174
2.1	Interest Expense on Deposits		89,437,684	30,951,302
2.2	Interest Expense on Funds Borrowed		4,023,811	2,636,714
2.3	Interest Expense on Money Market Transactions		4,432,887	702,798
2.4	Interest Expense on Securities Issued		-	-
2.5	Interest Expense on Leases		491,112	283,878
2.6	Other Interest Expenses		551,598	217,482
III.	NET INTEREST INCOME/EXPENSE (I - II)		28,063,705	16,755,953
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		9,736,170	4,901,709
4.1	Fees and Commissions Received		19,845,639	9,202,630
4.1.1	Non-cash Loans		1,358,287	982,151
4.1.2	Other	(IV-12)	18,487,352	8,220,479
4.2	Fees and Commissions Paid (-)		10,109,469	4,300,921
4.2.1	Non-cash Loans		10,680	7,633
4.2.2	Other	(IV-12)	10,098,789	4,293,288
V.	DIVIDEND INCOME	(IV-3)	25,715	25,869
VI.	TRADING PROFIT / LOSS (Net)	(IV-4)	(1,554,189)	10,184,632
6.1	Securities Trading Gains / Losses		(56,196)	1,506,928
6.2	Gains / Losses on Derivative Financial Instruments		(2,708,190)	(3,563,885)
6.3	Foreign Exchange Gains / Losses		1,210,197	12,241,589
VII.	OTHER OPERATING INCOME	(IV-5)	865,039	501,749
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII)		37,136,440	32,369,912
IX.	EXPECTED CREDIT LOSS (-)	(IV-6)	799,584	1,577,836
X.	OTHER PROVISION EXPENSES (-)	(IV-6)	(666,719)	1,805,505
XI.	PERSONNEL EXPENSES (-)		11,565,316	7,031,527
XII.	OTHER OPERATING EXPENSES (-)	(IV-7)	11,044,924	7,041,851
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		14,393,335	14,913,193
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES		-	-
XVI.	CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVII.	INCOME/LOSS ON NET MONETARY POSITION		-	-
XVIII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(IV-8)	14,393,335	14,913,193
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (-)	(IV-9)	3,489,604	3,186,545
18.1	Current Tax Provision		2,076,256	3,647,896
18.2	Deferred Tax Expense Effect (+)		4,774,172	2,414,458
18.3	Deferred Tax Income Effect (-)		(3,360,824)	(2,875,809)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVIII±XVIII)	(IV-10)	10,903,731	11,726,648
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses from Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	(IV-8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-9)	-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(IV-10)	-	-
XXV.	NET INCOME/LOSS (XIX+XXIV)	(IX-11)	10,903,731	11,726,648
	Earnings/Loss per Share		4.9464	5.3197

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited Current Period 01.01-31.12.2024	Audited Prior Period 01.01-31.12.2023
I. CURRENT PERIOD PROFIT/LOSS	10,903,731	11,726,648
II. OTHER COMPREHENSIVE INCOME	(871,422)	(904,070)
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	(171,333)	(36,447)
2.1.1 Increases/Decreases on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Increases/Decreases on Revaluation of Intangible Assets	-	-
2.1.3 Gains/Losses on Remeasurement of Defined Benefit Plans	(270,669)	(140,268)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	19,606	33,023
2.1.5 Taxes Relating to Components of Other Comprehensive Income will not be Reclassified through Profit or Loss	79,730	70,798
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	(700,089)	(867,623)
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	(611,085)	(1,080,669)
2.2.3 Income/Loss Related to Cash Flow Hedges	(389,043)	(66,060)
2.2.4 Income/Loss Related to Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	-	-
2.2.6 Taxes on Other Comprehensive Income to be Reclassified to Profit or Loss	300,039	279,106
III. TOTAL COMPREHENSIVE INCOME (I+II)	10,032,309	10,822,578

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 1 JANUARY - 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income and Expense Not to be Reclassified through Profit or Loss			Accumulated Other Comprehensive Income and Expense to be Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit / (Loss)	Current Period Profit or Loss	Total Equity
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6				
Prior Period – 01.01-31.12.2023														
I. Prior Period End Balance	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	11,190,604	-	25,341,172
II. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	11,190,604	-	25,341,172
IV. Total Comprehensive Income	-	-	-	-	-	(66,862)	30,415	-	(802,551)	(65,072)	-	-	11,726,648	10,822,578
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	92,478	-	-	-	-	-	(92,478)	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,071,544	(11,190,604)	-	(1,119,060)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,119,060)	-	(1,119,060)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	10,071,544	(10,071,544)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2023 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	148,708	(536,751)	43,126	-	(111,300)	217,372	20,962,728	-	11,726,648	35,044,690
Current Period – 01.01-31.12.2024														
I. Prior Period End Balance	2,204,390	2,565	-	387,204	148,708	(536,751)	43,126	-	(111,300)	217,372	20,962,728	11,726,648	-	35,044,690
II. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	387,204	148,708	(536,751)	43,126	-	(111,300)	217,372	20,962,728	11,726,648	-	35,044,690
IV. Total Comprehensive Income	-	-	-	-	-	(189,468)	18,135	-	(427,759)	(272,330)	-	-	10,903,731	10,032,309
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,553,983	(11,726,648)	-	(1,172,665)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,172,665)	-	(1,172,665)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	10,553,983	(10,553,983)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2024 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	148,708	(726,219)	61,261	-	(539,059)	(54,958)	31,516,711	-	10,903,731	43,904,334

1. Increase/decrease from tangible assets accumulated revaluation reserve,

2. Accumulated gains / losses on remeasurements of defined benefit plans,

3. Other (Other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss),

4. Foreign currency translation differences,

5. Accumulated revaluation and / or classification gains / losses of financial assets at fair value through other comprehensive income,

6. Other (Cash flow hedge gains / losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 1 JANUARY - 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. STATEMENT OF CASH FLOWS

	Section 5 Note	Audited Current Period 01.01-31.12.2024	Audited Prior Period 01.01-31.12.2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Banking Operations Assets and Liabilities		(9,760,094)	18,103,269
1.1.1 Interest Received		114,937,466	51,828,317
1.1.2 Interest Paid		(99,128,445)	(31,218,161)
1.1.3 Dividend Received		25,715	25,869
1.1.4 Fees and Commissions Received		17,989,719	8,851,626
1.1.5 Other Income		2,075,236	15,379,191
1.1.6 Collections from Previously Written Off Loans		2,752,912	1,586,742
1.1.7 Payments to Personnel and Service Suppliers		(11,195,330)	(6,852,769)
1.1.8 Taxes Paid		(5,590,365)	(7,279,454)
1.1.9 Others	(VI-1)	(31,627,002)	(14,218,092)
1.2 Changes in Banking Operations Assets and Liabilities		22,798,649	38,460,783
1.2.1 Net Decrease / (Increase) in Financial Asset at Fair Value Through Profit or Loss		(2,578,408)	2,361,365
1.2.2 Net Decrease / (Increase) in Due from Banks		(142,830)	22,759
1.2.3 Net (Increase) in Loans		(114,795,380)	(36,773,083)
1.2.4 Net (Increase) in Other Assets	(VI-1)	(29,864,552)	(9,894,272)
1.2.5 Net Increase / (Decrease) in Bank Deposits		38,228,947	22,060,309
1.2.6 Net Increase in Other Deposits		111,065,713	48,100,694
1.2.7 Net Increase / (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase / (Decrease) in Funds Borrowed		5,879,612	8,530,991
1.2.9 Net Increase / (Decrease) in Matured Payables		-	-
1.2.10 Net Increase in Other Liabilities	(VI-1)	15,005,547	4,052,020
I. Changes in Banking Operations Assets and Liabilities		13,038,555	56,564,052
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investing Activities		(31,476,471)	(4,485,727)
2.1 Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		-	(162,985)
2.2 Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		-	-
2.3 Purchase of Tangible Assets		(810,109)	(654,060)
2.4 Sale of Tangible Assets		3,854	5,076
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(30,809,515)	(4,776,041)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		6,085,739	7,742,659
2.7 Purchase of Financial Assets Measured at Amortized Cost		(14,600,317)	(15,451,927)
2.8 Sale of Financial Assets Measured at Amortized Cost		9,675,435	9,541,486
2.9 Other	(VI-1)	(1,021,558)	(729,935)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		14,550,954	(4,129,788)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		27,916,069	-
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued		(11,326,793)	(2,479,988)
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(1,172,665)	(1,119,060)
3.5 Payments For Leases		(865,657)	(530,740)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(VI-1)	2,634,397	6,438,331
V. Net Increase in Cash and Cash Equivalents		(1,252,565)	54,386,868
VI. Cash and Cash Equivalents at Beginning of the Period	(VI-2)	96,413,803	42,026,935
VII. Cash and Cash Equivalents at End of the Period	(VI-2)	95,161,238	96,413,803

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2024 AND 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2024	Audited Prior Period 31.12.2023(*)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	14,393,335	14,913,193
1.2 TAXES AND DUTIES PAYABLE (-)	3,489,604	3,186,545
1.2.1 Corporate Tax (Income Tax)	2,076,256	3,647,896
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties (**)	1,413,348	(461,351)
A. NET INCOME FOR THE YEAR (1.1-1.2)	10,903,731	11,726,648
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	10,903,731	11,726,648
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	110,220
1.6.1 To Owners of Ordinary Shares	-	110,220
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Owners of Preferred Shares (Pre-emptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	1,062,445
1.9.1 To Owners of Ordinary Shares	-	1,062,445
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Owners of Preferred Shares (Pre-emptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	118,049
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	10,435,934
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Owners of Preferred Shares (Pre-emptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	4.9464	5.3197
3.2 TO OWNERS OF ORDINARY SHARES (%)	494.64	531.97
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The authorized body of the Bank regarding profit distribution is the General Assembly, and as of the preparation date of these financial statements, the annual ordinary General Assembly meeting has not been held yet. Since the profit distribution proposal for 2024 has not yet been prepared by the Board of Directors, only the distributable profit amount is indicated in the profit distribution table.

(**) Deferred tax expense shown in other tax and legal liabilities (31 December 2023: Deferred tax income).

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

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION THREE
ACCOUNTING PRINCIPLES**

I. Explanations on Basis of Presentation

a. Financial statements and related explanations and preparation of footnotes in compliance with Turkish Accounting Standards (“TAS”) and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The unconsolidated financial statements are prepared within the scope of the Regulation on Accounting Applications for Banks and Safeguarding of Documents related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to reporting principles on accounting records of Banks published by the Banking Regulation and Supervision Agency (“BRSA”) and Turkish Financial Reporting Standards (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) for those matters not regulated by the aforementioned regulations. The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué on Disclosures About Risk Management to Be Announced to Public by Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

b. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements:

The accounting policies and valuation principles used in the preparation of the financial statements are subject to the regulations, communiqués, annotations and circulars issued by BRSA on accounting and financial reporting principles and the TFRS (“BRSA Accounting and Financial Reporting Legislation”) which has been put into force by the POA on issues not regulated by the BRSA determined according to the principles.

The amendments to TAS/TFRS, effective from 1 January 2024, do not have a significant impact on the Bank's accounting policies, financial position and performance. The amendments to TAS and TFRS, which have been published but not yet entered into force as of the finalization date of the financial statements, will not have a significant impact on the Bank's accounting policies, financial position and performance.

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 defines the characteristics which may indicate that an economy is a hyperinflationary economy.

In addition, TAS 29 requires all entities reporting in the currency of a hyperinflationary economy to adopt this Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority to ensure consistency in practice across the country. POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LME) should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation” and “FRS for LME Chapter 25 Financial Reporting in Economies with High Inflation”, adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29 or FRS for LME. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. Subsequently, with its decision numbered 10825 dated January 11, 2024, the BRSA set the transition date for the application of IAS 29 as January 1, 2025; and later, with its decision numbered 11021 dated December 5, 2024, the BRSA decided that banks and financial leasing, factoring, financing, savings financing, and asset management companies should not apply inflation accounting in 2025 either. In this scope, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 31 December 2024.

The accounting policies and valuation principles for the current period are explained in Note II and Note XXV below.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
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II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short term positions of currency, interest or price movements is performed only by the Asset-Liability Management and Treasury Group using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Bank’s foreign currency asset and liability balances are valued with the Bank’s exchange buying rate at the reporting date and recognized as “Foreign Exchange Gains / Losses” within statement of income.

The Bank’s hedging activities for the currency risk due to foreign currency available for sale equity instruments are described under the Currency Risk section; and the Bank’s hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Bank’s Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the balance sheet structure.

III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

In accordance with “TAS 27”, investments in associates, subsidiaries and joint ventures are accounted with cost values and are reflected on the financial statements after deducting the provision for impairment, if any.

The dividends received from investments in associates, subsidiaries and joint ventures are reflected to income statements at the date of the right to receive dividend.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank's derivative transactions mainly consist of foreign currency swaps and interest rate swaps, cross currency swaps, currency options and forward foreign currency purchase and sale contracts.

Pursuant to “TFRS 9 Financial Instruments” (“TFRS 9”), derivative financial instruments of the Bank are classified as “Derivative Financial Assets at Fair Value Through Profit or Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income”.

The portion of derivative financial assets at fair value through profit or loss

Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet through their contractual amounts. Derivative transactions are measured at fair value after initial recognition. Derivative financial instruments are initially recognized at fair value and attributable transaction costs are recognized in profit or loss on the date they are incurred. In the periods following the recording of derivative transactions, the part of derivative financial assets at fair value through profit or loss or the part of derivative financial liabilities at fair value through profit or loss are shown in the balance sheet, depending on whether the fair value is positive or negative. Differences in fair value as a result of the valuation are reflected in the profit or loss statement from derivative financial transactions.

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IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

The portion of derivative financial assets at fair value through profit or loss (continued)

Derivative financial instruments are booked under off-balance sheet items. Derivative financial instruments where the underlying asset is money or commodity, are booked based on the amounts to be received/paid at the maturity date. Derivative financial instruments based on interest rate are booked with the principal amount on which the interest rate is calculated.

All derivative financial instruments are measured with fair value method. The fair value of the derivative financial instruments traded in organized markets is the price on the organized market. Within the scope of TFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) has significantly decreased in its volume or level of activity relative to normal market volume, (ii) when a transaction price or quoted price does not reflect fair value and/or (iii) when a material adjustment is required so that the price of a similar asset is comparable to the subject asset, or (iv) when the price is no longer valid, it adjusts the transaction price or the quoted price and reflects this adjustment in the fair value measurement. In this context, the Bank determines the point in the range that best reflects the fair value in the current market conditions.

The cash flows of forward, currency swap, interest rate swap, and cross currency swap transactions should be determined firstly in order to measure with fair value method. Expected cash flows due to the floating interest rate for these products are defined according to market interest rate at the valuation date. Valuation is calculated by discounting the cash flows with the market interest rate and foreign currencies are converted into Turkish Lira with exchange rates at the valuation date.

Derivative financial instruments based on interest rate are measured not only with fair value method but also with amortized cost. While the fair value of derivatives is reflected in a single valuation account within the balance sheet, the amortized cost and the difference between the fair value and the amortized cost are reflected separately on the income / expense accounts.

Black and Scholes Model is used to measure the fair value of options. Options premiums are accrued on the start date of maturity. The valuation amount is composed of premiums valued at each valuation date. Premium to be paid calculated within this model is recorded as income, and the premium to be collected as expense.

Explanations on derivatives for hedging purposes

In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply “the hedge accounting provisions” of TAS 39. Within this context, the Bank continues to apply the hedge accounting provisions of TAS 39.

The Bank applies fair value hedge accounting and cash flow hedge accounting. Hedge accounting is applied to prevent short-term fluctuations in the income statement that may arise from differences in the valuation methods of on-balance sheet assets and liabilities subject to interest rate risk and the derivative instruments that hedge these risks.

In cash flow hedge accounting, the effective part of the fair value change of the hedging instrument is recognized in the “accumulated other comprehensive income or expense to be reclassified in profit or loss” account under equity, and the ineffective part is recognized in the statement of profit or loss. In periods when the cash flows related to the hedged item affect the profit or loss, the profit/loss of the related hedging instrument is also eliminated from the equity and reflected in the profit or loss statement. Hedge accounting is applied to prevent fluctuations that may arise in the income statement in the short term as a result of differences in the valuation methods of assets and liabilities in the balance sheet that are subject to interest rate risk and the derivative instruments that protect them from risk.

The Bank is also hedged from the cash flow risk arising from its financial debts with interest rate swaps and cross currency swaps.

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IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

Explanations on derivatives for hedging purposes (continued)

In cases where cash flow hedge accounting is terminated, the hedging instrument is sold, the hedge is discontinued, or the hedge is not continued due to ineffectiveness of the effectiveness test, the profit/loss recognized under equity within the scope of cash flow hedge accounting is retained under equity until the cash flows related to the hedged item are realized. It continues to remain in the "accumulated other comprehensive income and expense to be reclassified through profit or loss" account.

The Bank designates its fixed-rate foreign currency borrowings as subject to fair value hedge accounting. The fair value risk of the related fixed-rate financial assets is hedged with interest rate swaps. During the periods when the relationship between the hedging instrument and the hedged item is effectively measured, changes in the fair value of the hedged item are recognized in profit or loss under fair value hedge accounting.

The effectiveness of derivative transactions used for hedging purposes in offsetting changes in the fair value of the hedged item is regularly assessed and the results of these assessments are documented. If the hedge does not meet the criteria for hedge accounting, hedge accounting is discontinued. The Bank performs effectiveness tests at the inception of the hedge and at each reporting period, and continues hedge accounting if the effectiveness falls within the range of 80% -125%.

V. Explanations on Interest Income and Expense

Interest income, when purchased or used according to the effective interest method specified in TFRS 9 (the ratio that equates to the present net value of the future cash flows of the financial asset or liability), credit-impaired financial assets and when purchased or granted, except for financial assets that are not credit-impaired financial assets but later become credit-impaired financial assets, is recognized by applying an effective interest rate to the gross book value of the financial asset. While applying the effective interest rate method, the Bank determines the fees that are an integral part of the effective interest rate of the financial instrument. Fees, which are an integral part of the effective interest rate of the financial instrument, are considered as adjustments to the effective interest rate, unless the financial instrument is measured at fair value through profit or loss. In such cases, these fees are recognized as income or expense during the initial recognition of the financial instrument.

The Bank, when applying the effective interest method, amortizes the fees, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the financial instrument.

If there is an unpaid interest accrual prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods and only the post-acquisition portion is reflected in the financial statements as interest income. If the expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the change is reflected in the carrying value of the asset and the related income statement item and amortized over the estimated life of the financial instrument.

Interest income and expenses are recorded on accrual basis. As the interest income and expense is accrued, all tax liabilities are fulfilled.

Accrued but not collected interests and discounts of loans, those classified as non-performing (Stage 3) are not reversed and included in interest income.

The interest amount representing the time value of the future collections of the non-performing loans is recognized under interest income and fully provisioned. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

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VI. Explanations on Fees and Commission Income and Expenses

Fees and commissions other than integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted in accordance with the TFRS 15 Revenue from Contracts with Customers Standard.

Income on banking services which are not related to periodic services are recorded as income when they are collected. In order to classify the fees and commissions collected from customers as income on banking services or as other non-interest income, they should not be related with a credit transaction.

All type of fees and commissions collected from customers regarding cash loans are deferred in commissions on cash loans account and are recognized as income over the period of the loan by discounting with effective interest rate.

The Bank receives commissions on the basis of collections from insurance companies regarding the insurance transactions it carries out as an insurance agency and records these commissions as income on an accrual basis.

The commissions related with non-cash loans or periodic banking services, are deferred and recorded as income over the period according to the cut-off principle. Credit fee and commission expenses which are paid to other companies and institutions regarding financial liabilities and which create operational costs are discounted by effective interest rate and are recorded as expenses in the relevant period according to the cut-off principle.

VII. Explanations on Financial Assets

The Bank classifies and recognizes its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets Measured at Fair Value Through Other Comprehensive Income” or “Financial Assets Measured at Amortized Cost”. The financial assets are recognized or derecognized in accordance with the “Recognition and Derecognition” principles defined in Section 3 related to the classification and measurement of financial instruments of the “TFRS 9 Financial Instruments” standard published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added or deducted to/from their fair value.

The Bank recognizes a financial asset in the financial statement when, and only when, the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the settlement date. When the Bank first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management.

Financial Assets at Fair Value Through Profit/Loss

Financial assets at fair value through profit or loss are financial assets that are managed by business model other than the business model that aims to “hold to collect” and “hold & sell” the contractual cash flows; acquired for the purpose of generating profit from short-term fluctuations in price, or regardless of this purpose, the financial assets that are a part of a portfolio with evidence of short-time profit-taking; and the financial assets, whose terms do not give rise to cash flows that are solely payments of principal of interest at certain dates. Financial assets at fair value through profit/loss are initially recognized at fair value and are subsequently measured at fair value. Gain and losses upon their valuation are accounted under the profit/loss accounts.

Equity securities classified as financial assets at fair value through profit or loss are recognized at fair value.

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III. Note IV.

Financial Assets at Fair Value Through Other Comprehensive Income

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

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VII. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income (continued)

Financial assets at fair value through other comprehensive income are recognized at acquisition costs that reflect their fair value by adding transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method are reflected in the statement of profit or loss. The difference between the fair value of the financial assets at fair value through other comprehensive income and the amortized cost of the financial assets, i.e. “Unrealized gains and losses”, is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under “Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss” under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

The Bank may elect at initial recognition to irrevocably designate an equity investment at fair value other comprehensive income where those investments are hold for purposes other than to generate investments returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Dividends continue to be recognized in profit or loss in the financial statements.

All equity instruments classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. In case of disposal of the equity investment, the accumulated total gain or loss is followed in the “Other Accumulated Comprehensive Income or Expense that cannot be reclassified to Profit or Loss”.

In addition, the Bank's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price (“CPI”) indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted by using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months ago. The Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Republic of Türkiye and the Bank's expectations, is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

Financial Assets Measured at Amortized Cost

Financial investments measured at amortized cost:

A financial asset is classified as a financial asset measured at amortized cost when the Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial asset measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at “Amortized cost” by using the “Effective interest (IRR) rate method”. Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Loans:

Loans are financial assets with fixed or determinable payment terms which are not traded on an active market and measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the “Effective interest (IRR) rate method”.

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VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principles regarding Classification of Loans and Allowances Allocated for Such Loans” which came into force starting from 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

- Time value of money
- Reasonable and supportable information on past events, current conditions and forecasts of future economic conditions at the reporting date

The Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage categories” depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12 month expected credit losses.

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined based on the instrument’s lifetime expected credit losses. Following criteria have been taken into account in classification a financial asset as Stage 2:

- Loans having past due more than 30 days and less than 90 days
- Restructuring loans
- Concordatum events
- Significant deterioration in probability of default

In the case of the occurrence of any of the first three items above, it is classified under Stage 2 loans regardless of the comparison between probability of default.

Significant deterioration in probability of default is considered as significant increase in credit risk and the financial asset is classified under Stage 2 loans. In this regard, it is assumed that the probability of default deteriorates, if the probability of default exceeds the thresholds defined by the Bank's internal rating based credit rating models.

Stage 3:

Stage 3 includes financial assets that have objective evidence that they are impaired as of the reporting date. For these assets, lifetime expected credit losses are recorded. For the related financial assets, the probability of default is taken into account as 100%.

Expected Credit Loss Calculation

Expected credit loss calculation refers to the calculation to estimate the loss of the financial instrument in case of default and it is based on 3-stage impairment model based on the change in credit quality. The Bank uses two different calculations considering 12-month and lifetime probability of default of the financial instruments.

If there is a significant increase in credit risk between the origination date and the reporting date of the loan, the lifetime probability of default is used and if there is no significant increase in credit risk the 12 month probability of default is used.

There are three loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioral scores is used for the retail portfolios. It is determined significant increase in credit risk by comparing the credit ratings/behavioral scores at the origination date and reporting date for both portfolios.

Default Definition: Debts having past due more than 90 days; in addition, the fact that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

The Bank considers different scenarios in the calculation of expected credit loss by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2024				2025				2026				2027			
Period (*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	5.31	2.49	1.59	2.80	3.20	3.30	2.90	2.60	3.75	3.55	3.15	3.65	3.90	3.70	3.40	4.20

(*)It represents 3-month periods.

The Bank does not have any financial asset as purchased or originated credit-impaired.

Probability of Default (PD): Probability of Default represents the likelihood of default over a specified time period. Based on the historical data, 1-year PD of a customer is calculated for each portfolio on the basis of credit ratings and behavioral scores. PDs and LGDs used in the ECL calculation are point in time ("PIT") based on key portfolios and consider both current conditions and expected cyclical changes. Two types of probability of default are calculated.

- 12-Month Probability of Default: as the estimated probability of default occurring within the next 12 months
- Lifetime Probability of Default: as the estimated probability of default occurring over the remaining life of the financial instrument

Internal rating systems are used to measure the risk of both commercial and retail portfolios. The internal rating models used in the commercial portfolio include the customer's financial information and the answers to the qualitative question set. Behavioral score cards used in the retail portfolio include the behavioral data of the customer and the product in the Bank, the demographic information of the customer and the behavioral data of the customer in the sector.

The probability of default is calculated based on historical data, current conditions and forward-looking macroeconomic expectations.

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

LGD estimates for commercial segments are calculated with statistical models that take into account historical collection and direct cost items and explain the realized LGD rates based on risk factors. Historical collection rates by collateral type for the corporate segment and by product class for the retail segment are calculated by taking into account the time value of money, and these rates are used in the calculation of LGD estimates. For the corporate segment, collaterals are included in the calculation by taking into account the expected cash conversion rate order.

Exposure at Default (EAD): The Exposure at Default represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. The expected default amount is calculated by discounting the principal and interest repayments for cash loans and income accruals by effective interest method while it refers to the value calculated through using credit conversion factors for non-cash loans and commitments. It shows the risk of the borrower at the date of default.

Effective interest rate: The discount factor which reflects the time value of money.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

Lifetime ECL is calculated by taking into account the period during which the Bank will be exposed to credit risk. The maturity information defined for all cash and non-cash loans is used in the calculation of the expected credit loss along with their maturity and payment plans. The maturity refers to the contractual life of a financial instruments unless there is the legal right to call it earlier. The maturity analysis and credit risk mitigation processes such as cancellation/revision of the limits have been developed for the definition of behavioral maturity for loans that do not have maturity information and revolving loans.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Adverse” and “Favorable” and the weighted average of the results of these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Expected Credit Loss Calculation of Stage 1 Loans: It is calculated by considering 12 month (1 year) PDs for the financial assets measured at amortized cost, which do not reflect a significant increase in credit risk. Therefore, it is a part of the lifetime expected credit losses. Such expected 12 month PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In the case of the current default rate is below a defined threshold without comparison with the origination date, the related loans are classified under Stage 1 loans by considering their credit qualities. Treasury Bills, Government Bonds and CBRT balances are classified under Stage 1 loans. In addition, the institutions related to risk group of the Bank and other banks’ placements are classified under Stage 1 loans.

Expected Credit Loss Calculation of Stage 2 Loans: It is calculated by considering lifetime PDs for the loans which has shown a significant increase in credit risk since origination. Such expected lifetime PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In determining of the significant increase in credit risk, qualitative and quantitative assessments are performed.

Qualitative assessments:

The loans with a delay on repayment more than 30 days are classified under Stage 2 loans. In addition, the restructured loans are classified under this stage. Also, all the customers declaring concordatum are classified under this stage.

The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Quantitative assessments:

“Significant increase in credit risk” is quantitatively based on the comparison the risk of default at the reporting date with the risk of default at the date of initial recognition. Where the change is above the defined threshold it is considered as significant increase in the credit risk, meaning that the credit is classified under Stage 2 loans.

In the case of the internal credit rating of the loan is above a defined threshold, “high risk portfolio”, without comparison with the origination date, the related loans are classified under Stage 2 loans.

In addition, the Bank allocates overlay in addition to the Expected Credit Loss model provisions against potential credit risks that may arise in line with its macroeconomic expectations. Additional provisions are evaluated monthly by the Bank’s Provisions Committee, and if it is determined that the provisions are no longer necessary, they are reversed.

Expected Credit Loss Calculation of Stage 3 Loans: Lifetime expected credit losses are booked for the loans considered as impaired. When calculating the provisions by discounting the individual cash flow expectations for financial instruments which are above a defined threshold, loss given default rates are taken into account in case of default for financial instruments which are below the defined threshold.

IX. Explanations on Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has legally enforceable rights to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

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X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Treasury bills and government bonds within the scope of repurchase agreements are classified in financial statements as financial assets carried at amortized costs, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income according to the classification of marketable securities subject to repurchase agreement and are valued according to the measurement rules of the relevant category. Funds obtained through repurchase agreements are booked in a separate liability account, namely funds provided under repurchase agreements under money market balances. Income and expenses arisen from these transactions are booked in "Interest Income on Marketable Securities Portfolio" and "Interest Expense on Money Market Borrowings" in income statement.

Securities purchased under repurchase agreements ("reverse repo") are accounted under "Money Market Placements" in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2024, the Bank has no reverse repo transaction (31 December 2023: 12,243,734).

As of 31 December 2024, the Bank does not have any marketable securities lending transaction (31 December 2023: None).

XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with "TFRS 5 Assets Held for Sale and Discontinued Operations". An asset (or disposal group) classified as held for sale in accordance with TFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 31 December 2024, assets held for sale and discontinued operations of the Bank are TL 32,289 (31 December 2023: TL 82,060). As per the appraisals performed for the real estates held for sale included "Assets Held for Sale" in the financial statements, TL 3,520 (31 December 2023: TL 3,806) has been reserved as provision for impairment losses.

As of 31 December 2024, the Bank has no discontinued operations.

XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statement's provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

As explained in footnote 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844, all rights, receivables, (assets and liabilities) of Fortis Bank A.Ş. would be transferred to the Bank as stated in Istanbul Commerce Trade dated 14 February 2011.

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XII. Explanations on Goodwill and Other Intangible Assets (continued)

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the Bank has measured the identifiable assets acquired and the identifiable liabilities acquired in the date of the merger of Fortis Bank A.Ş. at fair value and presented in the financial statements as related items. The resulting difference of TL 48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder's equity section. The amount of TL 421,124, which is the difference between TL 2,385,482, the fair value of transferred amount and TL 1,964,358, the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder's equity section.

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Bank comprise mainly software. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Software used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

XIII. Explanations on Tangible Assets

Tangible assets of the Bank are accounted for at their restated cost until 31 December 2004 and afterwards, the acquisition cost and any other cost incurred to prepare the asset ready for use are reflected, less reserve for impairment, if any.

Depreciation rates are defined according to the economic life of the relevant assets.

Depreciation is calculated using the straight line method, without taking residual values into consideration, based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible fixed assets are as follows:

Buildings	50 years
Furniture, Fixtures and Office Equipment and Others	5-15 years

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

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XIII. Explanations on Tangible Assets (continued)

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of the related asset and other maintenance costs are expensed. Leasehold improvements amount is subject to depreciation during leasing period. This period is taken into consideration maximum five years. For the branches, this period is considered as three years in parallel with the Bank's business plans.

The Bank employs independent appraisers in determining the current fair values of its real estate's when there is any indication of impairment in value of real estates.

XIV. Explanations on Leasing Transactions

“TFRS 16 Leases” was promulgated in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard specifies the principles for the leasing, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information and faithful representation. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements. The Bank has started to apply the related standard for the first time on 1 January 2019 by reflecting the application effects to the equity accounts.

Lease obligations under the contract in the amount of liabilities on the balance sheet equal to the sum of all cash payments and offset with the form shown gross interest expense arising from the contract. The right of use arising from the leasing transactions, at the date of commencement, the present value of the lease payments which have not been paid at that date is measured. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio is not easily determined, the Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

With the “TFRS 16 Leases” standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Assets” as an asset (tenure) and under “Lease Payables” as a liability.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are provided for liabilities of uncertain timing or amount arising from past events have the probability to result in an expense or loss in the future and when it can be measured reliably.

Provisions are determined by using the Bank management best expectation of expenses in fulfilling the obligation as of the balance sheet date and discounted to present value if material. Provisions and contingent liabilities, excluding specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (TAS 37) regarding Provisions, Contingent Liabilities and Contingent Assets.

XVI. Explanations on Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

Contingent assets are disclosed in the financial statements' notes where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. In case it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

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XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

Employees transferred to the Bank following the business combination defined in the Section One “General Information” of the Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2024, the Pension Fund has 585 employees and 2,341 pensioners (31 December 2023, 891 employees and 2,031 pensioners).

Provisional Article 23 (1) of Banking Law No: 5411 (the “Banking Law”) published in the Official Gazette repeated No: 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court’s ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on 15 December 2007.

Immediately following the publication of the reasoned decision of the Constitutional Court regarding the annulment, the Grand National Assembly of Türkiye (“GNAT”) started to work on new legal regulations providing for the transfer of bank fund participants to SSI and the relevant articles of the Social Security Law regulating the principles regarding the transfer were adopted on 8 May 2008 and entered into force by being published in the Official Gazette No. 26870.

The application made by the main opposition party to the Constitutional Court on 19 June 2008, requesting the annulment and suspension of the enforcement of some articles of the New Law, including the transfer of funds to the Social Security Institution, was rejected by the decision taken at the meeting of the Constitutional Court on 30 March 2011, and the reasoned The decision was published in the Official Gazette dated 28 December 2011 and numbered 28156.

The cash value of the liability regarding the transferred persons as of the New Law transfer date; Using a technical interest rate of 9.8 percent, the insurance branches of the funds within the scope of the Law are determined by a commission consisting of SSI, The Ministry of Finance, Treasury Undersecretary, Undersecretariat of State Planning Organization, BRSA, Savings Deposit Insurance Fund (TMSF), bank and fund representatives. It was stated that if the income and expenses and the pensions and incomes paid by the funds were above the salaries and incomes within the framework of SSI regulations, the said differences would be calculated and the transfer would be completed by 8 May, 2011.

With the decision of the Council of Ministers published in the Official Gazette dated 9 April 2011 and numbered 27900, it was decided to extend the transfer process for 2 years. Within the framework of the postponement authority given to the Council of Ministers with the amendment in the first paragraph of the temporary article 20 of the Social Insurance and General Health Insurance Law No. 5510, published in the Official Gazette No. 28227 dated 8 March 2012, it was published in the Official Gazette No. 28987 dated 30 April 2014. The transfer process, which was postponed for another year by the Council of Ministers’ Decision No. 2014/6042, was supposed to be completed by 8 May 2015 with this change. This time, The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published on the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, “Council of Ministers” is authorized to determine the date of transfer to the Social Security Institution has been replaced with “President”.

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XVII. Explanations on Liabilities Regarding Employee Benefits (continued)

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2024. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable by the assets of the Pension Fund, they believe such liabilities will not bring any additional liability to the Bank.

XVIII. Explanations on Taxation

Corporate Tax

In Turkey, corporate tax applied at the rate of 20% for corporate income is applied at 25% for the corporate income for the taxation period of 2021 and 23% for the corporate income for the taxation period of 2022 in accordance with the regulation introduced by the Law No. 7316 "Law on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws", and pursuant to the regulation numbered 7394 "Law on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and Amendment to the Value Added Tax Law", this rate has been determined as 25% to be applied to the corporate income of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the taxation period starting from 2022. In addition, with the Law No. 7417 "Law on the Amendment of the Law on Civil Servants and Certain Laws and the Decree Law No. 375", the effective article of the 25% rate determined within the scope of Law No. 7394 has been amended, and thus, the relevant regulation has been made that 25% corporate tax will be calculated on the corporate income of the above-mentioned banks and financial institutions for the taxation period of 2023 and the following periods. With the latest regulation on corporate tax rates, the general corporate tax rate was increased from 20% to 25% and the corporate tax rate for financial institutions was increased from 25% to 30% within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375". The aforementioned article enters into force on the date of its publication, starting from the declarations to be submitted as of 1 October 2023 (3rd Provisional Tax Period).

The tax legislation requires advance tax to be calculated and paid based on earnings generated for each quarter, the amounts thus calculated and paid are offset from the final tax computed over the earnings of the year. With the Tax Procedure Law No. 7338 published in the Official Gazette dated 26 October 2021 and numbered 31640, the 4th period provisional tax return to be implemented in 2022 was abolished. In the new application, a total of 3 temporary tax returns will be submitted in quarterly periods for the first 9 months of the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are taken into account in the Tax Statement according to Article 22 of the Prevention of Double Taxation Treaty signed between Northern Cyprus and the Turkish Republic.

50% portion of the gains derived from the sale of immovable (from 5 December 2017) which have been acquired due to loans under follow up from the Bank and 50% (this rate was reduced from 75% to 50% with Presidential Decree No. 9160, which came into effect on November 27, 2024) portion of participation shares, founder's shares, dividend shares and pre-emption rights is tax exempt. 75% portion of the capital gains derived from the sale of equity investments are exempt from corporate taxation, providing that such gains are added to paid-in capital or held in a special fund account under liability for 5 years. In addition, within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375", the Corporate Tax exemption (Corporate Tax Law 5/1-e) on the sales gains of immovable properties held in assets for at least 2 years has been repealed. However, for the immovables acquired before the publication date of the Law (for the immovables in the assets of the institutions before 15 July 2023), the exemption rate will be applied as 25% for the gains obtained.

Tax returns are required to be declared and paid between the first and last day of the fourth month following the accounting period.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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XVIII. Explanations on Taxation (continued)

Corporate Tax (continued)

Within the scope of repetitive article 298 of the Tax Procedure Law, it has been decided that the financial statements will be subject to inflation adjustment if the increase in the producer price index is more than 100% in the last 3 accounting periods, including the current period, and more than 10% in the current accounting period and as of 31 December 2021, these conditions have been fulfilled. However, with the Law No. 7352 on the "Amendment of the Tax Procedure Law and the Corporate Tax Law," published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, it has been enacted that the financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods including the provisional tax periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met, the financial statements as at 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, the profit/loss differences arising from the inflation adjustment to be made will be shown in the prior years' profit/loss account, the prior year's profit determined in this way will not be subject to tax, and the loss of the prior year's loss will not be considered as loss. In addition, the "Law on Amendments to Certain Laws and Decree Laws" numbered 7491 was published in the Official Gazette dated December 28, 2023, and in Article 17 of this law; Profits resulting from inflation adjustments to be made by banks, companies within the scope of Law No. 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods (including provisional tax periods). and the loss is not taken into account in the corporate tax base. Issues regarding inflation adjustment are explained in the Tax Procedure Law Communiqué No. 555 and the Tax Procedure Law Circular No. 165. Additionally, in Tax Procedure Law Circular No. 176 published on November 1, 2024, it is stated that if the inflation adjustment difference transferred to expense accounts related to the adjustment of the prepaid expenses account for inflation arises from the 2023 fiscal period, it should not be considered as an expense but should be shown in the section of non-deductible expenses in the tax return.

On the other hand, with the Temporary Article 32 added to the Tax Procedure Law with the relevant articles of the Tax Procedure Law No. 7338 and the Law on Amending Certain Laws, taxpayers within the scope of the duplicate article 298/ç were allowed to revalue their real estate and depreciable economic assets recorded in their balance sheets. In addition, with the Communiqué Amending the Tax Procedure Law General Communiqué (line no. 537) with line no. 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, additional explanations have been introduced in the procedures and principles regarding the revaluation of real estate and economic assets subject to depreciation for taxpayers who, despite keeping books on the balance sheet basis, have to use different accounting techniques in terms of their fields of activity. Accordingly, the Bank made a revaluation of the immovable in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/ç are met. Thus, corporate tax will be paid according to the new depreciation expenses found after revaluation of real estate and depreciable economic assets. However, in accordance with paragraph (A) of Article 298 of the TPL and Provisional Article 33, revaluation cannot be made within the scope of paragraph (Ç) of the same article in periods when inflation adjustment is required. In case of inflation adjustment in the period following the end of the revaluation period, inflation adjustment is applied based on the values found by taking into account the last values of the revalued depreciated economic assets.

With Article 7 of Law No. 7524, published in the Official Gazette dated August 2, 2024, and numbered 32620, the phrase "and precious metals" was added after the term "trade" in the provision of market value, which is one of the valuation measures in Article 263 of the Tax Procedure Law. Thus, it has been ensured that the market value can be used as a valuation measure in the valuation of precious metals traded on the precious metals exchange. On the other hand, Article 8 of Law No. 7524 added Article 274/A to the Tax Procedure Law. According to this article, precious metals such as gold, silver, platinum, and palladium will be valued at market value. Accordingly, as of August 2, 2024, except for those recorded as commercial goods in the assets of taxpayers engaged in the production and trading of precious metals, precious metals held by taxpayers for investment purposes and receivables and payables in precious metals will be valued at market value. Consequently, deposit accounts and loan accounts opened physically or nominally based on precious metals will also be valued at market value. Additionally, receivables and payables based on deposit or loan agreements in precious metals will be considered together with the interest accrued until the valuation date.

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XVIII. Explanations on Taxation (continued)

Deferred Tax Asset/Liability

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 31 December 2024, the deferred tax is calculated over 30% in accordance with the tax legislation in effect. According to the Provisional Article 33 of the Tax Procedural Law, in the financial statements dated 31 December 2024, the tax effects arising from inflation adjustment of corporate tax are included in the deferred tax calculation as of 31 December 2024.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax asset is calculated over temporary differences arisen from expected credit loss provision in line with TFRS 9 principles from 1 January 2018.

The deferred tax effects of transactions that are recognized directly in equity are also reflected in equity.

In September 2023, the POA issued amendments to IAS 12 introducing a mandatory exception from the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. These amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the OECD’s Pillar Two Model Rules. These amendments also introduce specific disclosure requirements for entities affected by such tax laws. The exception from recognizing and disclosing information about deferred taxes within this scope, and the disclosure requirement that the exception has been applied, apply immediately upon the issuance of the amendments. These amendments have not had a significant impact on the Bank’s financial position or performance.

Transfer Pricing

Article 13 of the Corporate Tax Law contains detailed explanations on “concealed gain profit distribution through transfer pricing” and in this context, if the corporations purchase or sell goods or services with related parties at a price or price determined in violation of the arm’s length principle, the profit is deemed to be distributed in whole or in part as disguised through transfer pricing. In the application of Corporate Tax laws, the earnings distributed in a disguised manner through transfer pricing in whole or in part are taken into consideration as the dividend distributed as of the last day of the accounting period in which the conditions in this article are met, or the amount transferred to the head office for limited taxpayers, and the earnings distributed in a disguised manner cannot be deducted in the determination of corporate income.

The “arm’s length principle”, which forms the basis of the regulation on transfer pricing, means that the price or price applied in the purchase or sale of goods or services with related parties is in accordance with the price or price that would occur in the absence of such a relationship between them. In this sense, important issues such as related person, arm’s length principle, arm’s length price determination methods, which are handled within the scope of transfer pricing application, are included in detail in the Transfer Pricing communiqués published on the subject.

Corporate taxpayers are required to fill in the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form” for the purchase or sale of goods or services with related parties within an accounting period and submit it to the tax office in the annex of the corporate tax return.

XIX. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

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XX. Explanations on Issued Equity Securities

There is no share issued in 2024.

XXI. Explanations on Bill Guarantees and Acceptances

Acceptances are realized simultaneously with the payment dates of the customers, and they are presented as probable commitments in off-balance sheet accounts.

XXII. Explanations on Government Incentives

There is no government incentive utilized by the Bank.

XXIII. Explanations on Reporting According to Segmentation

The operating segments of the Bank include Retail and Private Banking, SME Banking, Corporate Banking, Treasury and Asset-Liability Management.

Retail and Private Banking lines of the Bank provide consumer loans, personal financing, housing, workplace and vehicle loans for customer needs related to general consumption, purchase of durable goods, and real estate. The Bank also provides account products like Marifetli, Firsat and CEPTETEB along with the standard time deposit products to enable advantageous savings in different currencies and maturities. In regard to investment needs for customers, retail and private banking offers brokerage services for treasury bill transactions, government bonds, Eurobonds, foreign exchange purchases/sales, a wide range of investment funds, private pension funds and equity securities transactions. It also provides practical account, credit deposit account, automatic bill/regular payment options, safe-deposit boxes and insurance services beside credit and debit cards offering advantages in shopping and banking transactions. These products and services are provided to customers through widespread physical branches and ATM network and also via a 24/7 call center, internet and mobile banking. In addition to small businesses, Business Banking, Agricultural Banking and Women's Banking for agricultural producers and women boss segments; Financial problems faced by customers are solved on a larger scale, and information, training and network access support are provided on non-financial issues.

Corporate banking provides financial solutions and banking services to large-scale local firms, holdings and their group companies, and multinational companies operating in Turkey. In addition to the bank deposit services provided to corporate customers, corporate banking also develops tailored solutions and products for standard cash and non-cash loans, investment loans, cash management services in line with customer needs and demands and foreign trade financing. Foreign exchange purchase and sale transactions, corporate financing services, derivative products and solutions to manage foreign exchange and interest rate risk and commodity financing are other services provided by the Bank. The Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialized in foreign trade, cash management, structured finance and multinational companies. It also benefits from the global business network and expertise of BNP Paribas Group.

SME banking provides small and medium-sized enterprises with financial solutions and exclusive services for non-financial matters. The Bank, which specifically designed its services for different segments in the field of SME Banking, has developed solutions that are tailored to the needs of these segments. In addition to solutions developed for medium-sized enterprises, solutions were developed for jewelers, entrepreneurship segments and for SME Banking, Gold Banking and Entrepreneurship Banking. These solutions are provided on a larger scale based on the types of financial problems encountered by customers, and they are supported in non-financial matters via offering access to information, training and networks. At this point, the Bank does not only provide financial support to the SMEs but also provides the training and expertise they need to grow their business, strengthen their competitiveness and use their financing properly.

When determining the short, medium and long-term pricing strategy, Asset-Liability Management and the Treasury Group also manage the maturity mismatch, by adopting a principle foreseeing to work with a positive balance sheet margin. Spot and forward TL and foreign exchange purchase-sale transactions, treasury bill, government bond, and Eurobond purchase-sale transactions, and derivative product purchase/sale transactions are carried out under defined authorizations. The Bank also carries out activities related to providing medium and long-term funding, enabling funding at a price below the price reflecting the country risk price, diversifying funding resources, and creating an international investor base in this field.

The Financial Markets Group provides structured financial solutions to hedge foreign exchange/interest rate risks of customers and provides the most appropriate price for the market instruments offered to customers by monitoring market conditions.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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XXIII. Explanations on Reporting According to Segmentation (continued)

The details of the income statement and the balance sheet which the Bank operates as a business line:

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	25,715	25,715
Profit Before Tax	7,509,528	12,058,830	1,141,435	(6,316,458)	14,393,335
Tax Provision (-)	-	-	-	3,489,604	3,489,604
Net Profit for the Period	7,509,528	12,058,830	1,141,435	(9,806,062)	10,903,731

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	115,715,850	126,354,008	77,913,542	291,155,390	611,138,790
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	279,026	279,026
Total Assets	115,715,850	126,354,008	77,913,542	291,434,416	611,417,816
Segment Liabilities	267,182,727	117,458,677	17,106,628	165,765,450	567,513,482
Shareholders' Equity	-	-	-	43,904,334	43,904,334
Total Liabilities	267,182,727	117,458,677	17,106,628	209,669,784	611,417,816

Prior Period (31.12.2023)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	25,869	25,869
Profit Before Tax	1,878,890	5,044,146	964,741	7,025,416	14,913,193
Tax Provision (-)	-	-	-	3,186,545	3,186,545
Net Profit for the Period	1,878,890	5,044,146	964,741	3,838,871	11,726,648

Prior Period (31.12.2023)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	68,214,361	88,506,389	45,401,615	204,517,628	406,639,993
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	279,026	279,026
Total Assets	68,214,361	88,506,389	45,401,615	204,796,654	406,919,019
Segment Liabilities	192,800,817	65,240,726	22,216,126	91,616,660	371,874,329
Shareholders' Equity	-	-	-	35,044,690	35,044,690
Total Liabilities	192,800,817	65,240,726	22,216,126	126,661,350	406,919,019

XXIV. Explanations on Other Matters

According to the decision taken at the Ordinary General Assembly Meeting of the Bank held on 27 March 2024, from TL 11,726,648, which constitutes the net balance sheet profit of 2023, as recommended by the Board of Directors, TL 1,172,665 to shareholders and 9.96 full TL to founders' redemption certificate holders after that the remaining balance is fully reserved as Extraordinary Reserves.

XXV. Reclassifications

Classification adjustments have been made to the income statement and cash flow statement as of 31 December 2023, to ensure compliance with the financial statement presentation as of 31 December 2024. These classifications have no impact on the Bank's performance.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders’ Equity

Equity amount and capital adequacy standard ratio has been calculated in accordance with the “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the BRSA's regulations, dated 23 October 2015 and numbered 29511, dated 23 June 2022 and numbered 10248, dated 7 July 2022 and numbered 10265, dated 12 December 2023 and numbered 10747, dated 19 September 2024 and numbered 10964. According to the latest regulation changes;

In the calculation of the amount subject to credit risk, while calculating the revalued amounts in foreign currency, in accordance with the Board decision dated 12 December 2023 and numbered 10747, the Central Bank foreign exchange buying rates as of 26 June 2023 were used.

In accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FX receivables of Banks which are from Republic of Türkiye Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511.

With the Board Decision dated September 19, 2024, and numbered 10964, as well as the Board Decision dated July 1, 2021, and numbered 9645, the Board Decision dated July 31, 2023, and numbered 10630, and the Board Decision dated August 24, 2023, and numbered 10655, except for overdraft accounts, have been repealed, and it has been decided to apply the risk weights determined in the Regulation to the mentioned loans. (For overdraft accounts, if there is an increase compared to the previous month-end, a risk weight of 150% has been applied to the increase amount).

In accordance with the Board decision dated 12 December 2023 and numbered 10747, in case of the net valuation differences of the financial assets included in the portfolio of “Securities at Fair Value through Other Comprehensive Income” as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and opportunity to not be taken into account in the amount of equity to be used for the capital adequacy ratio, it has been decided to continue to apply the existing provisions of the said Regulation for "Securities at Fair Value through Other Comprehensive Income" acquired after January 1, 2024.

With the BRSA Board Decision of 23 June 2022 and numbered 10248, five hundred percent risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the mentioned Decision.

In addition, some regulations have been introduced regarding the use of loan by companies subject to independent auditing.

In case the companies fail to notify the bank of their documents in accordance with the board decision or give information contrary to the statement, pursuant to the decision numbered 10265 dated 7 July 2022, new cash commercial loans in TL should not be extended to the related companies and a risk weight of 500% should be applied to all TL-denominated cash commercial loans extended on or after 30 June 2022.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

The Bank's current period equity amount calculated as of 31 December 2024 is TL 74,562,728 (31 December 2023: TL 46,702,047), and the capital adequacy standard ratio is 19.15% (31 December 2023: 16.82%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk "standard approach" for banking accounts, market risk "standard method" for trading accounts, counterparty credit risk "standard approach method" for derivatives and repo transactions, credit valuation adjustment capital load "standard method" for over-the-counter derivative transactions method and operational risk were calculated using the "basic indicator method".

Information related to the Components of Shareholders' Equity:

Common Equity Tier 1 Capital	Current Period 31.12.2024	Prior Period 31.12.2023
Paid-in capital to be entitled for compensation after all creditors	2,404,652	2,404,652
Share issued premiums	2,565	2,565
Reserves	31,121,998	20,756,668
Gains recognized in equity as per Turkish Accounting Standards (TAS)	221,014	177,939
Profit	10,903,731	11,726,648
Current Period's Profit	10,903,731	11,726,648
Prior Years' Profit	-	-
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period's profit	-	-
Common Equity Tier 1 Capital Before Deductions	44,653,960	35,068,472
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	130,105	245,320
Leasehold improvements on operational leases	187,399	71,433
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	1,458,974	798,777
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	-
Net amount of defined-benefit plan assets	-	-
Direct and indirect investments of the Bank in its own Tier 1 Capital	-	-
Excess amount expressed in the law (Article 56 4th paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital in accordance with the second paragraph of the Provisional Article 2 of the Regulation on Banks' Equity)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank owns more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	2,197,602	1,536,654
Total Common Equity Tier 1 Capital	42,456,358	33,531,818

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 31.12.2024	Prior Period 31.12.2023
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (In the scope of Provisional Article 4)	10,418,130	-
Additional Tier 1 Capital Before Deductions	10,418,130	-
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-
Items to be deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	10,418,130	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	52,874,488	33,531,818
TIER 2 CAPITAL		
Debt instruments and related issuance premiums defined by the BRSA	17,497,940	10,096,945
Debt instruments and related issuance premiums defined by the BRSA (Provisional Article 4)	-	-
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	4,193,100	3,082,754
Tier 2 Capital Before Deductions	21,691,040	13,179,699
Deductions From Tier 2 Capital		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital (-)	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions from Tier 2 Capital	-	-
Total Tier 2 Capital	21,691,040	13,179,699
Total Capital (The sum of Tier 1 and Tier 2 Capital)	74,565,528	46,711,517

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 31.12.2024	Prior Period 31.12.2023
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	814	330
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	-	-
Other items to be defined by the BRSA	1,986	9,140
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	74,562,728	46,702,047
Total Risk Weighted Amounts	389,396,650	277,638,792
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.90	12.08
Tier 1 Capital Adequacy Ratio (%)	13.58	12.08
Capital Adequacy Ratio (%)	19.15	16.82
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2.51	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%) (*)	0.01	0.00
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	3.90	3.57
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	676,436	423,280
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns more than 10% of the issued common share capital	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	1,376,821	2,410,400
Limits related to provisions considered in Tier Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4,193,100	6,007,999
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4,243,989	3,082,754
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-

(*) The cyclical capital buffer rate is written as 0.01 due to the two digits being shown in the note, rate is full digit 0.007 (December 31, 2023: 0.0049).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. Explanations Related to Components of Shareholders’ Equity (continued)

Explanations on Reconciliation of Capital Items to Balance Sheet:

	Current Period	Prior Period
Total capital per balance sheet	43,904,334	35,044,690
Hedging funds (effective portion)	54,958	(217,372)
Deductions made under regulation	(2,074,511)	(1,299,164)
Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income	571,577	3,664
Common Equity Tier 1 Capital	42,456,358	33,531,818
Additional Tier 1 Capital	10,418,130	-
Tier 1 Capital	52,874,488	33,531,818
Expected loss provision (Stage 1 and 2)	4,193,100	3,082,754
Debt Instruments Defined by the BRSA	17,497,940	10,096,945
Deductions made under regulation	(2,800)	(9,470)
Total Equity	74,562,728	46,702,047

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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I. Explanations Related to Components of Shareholders’ Equity (continued)

Information Related to Debt Instruments Included in Equity Calculation:

All of the debt instruments included in equity calculation are issued by the Bank.

Issuer	TEB	TEB	TEB
Unique identifier of the debt instrument (e.g. CUSIP, ISIN)	XS2888538431	XS2796472384	XS2744911830
Governing law(s) of the debt instrument	Subject to English law and, in terms of specific articles, to Turkish law.	Subject to English law and, in terms of specific articles, to Turkish law.	Subject to English law and, in terms of specific articles, to Turkish law.
Consideration in Equity Calculation			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible at unconsolidated/consolidated/consolidated and unconsolidated	Available	Available	Available
Type of the debt instrument	Additional Tier 1 Capital Eligible Bonds	Subordinated Debt Instrument (Bond)	Subordinated Debt Instrument (Bond)
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	10,418.13	3,607.10	13,890.84
Par value of debt instrument (TL Currency in mil)	10,418.13	3,607.10	13,890.84
Accounting classification of the debt instrument	34701100	34701030	34701100
Original date of issuance	11.09.2024	08.05.2024	17.01.2024
Perpetual or dated (Demand/Time)	Perpetual	Time	Time
Original maturity date	-	08.05.2034	17.01.2034
Issuer call subject to prior supervisory approval	Available	Available	Available
Optional call date, contingent call dates and redemption amount	11.03.2030	08.05.2029	17.01.2029
Subsequent call dates, if applicable	-	-	-
Interest / dividend payments			
Fixed or floating dividend/coupon	Fixed	Floating	Fixed
Coupon rate and any related index	9.375%	6mEuribor+3.70%	9.375%
Existence of a dividend stopper	None	None	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	None	None	None
Convertibility of equity shares			
If convertible, conversion trigger(s)	-	-	-
If convertible, fully or partially	-	-	-
If convertible, conversion rate	-	-	-
If convertible, mandatory or optional conversion	-	-	-
If convertible, specify instrument type convertible into	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-
Write-down feature			
If write-down, write-down trigger(s)	-	-	-
If write-down, full or partial	-	-	-
If write-down, permanent or temporary	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	It ranks after debt instruments and subordinated capital in the order of claims.	deposit and other receivables	deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks’ shareholder equity law are possessed or not	Possess	Possess	Possess
According to Article 7 and 8 of Banks’ shareholders equity law that are not possessed (*)	-	-	-

(*) Under Article 8/2 in subsection (ğ) mechanism of write-down or conversion to common shares are stated.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk

Credit risk is the risk and financial loss that the Bank is a party in a contract whereby the counterparty fails to meet its obligation partially or on time and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower's encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are;

- A change in the terms and conditions of the loan or
- Partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund ("CGF loans") is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

In accounting practice, loans whose collection of principal or interest payments is delayed for more than 30 days from their due dates or due dates for various reasons, but which do not meet the delay period requirement for classification as a Group III loan as specified in the "Regulation on Procedures and Principles for Classification of Loans and the Provisions to be Set Aside" published in the Official Gazette dated 22 June 2016 and numbered 29750, are considered as "past-due loan", all receivables specified in the groups III, IV and V specified in the same Regulation are considered as "impaired" loans in the application of this Regulation, regardless of whether the accrued interest and interest-like burdens on the borrower are added to the principal or refinanced.

The Bank provides specific reserves to Group III, IV and V loans in accordance with "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside".

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates as of 12 December 2023 were used in accordance with the BRSA Board decision dated 26 June 2023 and numbered 10747, while calculating the valued amounts in foreign currency.

In accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FC receivables of Banks which are from Republic of Turkey Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511.

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure Classifications	Current Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	2,373,616	2,187,409
Conditional and unconditional receivables from regional or local governments	4,320,909	584,645
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	13,733,654	9,333,404
Conditional and unconditional corporate receivables	184,240,381	144,504,421
Conditional and unconditional retail receivables	110,764,667	75,610,291
Conditional and unconditional secured mortgage receivables	10,494,926	11,667,775
Past due receivables	1,264,007	858,166
Receivables defined in high-risk category by BRSA	4,406,919	92,002,885
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	12,818,911	10,895,144
Investments in equities	642,396	531,356

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

Exposure Classifications	Prior Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	1,753,945	1,750,918
Conditional and unconditional receivables from regional or local governments	188,950	290,084
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	7,715,780	7,887,743
Conditional and unconditional corporate receivables	92,350,237	87,570,883
Conditional and unconditional retail receivables	52,043,768	47,775,967
Conditional and unconditional secured mortgage receivables	8,704,832	7,859,562
Past due receivables	433,930	517,831
Receivables defined in high-risk category by BRSA	78,023,654	53,867,622
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	7,473,986	7,308,308
Investments in equities	392,622	347,018

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the arithmetic average of balances prepared to the end of the month.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

For the positions of the Bank in terms of forward transactions and other similar contracts, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back-to-back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the loans and other receivables, which are restructured from loans and rescheduled, are not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Bank.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2024, the receivables of the Bank from its top 100 and top 200 cash loan share in total cash loans are respectively 26.60% and 34.70% (31 December 2023: 29.43% and 38.34%).

As of 31 December 2024, the receivables of the Bank from its top 100 and top 200 non-cash loan share are 69.48% and 78.76% respectively in the total non-cash loans (31 December 2023: 73.70% and 82.48%).

As of 31 December 2024, the share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 8.70% and 11.14%, respectively (31 December 2023: 10.42% and 13.27%).

As of 31 December 2024, the general loan loss provision related with the credit risk taken by the Bank is TL 4,193,100 (31 December 2023: TL 6,007,999).

Credit Rating System

Credit risk is evaluated according to the internal rating system of the Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2024, Retail and Business loans are excluded from the internal rating system of the Bank and these loans constitute 8.75% of the total cash and non-cash loan portfolio (31 December 2023: 25.75%). Application and behavioral scorecards are used for the Individual and Business segments, however behavioral scorecard is used for the Agricultural segment.

The risks that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in the Total % 31.12.2024	Share in the Total % 31.12.2023
1 st Category	The borrower has a very strong financial structure	54.94	53.78
2 nd Category	The borrower has a good financial structure	38.70	37.27
3 rd Category	The borrower has an intermediate level of financial structure	5.34	6.66
4 th Category	The financial structure of the borrower must be closely monitored in the medium term	1.02	2.29
Total		100.00	100.00

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Profile of Significant Exposures in Major Regions:

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional exposures to retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Current Period																		
Domestic	-	4,320,262	-	-	-	10,147,131	136,180,854	97,769,307	9,522,390	1,007,263	4,406,919	-	-	-	-	12,398,035	642,396	276,394,557
European Union Countries	-	-	-	-	-	1,007,545	222,783	18,784	437	222	-	-	-	-	-	700	-	1,250,471
OECD Countries (*)	-	-	-	-	-	683,297	-	1,983	53	11	-	-	-	-	-	-	-	685,344
Off-Shore Banking Regions	-	-	-	-	-	917	-	66	-	-	-	-	-	-	-	-	-	983
USA, Canada	-	-	-	-	-	439,685	-	1,629	8	42	-	-	-	-	-	-	-	441,364
Other Countries	2,373,616	-	-	-	-	36,630	782,513	293,171	113,372	1,415	-	-	-	-	-	141,143	-	3,741,860
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	279,026	-	279,026
Unallocated Assets																		
Liabilities (**)	-	647	-	-	-	1,418,449	47,054,231	12,679,727	858,666	255,054	-	-	-	-	-	4	-	62,266,778
Total	2,373,616	4,320,909	-	-	-	13,733,654	184,240,381	110,764,667	10,494,926	1,264,007	4,406,919	-	-	-	-	12,818,908	642,396	345,060,383

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

(**) Includes assets and liability items that cannot be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Profile of Significant Exposures in Major Regions: (continued)

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Prior Period																		
Domestic	186,676	187,352	-	-	-	5,683,687	65,450,631	45,425,337	7,610,960	391,256	77,733,528	-	-	-	-	7,168,540	392,622	210,230,589
European Union Countries	-	-	-	-	-	339,115	757	17,595	399	164	1,305	-	-	-	-	3,334	-	362,669
OECD Countries(*)	-	-	-	-	-	66,432	-	1,864	-	52	318	-	-	-	-	-	-	68,666
Off-Shore Banking Regions	-	-	-	-	-	20	-	291	4	-	-	-	-	-	-	-	-	315
USA, Canada	-	-	-	-	-	149,601	-	1,537	46	37	319	-	-	-	-	-	-	151,540
Other Countries	1,567,269	-	-	-	-	28,467	408,103	106,381	28,458	4,512	288,184	-	-	-	-	23,082	-	2,454,456
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	279,026	-	279,026
Unallocated Assets																		
Liabilities (**)	-	1,598	-	-	-	1,448,458	26,490,746	6,490,763	1,064,965	37,909	-	-	-	-	-	4	-	35,534,443
Total	1,753,945	188,950	-	-	-	7,715,780	92,350,237	52,043,768	8,704,832	433,930	78,023,654	-	-	-	-	7,473,986	392,622	249,081,704

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

(**) Includes assets and liability items that cannot be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Risk profile by Sectors or Counterparties:

Exposure Categories (**)																				
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total
Current Period																				
Agriculture	-	-	-	-	-	-	1,683,496	2,583,285	541,756	22,282	-	-	-	-	-	-	-	3,702,543	1,128,276	4,830,819
Farming and Stockbreeding	-	-	-	-	-	-	788,736	2,561,562	539,953	22,218	-	-	-	-	-	-	-	3,691,834	220,635	3,912,469
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	894,760	21,723	1,803	64	-	-	-	-	-	-	-	10,709	907,641	918,350
Manufacturing	-	-	-	-	-	-	117,174,143	16,290,571	3,166,659	397,722	589,354	-	-	-	-	34	-	71,211,768	66,406,715	137,618,483
Mining and Quarrying	-	-	-	-	-	-	7,805,130	835,307	169,267	1,792	119,818	-	-	-	-	-	-	3,431,073	5,500,241	8,931,314
Production	-	-	-	-	-	-	105,404,356	15,382,925	2,981,098	394,992	469,536	-	-	-	-	34	-	65,382,902	59,250,039	124,632,941
Electricity, Gas and Water	-	-	-	-	-	-	3,964,657	72,339	16,294	938	-	-	-	-	-	-	-	2,397,793	1,656,435	4,054,228
Construction	-	-	-	-	-	-	8,883,195	1,938,822	664,852	335,759	-	-	-	-	-	19	-	4,688,791	7,133,856	11,822,647
Services	2,373,616	4,320,909	-	-	-	13,733,654	55,184,615	20,473,169	5,007,672	155,078	661,916	-	-	-	-	12,818,635	642,396	80,529,596	34,842,064	115,371,660
Wholesale and Retail Trade	-	-	-	-	-	-	23,116,957	10,572,073	1,901,591	35,970	249,716	-	-	-	-	576	2,786	29,133,354	6,746,315	35,879,669
Accommodation and Dining	-	-	-	-	-	-	1,605,666	1,332,223	833,002	24,021	-	-	-	-	-	419	-	2,054,644	1,740,687	3,795,331
Transportation and Telecom.	-	-	-	-	-	-	13,381,395	4,776,186	741,545	26,292	18,055	-	-	-	-	65	-	10,833,806	8,109,732	18,943,538
Financial Institutions	2,373,616	-	-	-	-	13,733,654	5,137,520	172,734	133,656	155	-	-	-	-	-	12,817,249	639,610	24,601,620	10,406,574	35,008,194
Real Estate and Rental Service:	-	-	-	-	-	-	9,214,560	2,261,145	1,132,913	36,065	394,145	-	-	-	-	102	-	6,410,906	6,628,024	13,038,930
Self-Employment Services	-	-	-	-	-	-	2,251,863	1,243,797	256,629	32,506	-	-	-	-	-	50	-	2,574,682	1,210,163	3,784,845
Educational Services	-	-	-	-	-	-	76,495	110,045	8,183	69	-	-	-	-	-	153	-	194,376	569	194,945
Health and Social Services	-	4,320,909	-	-	-	-	400,159	4,966	153	-	-	-	-	-	-	21	-	4,726,208	-	4,726,208
Other	-	-	-	-	-	-	1,314,932	69,478,820	1,113,987	353,166	3,155,649	-	-	-	-	220	-	74,933,876	482,898	75,416,774
Total	2,373,616	4,320,909	-	-	-	13,733,654	184,240,381	110,764,667	10,494,926	1,264,007	4,406,919	-	-	-	-	12,818,908	642,396	235,066,574	109,993,809	345,060,383

(*) Foreign Currency indexed credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Risk profile by Sectors or Counterparties: (continued)

Exposure Categories (**)																				
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total
Prior Period																				
Agriculture	-	-	-	-	-	-	997,534	1,475,196	367,190	19,748	87,665	-	-	-	-	-	-	2,429,445	517,888	2,947,333
Farming and Stockbreeding	-	-	-	-	-	-	560,456	1,471,976	365,653	19,503	87,665	-	-	-	-	-	-	2,423,989	81,264	2,505,253
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	437,078	3,220	1,537	245	-	-	-	-	-	-	-	5,456	436,624	442,080
Manufacturing	-	-	-	-	-	-	55,896,876	11,671,280	3,232,091	71,589	21,427,906	-	-	-	-	44	-	60,687,349	31,612,437	92,299,786
Mining and Quarrying	-	-	-	-	-	-	2,927,840	571,420	91,015	2,389	15,414	-	-	-	-	-	-	1,916,284	1,691,794	3,608,078
Production	-	-	-	-	-	-	51,518,360	11,055,829	2,748,581	66,839	19,880,517	-	-	-	-	44	-	56,399,403	28,870,767	85,270,170
Electricity, Gas and Water	-	-	-	-	-	-	1,450,676	44,031	392,495	2,361	1,531,975	-	-	-	-	-	-	2,371,662	1,049,876	3,421,538
Construction	-	-	-	-	-	-	5,830,496	1,235,517	407,283	42,885	83,016	-	-	-	-	-	-	2,790,638	4,808,559	7,599,197
Services	1,753,945	188,950	-	-	-	7,715,780	28,929,245	12,710,268	4,238,059	141,213	14,157,675	-	-	-	-	7,473,722	392,622	54,082,520	23,618,959	77,701,479
Wholesale and Retail Trade	-	10,265	-	-	-	-	11,829,886	6,844,161	1,384,596	45,618	2,711,900	-	-	-	-	74	-	19,212,392	3,616,894	22,829,286
Accommodation and Dining	-	-	-	-	-	-	394,451	796,756	570,704	43,811	31,448	-	-	-	-	-	-	1,200,327	636,843	1,837,170
Transportation and Telecom.	-	-	-	-	-	-	5,388,797	2,772,961	1,121,491	14,352	1,088,176	-	-	-	-	9	-	6,029,605	4,356,181	10,385,786
Financial Institutions	1,753,945	-	-	-	-	7,715,780	4,602,221	106,208	122,146	136	6,210	-	-	-	-	7,473,355	389,836	12,620,911	9,548,926	22,169,837
Real Estate and Rental Services	-	-	-	-	-	-	5,371,743	1,369,144	829,579	28,976	350,675	-	-	-	-	90	-	3,300,969	4,649,238	7,950,207
Self-Employment Services	-	-	-	-	-	-	1,301,186	766,290	205,190	8,230	1,248,629	-	-	-	-	-	-	2,724,301	805,224	3,529,525
Educational Services	-	-	-	-	-	-	17,756	52,238	4,353	90	32,297	-	-	-	-	173	-	101,254	5,653	106,907
Health and Social Services	-	178,685	-	-	-	-	23,205	2,510	-	-	8,688,340	-	-	-	-	21	-	8,892,761	-	8,892,761
Other	-	-	-	-	-	-	696,086	24,951,507	460,209	158,495	42,267,392	-	-	-	-	220	-	68,182,952	350,957	68,533,909
Total	1,753,945	188,950	-	-	-	7,715,780	92,350,237	52,043,768	8,704,832	433,930	78,023,654	-	-	-	-	7,473,986	392,622	188,172,904	60,908,800	249,081,704

(*) Foreign Currency indexed credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

Analysis of Maturity-Bearing Exposures According to Remaining Maturities:

Current Period	Term to Maturity				
Exposure Categories	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional exposures to central governments or central banks	2,373,616	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	599	9,397	15,405	457,692	3,836,906
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	3,533,887	607,424	321,044	486,284	2,075,127
Conditional and unconditional exposures to corporates	13,305,861	19,453,054	25,535,459	41,015,580	37,724,973
Conditional and unconditional retail exposures	37,984,619	3,688,219	8,290,115	27,283,715	20,779,867
Conditional and unconditional exposures secured by real estate property	567,384	417,932	901,887	2,357,803	5,389,768
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category by BRSA	3,430,964	24,633	120,202	215,650	615,470
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	142,420	-	-	-	-
Investments in equities	603,580	-	-	38,816	-
Total	61,942,930	24,200,659	35,184,112	71,855,540	70,422,111

Prior Period	Term to Maturity				
Exposure classifications	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional exposures to central governments or central banks	1,753,945	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	1,198	6,223	5,654	31,100	143,120
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	702,949	120,606	75,930	544,690	3,184,661
Conditional and unconditional exposures to corporates	6,568,643	16,246,476	3,164,450	26,204,602	13,652,727
Conditional and unconditional retail exposures	20,773,427	2,530,172	5,978,551	7,765,916	8,487,186
Conditional and unconditional exposures secured by real estate property	384,927	669,624	1,038,145	1,979,825	3,612,718
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category by BRSA	1,906,812	6,826,609	7,065,567	24,523,443	37,701,224
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	49,659	-	-	-	-
Investments in equities	353,806	-	-	-	38,816
Total	32,495,366	26,399,710	17,328,297	61,049,576	66,820,452

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Information About the Risk Exposure Categories:

The credit rating of Fitch Ratings International Rating Agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and 50% risk weight is used for receivables with a maturity period of more than 3 months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long-Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables (*)
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

(*) In accordance with the Board Decisions numbered 10265 dated 7 July 2022, 500% risk weights are applied to Corporate Receivables.

Exposures by risk weights:

Current Period

Risk Weights	0%	2%	10%	20%	25%	35%	50%	75%	100%	150%	250%	500%	Deductions from Equity
Exposures before													
Credit Risk Mitigation	199,637,663	4,716,947	-	24,023,194	-	10,875,675	39,765,038	147,614,989	194,253,337	2,303,917	-	316,290	2,070,297
Exposures after													
Credit Risk Mitigation	202,246,656	4,716,947	-	23,837,091	-	10,853,315	39,777,379	144,417,233	189,863,195	2,309,991	-	316,290	2,070,297

Prior Period

Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Exposures before													
Credit Risk Mitigation	133,481,088	-	6,193,055	-	5,284,264	18,416,646	61,091,586	107,132,766	27,220,272	17,569,671	-	427,156	1,300,804
Exposures after													
Credit Risk Mitigation	134,201,090	-	6,491,716	-	5,284,264	19,292,759	59,199,966	104,276,851	27,228,661	17,569,671	-	427,156	1,300,804

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

Information in Terms of Major Sectors and Type of Counterparties:

Current Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors / Counterparties			
Agriculture	889,268	64,573	67,829
Farming and Stockbreeding	889,050	61,261	64,715
Forestry	-	1,243	1,099
Fishery	218	2,069	2,015
Manufacturing	3,326,038	642,120	857,045
Mining and Quarrying	286,367	340	6,098
Production	3,031,851	572,124	816,871
Electricity, Gas and Water	7,820	69,656	34,076
Services	5,654,022	1,000,792	1,203,466
Wholesale and Retail Trade	2,258,800	592,238	565,279
Accommodation and Dining	669,332	82,308	112,766
Transportation and Telecom.	655,358	38,067	42,700
Financial Institutions	313,896	1,131	272,672
Real Estate and Rental Services	801,861	173,292	108,984
Self Employed Services	241,176	29,346	29,183
Educational Services	16,678	31,251	24,999
Health and Social Services	696,921	53,159	46,883
Other	16,000,350	2,529,786	3,218,496
Total	25,869,678	4,237,271	5,346,836

Prior Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors / Counterparties			
Agriculture	236,546	62,244	44,741
Farming and Stockbreeding	236,524	59,195	42,190
Forestry	-	750	666
Fishery	22	2,299	1,885
Manufacturing	3,163,555	227,563	624,715
Mining and Quarrying	297,157	5,115	8,598
Production	2,864,782	215,579	611,802
Electricity, Gas and Water	1,616	6,869	4,315
Services	3,003,158	790,362	1,170,647
Wholesale and Retail Trade	915,354	382,255	303,664
Accommodation and Dining	1,008,457	98,946	375,746
Transportation and Telecom.	272,364	21,580	26,364
Financial Institutions	409,763	1,556	248,087
Real Estate and Rental Services	318,001	241,178	181,861
Self Employed Services	60,608	29,045	20,765
Educational Services	2,530	2,458	2,404
Health and Social Services	16,081	13,344	11,756
Other	8,590,367	1,101,036	4,191,643
Total	14,993,626	2,181,205	6,031,746

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II. Explanations Related to Credit Risk (continued)

Information about Value Adjustment and Change in Provisions

	31.12.2023 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments (*)	31.12.2024 Balance
Default (Stage III)	1,697,651	2,701,748	217,474	(1,208,045)	32,613	3,441,441
Expected Credit Loss (Stage I-II)	6,007,999	6,037,173	(8,156,809)	-	304,737	4,193,100

(*) Determined according to currency differences, business merger, acquisition, and disposition of affiliate company.

	31.12.2022 Balance	Provision for the Period	Provision Reversal	Written off from Asset	Other Adjustments (*)	31.12.2023 Balance
Default (Stage III)	2,025,975	640,244	(372,584)	(627,391)	31,407	1,697,651
Expected Credit Loss (Stage I-II)	3,753,968	4,185,709	(2,875,530)	-	943,852	6,007,999

(*) Determined according to currency differences, business merger, acquisition, and disposition of affiliate company.

III. Risks Involved in Counter-Cyclical Capital Buffer Calculation

Current Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	317,290,924	2,880,894	320,171,818
TRNC	1,311,095	-	1,311,095
Switzerland	162,360	-	162,360
United Kingdom	65,132	-	65,132
Germany	61,349	-	61,349
Netherlands	23,500	-	23,500
Other	195,328	-	195,328
	319,109,688	2,880,894	321,990,582

Prior Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	232,395,309	1,908,950	234,304,259
TRNC	886,361	-	886,361
Switzerland	48,510	-	48,510
United Kingdom	8,667	-	8,667
Germany	6,128	-	6,128
Netherlands	2,633	-	2,633
Other	23,032	-	23,032
	233,370,640	1,908,950	235,279,590

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IV. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that the Bank is subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and risk is calculated by using the standard method.

The Board of Directors of the Bank sets limits for the positions, which are followed up daily. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

As an element of the Bank's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

Asset Liability Management and Treasury Department of the Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank's Asset-Liability Committee on a weekly basis.

As of 31 December 2024, the Bank's balance sheet short position is TL 15,750,326 (31 December 2023: TL 16,277,619 short position) off-balance sheet long position is TL 13,466,539 (31 December 2023: TL 19,027,263 long position) and as a result net foreign currency short position is TL 2,283,787 (31 December 2023: net TL 2,749,644 long position).

The announced current foreign exchange buying rates of the Bank at 31 December 2024 and the previous five working days in full TL are as follows:

	24.12.2024	25.12.2024	26.12.2024	27.12.2024	30.12.2024	31.12.2024
USD	34.6222	34.6919	34.5960	34.5545	34.7233	34.7271
EURO	36.0002	36.1143	35.9798	36.0508	36.1158	36.0710

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 December 2024 are as follows:

	Monthly Average Foreign Buying Rate
USD	34.3713
EURO	36.0183

Information on the foreign currency risk of the Bank:

The Bank is exposed to foreign currency risk in large amounts in EURO and USD.

The table below shows the Bank's sensitivity to a 10% change in USD and EURO rates. The rate of 10% used is the rate used to report the currency risk to the senior management within the Bank, and this rate represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively in the case of a short position and negatively in the case of a long position.

Change in FX Rate (%)		Effect on Profit / Loss	Effect on Equity (*)
		31 December 2024	31 December 2024
USD	10 increase	77,277	(10,999)
USD	10 decrease	(77,277)	10,999
EURO	10 increase	4,900	1,526
EURO	10 decrease	(4,900)	(1,526)

Change in FX Rate (%)		Effect on Profit / Loss	Effect on Equity (*)
		31 December 2023	31 December 2023
USD	10 increase	176,643	(364)
USD	10 decrease	(176,643)	364
EURO	10 increase	1,471	7,889
EURO	10 decrease	(1,471)	(7,889)

(*) The effect on equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Bank to the changes in the exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to changes in the period's exchange rates.

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IV. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	EURO	USD	Other FC	Total
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽¹⁾	24,615,243	23,148,592	6,141,962	53,905,797
Banks ⁽²⁾	2,395,589	4,132,928	8,626,280	15,154,797
Financial Assets at Fair Value Through Profit or Loss				
Money Market Placements	34,449	928,624	-	963,073
Para Piyasalarından Alacaklar	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	42,803	14,241,110	27,706	14,311,619
Loans ⁽³⁾	70,657,764	29,515,796	5,082,531	105,256,091
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortized Cost ⁽⁴⁾	4,904,168	2,729,456	-	7,633,624
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	37,273	13,973	-	51,246
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	359,146	565,269	102,506	1,026,921
Total Assets	103,046,435	75,275,748	19,980,985	198,303,168
Liabilities				
Bank Deposits	212,465	1,894,288	27,649	2,134,402
Foreign Currency Deposits ⁽⁷⁾	38,167,100	43,317,375	22,422,916	103,907,391
Money Market Funds	17,828,276	33,108,117	-	50,936,393
Funds Provided from Other Financial Institutions	17,191,793	36,350,103	1	53,541,897
Securities Issued	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities ⁽⁸⁾	1,920,360	1,494,072	118,979	3,533,411
Total Liabilities	75,319,994	116,163,955	22,569,545	214,053,494
Net Balance Sheet Position	27,726,441	(40,888,207)	(2,588,560)	(15,750,326)
Net Off-Balance Sheet Position ⁽¹¹⁾	(27,700,932)	38,864,727	2,302,744	13,466,539
Financial Derivative Assets ⁽⁹⁾	53,308,291	133,703,987	5,463,722	192,476,000
Financial Derivative Liabilities ⁽⁹⁾	81,009,223	94,839,260	3,160,978	179,009,461
Non-Cash Loans ⁽¹⁰⁾	25,424,123	30,547,551	10,527,545	66,499,219
Prior Period				
Total Assets	82,528,413	51,827,262	11,741,676	146,097,351
Total Liabilities	68,052,675	76,317,547	18,004,748	162,374,970
Net Balance Sheet Position	14,475,738	(24,490,285)	(6,263,072)	(16,277,619)
Net Off-Balance Sheet Position	(14,152,998)	26,957,755	6,222,506	19,027,263
Financial Derivative Assets ⁽⁹⁾	41,407,709	69,038,258	10,300,564	120,746,531
Financial Derivative Liabilities ⁽⁹⁾	55,560,707	42,080,503	4,078,058	101,719,268
Non-Cash Loans ⁽¹⁰⁾	27,122,681	25,955,219	9,204,012	62,281,912

- (1) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye includes the balances of expected credit losses amounting to TL 10,679 (31 December 2023: TL 11,729). The item in question includes a precious metal account in the amount of 5,619,533 TL (31 December 2023: 4,180,416 TL).
- (2) The banks include TL 36,997 of expected credit loss provisions (31 December 2023: TL 39,955).
- (3) Foreign currency indexed loans amounting to TL 15,635 (31 December 2023: TL 47,557) are included in the loan portfolio. Also, it includes TL 705,282 (31 December 2023: TL 2,071,833) amounting to expected credit loss.
- (4) Financial assets at amortized cost includes expected credit loss amounting to TL 1,596 (31 December 2023: TL 3,303).
- (5) There is no (31 December 2023: None) income accruals from derivative financial instruments are deducted from derivative financial assets held for risk management.
- (6) TL 1,222,538 (31 December 2023: TL 574,412) income accruals from derivative financial instruments are deducted from other assets.
- (7) Precious metal accounts amounting to TL 16,152,984 (31 December 2023: TL 12,519,232) are included in the foreign currency deposits. Additionally, the foreign exchange converted deposit rediscount effect is 52,792 TL.
- (8) TL 803,934 (31 December 2023: TL 546,042) expense accruals from derivative financial instruments are deducted from other liabilities.
- (9) Forward asset and marketable securities purchase-sale commitments of TL 18,422,149 (31 December 2023: TL 4,655,233) are added to derivative financial assets and TL 12,224,777 (31 December 2023: TL 3,776,883) has been added to derivative financial assets.
- (10) There is no effect on the net off-balance sheet position.
- (11) As of 10 December 2022, with the amendment made in the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis" with the decision numbered 32039; As of 9 January 2023, delta equivalents have been taken into account by multiplying the nominal value of the currency option with the delta value in the calculation of the net foreign currency position.

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V. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Liquidity Risk and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted macroeconomic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

The Bank carries interest rate risk within the legal and internal limits and manages the interest rate risk in accordance with the bank's risk appetite.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Current Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	10,513,842	-	-	-	-	110,020,330	120,534,172
Banks ⁽³⁾	14,224,545	-	-	-	-	8,613,487	22,838,032
Financial Assets at Fair Value Through Profit or Loss	49,737	229,765	370,141	1,968,541	358,079	662,967	3,639,230
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3,604,191	551,375	1,422,119	26,942,514	2,795,264	101,941	35,417,404
Loans ⁽⁴⁾	15,938,374	42,366,999	114,483,413	154,053,929	1,563,714	(2,205,491)	326,200,938
Financial Assets Measured at Amortized Cost ⁽⁵⁾	9,043,020	19,418,356	5,909,871	9,268,050	18,297,720	(11,957)	61,925,060
Other Assets	32,016	8,226	289,728	1,146,565	353,599	39,032,846	40,862,980
Total Assets	53,405,725	62,574,721	122,475,272	193,379,599	23,368,376	156,214,123	611,417,816
Liabilities							
Bank Deposits	5,271,155	-	-	-	-	767,742	6,038,897
Other Deposits	234,579,403	30,826,699	6,997,431	361	-	127,167,406	399,571,300
Money Market Funds	57,490,278	-	-	5,462,107	-	-	62,952,385
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial	223,109	850,210	23,387,152	4,505,700	25,039,846	-	54,006,017
Other Liabilities	135,964	19,766	354,968	962,808	457,285	86,918,426	88,849,217
Total Liabilities	297,699,909	31,696,675	30,739,551	10,930,976	25,497,131	214,853,574	611,417,816
Balance Sheet Long Position	-	30,878,046	91,735,721	182,448,623	-	-	305,062,390
Balance Sheet Short Position	(244,294,184)	-	-	-	(2,128,755)	(58,639,451)	(305,062,390)
Off-Balance Sheet Long Position	22,271	-	35,979	-	-	-	58,250
Off-Balance Sheet Short Position	-	-	-	(11,279)	-	-	(11,279)
Total Position	(244,271,913)	30,878,046	91,771,700	182,437,344	(2,128,755)	(58,639,451)	46,971

(1) The expected loss provisions are presented under the "Non-Interest Bearing" column.

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye's outstanding loss provisions in the amount of TL 24,178.

(3) Banks include balance of expected loss provisions amounting to TL 47,572.

(4) The revolving loans amounting to TL 44,743,943 are presented under the "Up to 1 Month" column. It includes an expected credit loss provision balance of 6,442,762 TL.

(5) Financial assets at amortized cost include balance of expected loss provisions of TL 11,957.

Other assets line in the non-interest-bearing column includes tangible assets amounting to TL 3,043,626, intangible assets amounting to TL 1,953,352, assets held for sale amounting to TL 32,289, subsidiaries amounting to TL 279,021 and jointly controlled entities amounting to TL 5 and other liabilities line includes shareholders' equity amounting to TL 43,904,334.

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V. Explanations Related to Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Prior Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	17,283,685	-	-	-	-	87,184,067	104,467,752
Banks ⁽³⁾	3,896,162	-	-	-	-	3,253,083	7,149,245
Financial Assets at Fair Value Through Profit or Loss	7,375	4,538	134,884	293,162	148,506	424,106	1,012,571
Money Market Placements ⁽⁴⁾	12,243,739	-	-	-	-	(798)	12,242,941
Financial Assets at Fair Value Through Other Comprehensive Income	2,936,500	539,223	800,806	3,466,575	-	82,335	7,825,439
Loans ⁽⁵⁾	36,498,266	33,858,878	83,178,669	53,049,601	1,118,859	(4,537,671)	203,166,602
Financial Assets Measured at Amortized Cost ⁽⁶⁾	6,603,672	12,999,218	7,003,976	12,130,606	10,553,986	(11,090)	49,280,368
Other Assets	95,871	766,283	478,556	967,730	248,749	19,216,912	21,774,101
Total Assets	79,565,270	48,168,140	91,596,891	69,907,674	12,070,100	105,610,944	406,919,019
Liabilities							
Bank Deposits	2,248,143	-	-	-	-	329,106	2,577,249
Other Deposits	136,883,142	25,173,681	14,920,246	54,965	-	105,136,553	282,168,587
Money Market Funds	21,312,539	6,797,303	-	-	-	-	28,109,842
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial	4,180,414	11,488,641	8,813,053	7,095,456	-	-	31,577,564
Other Liabilities	12,777	72,552	202,499	900,067	155,868	61,142,014	62,485,777
Total Liabilities	164,637,015	43,532,177	23,935,798	8,050,488	155,868	166,607,673	406,919,019
Balance Sheet Long Position	-	4,635,963	67,661,093	61,857,186	11,914,232	-	146,068,474
Balance Sheet Short Position	(85,071,745)	-	-	-	-	(60,996,729)	(146,068,474)
Off-Balance Sheet Long Position	1,617,985	563,163	137,881	-	-	-	2,319,029
Off-Balance Sheet Short Position	-	-	-	(1,903,500)	-	-	(1,903,500)
Total Position	(83,453,760)	5,199,126	67,798,974	59,953,686	11,914,232	(60,996,729)	415,529

(1) The expected loss provisions are presented under the "Non-Interest Bearing" column.

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye's outstanding loss provisions in the amount of TL 16,786.

(3) Banks include balance of expected loss provisions amounting to TL 45,340.

(4) Money Market Placement includes balance of expected loss provisions amounting to TL 798.

(5) The revolving loans amounting to TL 22,812,905 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,718,876.

(6) Financial assets at amortized cost include balance of expected loss provisions of TL 11,090.

Other assets line in the non-interest bearing column includes tangible assets amounting to TL 1,933,104, intangible assets amounting to TL 1,269,693, assets held for sale amounting to TL 82,060, subsidiaries amounting to TL 279,021 and jointly controlled entities amounting to TL 5 and other liabilities line includes shareholders' equity amounting to TL 35,044,690.

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V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
Current Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	47.49
Banks	-	4.28	-	47.76
Financial Assets at Fair Value Through Profit or Loss	4.45	3.24	-	16.87
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	5.92	-	37.95
Loans	6.39	7.14	3.83	50.22
Financial Assets Measured at Amortized Cost	2.68	4.81	-	25.87
Liabilities				
Bank Deposits	-	5.30	-	33.17
Other Deposits	1.45	1.80	-	46.48
Money Market Funds	3.72	4.21	-	48.64
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	4.94	8.30	-	42.82
	EURO %	USD %	YEN %	TL %
Prior Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	42.10
Banks	-	-	-	42.70
Financial Assets at Fair Value Through Profit or Loss	3.90	2.94	-	21.24
Money Market Placements	-	-	-	43.64
Financial Assets at Fair Value Through Other Comprehensive Income	2.69	4.40	-	41.23
Loans	7.13	8.85	5.73	41.37
Financial Assets Measured at Amortized Cost	3.14	5.18	-	28.17
Liabilities				
Bank Deposits	3.30	-	-	28.14
Other Deposits	3.08	3.21	-	37.94
Money Market Funds	4.78	7.00	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	8.47	9.50	-	42.14

Interest rate risk arising from banking accounts:

- a) Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining the historic reaction of housing loans to interest movements in the previous periods. By analysing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above-mentioned products in interest rate sensitivity calculations.

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V. Explanations Related to Interest Rate Risk (continued)

Interest rate risk arising from banking accounts: (continued)

- a) Economic value differences arising from fluctuations in interest rates in accordance with the “Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method:

Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains /Equity– (Losses)/ Equity
TL	(400)	5,040,307	6.81%
TL	500	(5,469,721)	(7.39)%
EURO	(200)	165,250	0.22%
EURO	200	(152,946)	(0.21)%
USD	(200)	(780,871)	(1.06)%
USD	200	704,415	0.95%
Total (Of negative shocks)		4,424,686	5.98%
Total (Of positive shocks)		(4,918,252)	(6.65)%

VI. Explanations Related to Equity Share Position Risk in Banking Accounts

Equity securities which are not publicly traded in the Bank’s financial statements are booked as their fair value, or otherwise booked as their cost value whereby fair value cannot be calculated properly.

The Bank has no shares traded on Borsa Istanbul.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio

- a) Information on liquidity risk management, such as the Bank's risk capacity, responsibilities and the structure of liquidity risk management, Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application:

The Asset-Liability Management and Treasury Group is responsible for following up the Bank's current liquidity position and for complying with liquidity limits approved by the Board of Directors. After evaluating the liquidity position, the Asset-Liability Management and Treasury Group use authorized products to provide sufficient liquidity based on liquidity position.

Responsibilities for liquidity management are described in the Liquidity Risk Policy which is reviewed and approved by the Board of Directors annually. The various responsibilities have been shared among the appropriate departments and committees as outlined in duty descriptions. While the Asset-Liability Management and Treasury Group alone is responsible for managing liquidity and for developing short-term liquidity estimates, the Asset-Liability Management and Treasury Group works with the Asset-Liability Management Committee to jointly developing/setting short-term liquidity strategies and middle and long-term liquidity estimates. The Asset-Liability Management Committee is responsible for preparing middle and long-term liquidity strategies.

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee, Audit Committee and Board of Directors, in addition to providing daily reports to senior management. Information about the Bank's liquidity structure and policies is provided to the relevant business lines at an Assets-Liabilities Committee meeting which is held every couple of weeks and at a Market and Liquidity Risk Committee meeting which is held monthly.

- b) Information on the centralization degree of liquidity management and funding strategy, and on operations between Bank and its partnerships:

The Asset-Liability Management and the Treasury Group manage the Bank's liquidity risk and performs this role only for the bank. Liquidity gap values are monitored within the limits set by the Board of Directors, and for compliance with these limits, the necessary debt instruments are used, while considering price and maturity structure. Our subsidiaries manage their own liquidity, and we provide them borrowing facilities within market conditions and legal limits.

- c) Information about the Bank's funding strategy including policies on funding types and variety of maturities:

While the Bank tries to diversify its funding resources, it also tries to extend its payment terms. Customer deposits are the bank's main funding resource. Our main strategy for deposit management is to be inclusive while extending the average maturity. In addition to borrowings from money markets and collecting deposit, the Bank uses instruments such as long-term syndicated loans, securities issued in TL and foreign currency to diversify funding resources.

- d) Information on liquidity management based on currency which constituting at least five percent of the Bank's total liabilities:

Excluding TL, USD and EUR, there is no foreign currency which exceeds 5% of total liabilities. For these currencies, liquidity gaps are reported on a monthly basis and the Liquidity Coverage Ratio is calculated daily for Total and Foreign Currency. The Asset-Liability Management and Treasury Group is responsible for taking the necessary steps to keep ratios within the limits determined by the Board of Directors. Trend of these ratios are monitored on a monthly basis by the Liquidity Risk Committee which includes the General Manager, Assistant General Manager responsible from Financial Affairs Group, Group Risk Chief Officer, and the Assistant General Manager in charge of the Asset-Liability Management and Treasury Group. Furthermore, senior management is periodically informed about the relevant ratios.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

e) Information on liquidity risk mitigation techniques:

The Bank's main liquidity management strategy is to diversify funding resources and extend the maturity structure. The Bank's balance sheet liquidity risk is periodically measured by Assets-Liabilities Management and closely monitored with the Treasury. In accordance with market expectations, the Assets-Liabilities Management and Treasury Group carries out the actions necessary to minimize risk.

Within this framework, the Bank's liquidity risk is attempted to manage efficiently by long-term structural changes (such as diversifying funding sources, extending maturity structure etc.) and short and mid-term money market and derivative transactions.

In the short term, liquidity risk is minimized with FX swaps, interbank borrowings and repurchase agreements, while cross currency swap transactions are used to minimize these risks in the long-term.

f) Explanations on the usage of the stress test:

The aim of the liquidity stress test is to analyze how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analyzed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Bank and in the whole banking system, in cases of stress event are analyzed. Also, situations where the two scenarios might coincide are considered. The analysis addresses how much of the net cash outflows of different maturities would be covered by the current liquid stock during all relevant stress events.

g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine;

- Whether the liquidity problem is specific to the bank or applies to the whole banking system and
- Whether there is a permanent or temporary problem.

Profitability has second degree importance in extraordinary liquidity conditions. In cases of cash shortage or cash withdrawal, the branches are responsible for informing the Asset-Liability Management and Treasury Group about withdrawn liabilities. The Asset-Liability Management and Treasury Group takes the necessary actions to cover the cash outflow which may occur in the accounts and informs the Asset-Liability Committee of any related delays.

In a liquidity crisis, the Asset-Liability Management and Treasury Group, the Asset-Liability Committee, the Liquidity Risk Committee, senior management, and the Board of Directors are responsible for solving the liquidity problem. It is predicted that, in a liquidity crisis, in order to create additional liquidity, written actions (considering the cost) must be taken within current market conditions.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio:

	Rate of Percentage to Be Taken into account not Implemented Total Value		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
Current Period – 31 December 2024	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			130,238,895	56,175,142
Cash Outflows				
Real person and retail deposits	272,111,035	68,794,098	22,946,583	6,879,410
Stable deposits	85,290,410	-	4,264,520	-
Less stable deposits	186,820,625	68,794,098	18,682,063	6,879,410
Unsecured debts other than real person and retail deposits	128,457,935	45,477,424	76,765,749	22,727,713
Operational deposits	4,011,576	399,227	1,002,894	99,807
Non-operational deposits	104,062,333	39,371,642	57,306,763	17,057,067
Other unsecured funding	20,384,026	5,706,555	18,456,092	5,570,839
Secured funding	-	-	-	-
Other cash outflows	902,196	22,210,929	902,196	22,210,929
Outflows related to derivative exposures	902,196	22,210,929	902,196	22,210,929
Outflows related to restructured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	235,523,887	57,960,104	17,360,547	6,420,830
Total Cash Outflows			117,975,075	58,238,882
Cash Inflows				
Secured Receivables	-	-	-	-
Unsecured Receivables	53,487,787	20,224,767	33,983,865	16,453,791
Other Cash Inflows	3,045,324	10,766,373	3,045,324	10,766,373
Total Cash Inflows	56,533,111	30,991,140	37,029,189	27,220,164
			Upper Limit Applied Values	
Total High Quality Liquid Assets Inventory			130,238,895	56,175,142
Total Net Cash Outflows			80,945,886	31,018,718
Liquidity Coverage Ratio (%)			160.90	181.10

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

	Rate of Percentage to Be Taken into account not Implemented Total Value (*)		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
Prior Period – 31 December 2023	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			110,341,265	53,236,655
Cash Outflows				
Real person and retail deposits	195,799,316	66,529,998	17,442,172	6,653,000
Stable deposits	42,755,195	-	2,137,760	-
Less stable deposits	153,044,121	66,529,998	15,304,412	6,653,000
Unsecured debts other than real person and retail deposits	79,490,394	35,310,873	47,538,486	18,260,651
Operational deposits	2,910,749	291,039	727,687	72,760
Non-operational deposits	62,122,689	29,525,658	33,890,011	12,850,233
Other unsecured funding	14,456,956	5,494,176	12,920,788	5,337,658
Secured funding	-	-	-	-
Other cash outflows	1,780,968	5,898,993	1,780,968	5,898,993
Outflows related to derivative exposures	1,780,968	5,898,993	1,780,968	5,898,993
Outflows related to restructured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	130,905,699	52,408,416	11,154,973	6,097,801
Total Cash Outflows			77,916,599	36,910,445
Cash Inflows				
Secured Receivables	-	-	-	-
Unsecured Receivables	41,718,293	13,365,580	32,207,211	11,277,871
Other Cash Inflows	1,802	14,137,293	1,802	14,137,293
Total Cash Inflows	41,720,095	27,502,873	32,209,013	25,415,164
			Upper Limit Applied Values	
Total High Quality Liquid Assets Inventory			110,341,265	53,236,655
Total Net Cash Outflows			45,707,586	11,495,282
Liquidity Coverage Ratio (%)			241.41	463.12

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio: (continued)

The amount of high-quality liquid assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting Liquidity Coverage Ratio.

High quality liquid assets in order to their priority consist of the time accounts, bond portfolio, required reserve, cash and effective deposit. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effect more FC Liquidity Coverage Ratio rather than the total. Besides, cash outflows due to withdrawal of the collaterals securing derivatives and market valuation changes on derivative transactions are considered in calculations.

There are concentration limits on funding sources approved by Board of Directors. Proportional limits on product type are reported in relation to how much of the funding can be obtained from deposits, group funding, borrowings from banks and repo and other long-term sources.

Liquidity management of the subsidiaries subject to consolidation is carried out by the companies themselves. Although there is a consolidated reporting for the Liquidity Coverage Ratio, there is no centralized liquidity management. Finally, there is no significant cash inflow and cash outflow related to the liquidity profile of the Bank, which is included in the calculation of liquidity coverage ratio, but which is not included in the public disclosure template in the second paragraph of the related communiqué.

The weeks with lowest and highest liquidity coverage ratio for the last three months calculated by using weekly simple arithmetic averages are presented below.

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
Lowest	137.05%	137.43%	203.65%	280.77%
Week	10.11.2024	10.11.2024	12.11.2023	24.12.2023
Highest	186.25%	278.14%	289.21%	691.74%
Week	06.10.2024	06.10.2024	08.10.2023	19.11.2023

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed ⁽¹⁾	Total
Assets								
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	43,666,673	76,891,677	-	-	-	-	(24,178)	120,534,172
Banks ⁽³⁾	11,505,507	11,380,097	-	-	-	-	(47,572)	22,838,032
Financial Assets at Fair Value Through Profit and Loss	-	648	6,310	33,736	2,395,419	540,150	662,967	3,639,230
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	101,941	70,409	-	1,422,119	30,647,668	3,175,267	-	35,417,404
Loans Given ⁽⁴⁾	-	15,407,202	42,375,306	114,584,616	154,475,591	1,563,714	(2,205,491)	326,200,938
Financial Assets Measured at Amortized Cost ⁽⁵⁾	-	308,320	4,905,227	5,289,737	17,331,355	34,102,378	(11,957)	61,925,060
Other Assets	-	11,031,167	690,558	1,059,151	1,341,788	353,600	26,386,716	40,862,980
Total Assets	55,274,121	115,089,520	47,977,401	122,389,359	206,191,821	39,735,109	24,760,485	611,417,816
Liabilities								
Bank Deposits	767,742	5,271,155	-	-	-	-	-	6,038,897
Other Deposit	127,167,406	234,579,403	30,826,699	6,997,431	361	-	-	399,571,300
Funds Provided from Other Financial Institutions	-	109,104	520,731	19,785,716	4,908,134	28,682,332	-	54,006,017
Money Market Funds	-	57,490,278	-	-	5,462,107	-	-	62,952,385
Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities	-	33,137,640	1,137,940	1,447,369	2,510,214	869,689	49,746,365	88,849,217
Total Liabilities	127,935,148	330,587,580	32,485,370	28,230,516	12,880,816	29,552,021	49,746,365	611,417,816
Liquidity Gap	(72,661,027)	(215,498,060)	15,492,031	94,158,843	193,311,005	10,183,088	(24,985,880)	-
Net Off-Balance Sheet Position	-	1,454,947	877,035	2,065,376	(431,035)	-	-	3,966,323
Financial Derivative Assets	-	101,796,222	50,185,100	75,845,891	67,946,552	17,337,415	-	313,111,180
Financial Derivative Liabilities	-	100,341,275	49,308,065	73,780,515	68,377,587	17,337,415	-	309,144,857
Non-Cash Loans	18,432,634	5,383,012	16,167,040	40,792,709	21,860,658	-	-	102,636,053
Prior Period								
Total Assets	37,758,216	125,775,929	37,592,841	89,504,936	83,691,711	23,354,201	9,241,185	406,919,019
Total Liabilities	105,465,659	178,641,564	33,828,050	32,632,864	9,180,722	5,763,643	41,406,517	406,919,019
Liquidity Gap	(67,707,443)	(52,865,635)	3,764,791	56,872,072	74,510,989	17,590,558	(32,165,332)	-
Net Off-Balance Sheet Position	-	(947,460)	(802,540)	1,485,484	(574,582)	-	-	(839,098)
Financial Derivative Assets	-	43,490,520	52,123,934	54,483,720	37,117,365	11,470,910	-	198,686,449
Financial Derivative Liabilities	-	44,437,980	52,926,474	52,998,236	37,691,947	11,470,910	-	199,525,547
Non-Cash Loans	16,929,591	6,595,718	12,268,123	25,401,747	20,741,431	-	-	81,936,610

⁽¹⁾ Active accounts with fixed assets, associates and subsidiaries, fixed assets, prepaid expenses and non-performing loans, which are required for the continuation of banking activities and which do not have the chance to convert to cash in a short time, are recorded here. The expected loss provisions are also shown here.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye includes expected loss provisions amounting of TL 24,178.

⁽³⁾ Banks include TL balance of expected loss provisions amounting to TL 47,572.

⁽⁴⁾ The revolving loans amounting to TL 44,743,943 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,442,762.

⁽⁵⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 11,957.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
31 December 2024								
Money Market Funds	-	57,950,475	-	-	6,091,557	-	(1,089,647)	62,952,385
Other Deposits	127,167,406	236,034,839	32,308,455	8,507,185	561	-	(4,447,146)	399,571,300
Banks Deposits	767,742	5,278,033	-	-	-	-	(6,878)	6,038,897
Funds Provided from Other Financial Institutions	-	1,674,659	555,297	21,529,489	12,134,735	40,362,302	(22,250,465)	54,006,017
Issued Securities	-	-	-	-	-	-	-	-
Total	127,935,148	300,938,006	32,863,752	30,036,674	18,226,853	40,362,302	(27,794,136)	522,568,599
31 December 2023								
Money Market Funds	-	21,561,820	-	6,797,303	-	-	(249,281)	28,109,842
Other Deposits	105,136,553	138,094,868	26,297,595	16,626,192	63,476	-	(4,050,097)	282,168,587
Banks Deposits	329,106	2,251,537	-	-	-	-	(3,394)	2,577,249
Funds Provided from Other Financial Institutions	-	7,555,556	1,512,827	18,997,839	12,820,808	5,520,108	(14,829,574)	31,577,564
Issued Securities	-	-	-	-	-	-	-	-
Total	105,465,659	169,463,781	27,810,422	42,421,334	12,884,284	5,520,108	(19,132,346)	344,433,242

The contract-based maturity analysis of the Bank's derivative instruments is as follows:

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Total
31 December 2024						
Derivative Financial Instruments for Hedging Purposes						
Fair Value Hedge	346,874	140,475	432,143	2,963,816	91,909	3,975,217
Cash Flow Hedge	196,181	322,577	1,521,915	2,364,632	-	4,405,305
Trading Transactions						
Foreign Exchange Forward	9,049,985	7,587,524	12,358,820	853,451	-	29,849,780
Swap Money Selling Agreement	48,531,010	14,251,709	17,192,306	30,952,312	-	110,927,337
Interest Rate Swaps-Sell	1,548,119	1,270,702	3,577,863	3,859,807	1,169,014	11,425,505
Futures Monetary Agreement	-	10,326,701	6,187,791	-	-	16,514,492
Money Exchange Options Contract	27,416,567	20,502,653	24,654,611	-	-	72,573,831
Total	87,088,736	54,402,341	65,925,449	40,994,018	1,260,923	249,671,467
31 December 2023						
Derivative Financial Instruments for Hedging Purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	3,333	1,160,593	6,801,260	394,909	154,012	8,514,107
Trading Transactions						
Foreign Exchange Forward	3,580,409	4,687,336	8,935,906	239,759	-	17,443,410
Swap Money Selling Agreement	19,864,368	25,836,340	3,711,553	22,080,353	-	71,492,614
Interest Rate Swaps-Sell	150,343	506,957	1,521,373	1,366,287	5,742,281	9,287,241
Futures Monetary Agreement	-	-	-	-	-	-
Money Exchange Options Contract	10,978,116	20,760,722	18,974,374	617,403	-	51,330,615
Total	34,576,569	52,951,948	39,944,466	24,698,711	5,896,293	158,067,987

Cash outflows of derivative instruments are shown in the tables above.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Net Stable Funding Rate:

Current Period	Based on the remaining maturity, the amount to which the consideration rate has not been applied				Total amount with consideration rate applied
	Demand(*)	Term Shorter Than 6 Months	6 Months and Longer than 6 Months and Shorter than 1 Year Term	1 Year and Longer Than 1 Year Term	
Available Stable Funding					
Capital Items	-	-	-	73,993,948	73,993,948
Tier 1 Capital and Tier 2 Capital	-	-	-	73,993,948	73,993,948
Other Capital Items	-	-	-	-	-
Individuals and retail customer deposits/participation funds	80,645,520	185,667,934	-	312	243,949,353
Stable deposit/participation fund	19,126,577	66,212,366	-	328	81,072,307
Low stability deposit/participation fund	61,518,943	119,455,568	-	(16)	162,877,046
Debts to other individuals	98,678,642	97,057,532	-	-	48,528,766
Operational deposit/participation fund	-	5,077,544	-	-	2,538,772
Other debts	98,678,642	91,979,988	-	-	45,989,994
Liabilities equivalent to interdependent assets					
Other liabilities	38,172,919	-	17,887,303	38,369,752	47,313,403
Derivative liabilities			-		
Other Capital Items and liabilities not listed above	38,172,919	-	17,887,303	38,369,752	47,313,403
Available Stable Funding					413,785,470
Required Stable Funding					
High-quality liquid assets					3,958,941
Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
Performing Receivables	-	28,545,701	169,582,104	154,585,363	220,636,023
Receivables from credit institutions or financial institutions, the collateral of which is a high-quality liquid asset	-	-	-	-	-
Receivables from credit institutions or financial institutions that are unsecured or whose collateral is not a high-quality liquid asset	-	28,545,701	2,411,273	1,103,723	6,591,214
Receivables from corporate customers, organizations, individuals and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	-	167,170,831	153,481,640	214,044,809
Receivables subject to a risk weighting of 35% or less	-	-	-	-	-
Receivables collateralized by a residential real estate mortgage	-	-	-	-	-
Receivables subject to a risk weighting of 35% or less	-	-	-	-	-
Stock exchange-traded stocks and debt instruments that do not qualify as high-quality liquid assets	-	-	-	-	-
Assets equivalent to interdependent liabilities					
Other assets	32,747,158	4,203,088	-	7,982,691	44,858,005
Physically delivered commodities, including gold	435,517				370,189
Initial collateral of derivative contracts or guarantee fund given to the central counterparty			64,031		54,426
Derivative assets			4,005,739		4,005,739
The amount of derivative liabilities before deduction of the exchange collateral			133,318		133,318
Other assets not listed above	32,311,641	-	-	7,982,691	40,294,333
Off-balance sheet liabilities		-	-	265,068,714	13,253,436
Stable Funding Required					282,706,405
Net Stable Funding Rate (%)					146.37

(*) The items reported in the Demand column do not have a specific maturity. These include, but are not limited to, capital items that do not have a specific maturity, demand deposits, short positions, positions with uncertain futures, stocks that are not high-quality liquid assets, and physically delivered commodities.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Net Stable Funding Rate: (continued)

Prior Period	Based on the remaining maturity, the amount to which the consideration rate has not been applied				Total amount with consideration rate applied Demand(*)
	Demand(*)	Term Shorter Than 6 Months	6 Months and Longer than 6 Months and Shorter than 1 Year Term	Term Shorter Than 6 Months	
Available Stable Funding					
Capital Items	-	-	-	46,707,852	46,707,852
Tier 1 Capital and Tier 2 Capital	-	-	-	46,707,852	46,707,852
Other Capital Items	-	-	-	-	-
Individuals and retail customer deposits/participation funds	66,345,406	132,733,949	-	53,318	181,439,651
Stable deposit/participation fund	9,874,380	34,529,978	-	555	42,184,667
Low stability deposit/participation fund	56,471,026	98,203,971	-	52,763	139,254,984
Debts to other individuals	47,388,376	65,133,802	-	-	32,566,901
Operational deposit/participation fund	-	2,927,972	-	-	1,463,986
Other debts	47,388,376	62,205,830	-	-	31,102,915
Liabilities equivalent to interdependent assets					
Other liabilities	19,746,667	-	19,509,558	808,993	10,563,772
Derivative liabilities			-		
Other Capital Items and liabilities not listed above	19,746,667	-	19,509,558	808,993	10,563,772
Available Stable Funding					271,278,176
Required Stable Funding					
High-quality liquid assets					2,315,190
Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
Performing Receivables	-	20,087,806	126,786,439	85,930,314	138,993,831
Receivables from credit institutions or financial institutions, the collateral of which is a high-quality liquid asset	-	12,200,000	-	-	1,220,000
Receivables from credit institutions or financial institutions that are unsecured or whose collateral is not a high-quality liquid asset	-	7,887,806	3,064,307	5,267,601	7,982,925
Receivables from corporate customers, organizations, individuals and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	-	123,722,132	79,023,737	128,725,571
Receivables subject to a risk weighting of 35% or less	-	-	-	1,528,359	993,433
Receivables collateralized by a residential real estate mortgage	-	-	-	1,638,976	1,065,335
Receivables subject to a risk weighting of 35% or less	-	-	-	1,638,976	1,065,335
Stock exchange-traded stocks and debt instruments that do not qualify as high-quality liquid assets	-	-	-	-	-
Assets equivalent to interdependent liabilities					
Other assets	18,576,525	670,420	-	-	19,164,773
Physically delivered commodities, including gold	524,666				445,966
Initial collateral of derivative contracts or guarantee fund given to the central counterparty			23,149		19,677
Derivative assets			567,231		567,231
The amount of derivative liabilities before deduction of the exchange collateral			80,040		80,040
Other assets not listed above	18,051,859	-	-	-	18,051,859
Off-balance sheet liabilities				153,236,487	7,661,824
Stable Funding Required					168,135,618
Net Stable Funding Rate (%)					161.35

(*) The items reported in the Demand column do not have a specific maturity. These include, but are not limited to, capital items that do not have a specific maturity, demand deposits, short positions, positions with uncertain futures, stocks that are not high-quality liquid assets, and physically delivered commodities.

The net stable funding rate for the last three months, including the reporting period, is 146.73 % (last quarter 2023: 166.82%).

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Net Stable Funding Rate: (continued)

Despite the Bank's Net Stable Funding Ratio (NSFR) declining from 166.82% to 146.73% on a solo basis during the period from December 2023 to December 2024, it continued to remain well above the regulatory requirement of 100%. The decrease in NSFR during this period was primarily due to the increase in the loan portfolio and securities investments outpacing the increase in the deposit portfolio. Particularly in the first quarter of the year, the rapid growth in the loan portfolio was part of the strategy to optimize liquidity, bringing the NSFR to the targeted levels. The balanced growth strategy in the deposit base and the increase in equity items enabled the growth in the Bank's assets. As a result of additional tightening monetary policy actions implemented in the third quarter of 2024, credit growth remained limited. Although securities investments made in the second and third quarters caused a partial decline in the ratio, the issuance of Additional Tier 1 Capital (TL 10.4 billion) by the Bank in the third quarter significantly improved the long-term borrowing profile. In the 4th quarter of 2024, the increase in the stable funding equity and deposit portfolio led to a rise, while the increase in the Bank's loan portfolio caused the required stable funding to rise further, resulting in a slight decline in the Net Stable Funding Ratio (NSFR).

VIII. Explanations Related to Leverage Ratio

- a) Information on issues that cause differences between current period and previous period leverage ratios:

The leverage ratio has decreased due to the increase in on-balance sheet assets and off-balance sheet commitments.

- b) Leverage ratio:

Assets on the balance sheet	Current Period (*)	Prior Period (*)
Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals)	587,290,129	386,479,339
(Assets deducted from core capital)	(1,880,362)	(1,200,116)
Total risk amount for assets on the balance sheet	585,409,767	385,279,223
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	3,379,891	4,238,669
Potential credit risk amount of derivative financial instruments and loan derivatives	2,402,898	1,484,227
Total risk amount of derivative financial instruments and loan derivatives	5,782,789	5,722,896
Financing transactions with securities or goods warranties		
Risk amount of financial transactions with securities or goods warranties (Excluding those in the balance sheet)	10,783,943	4,581,750
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	10,783,943	4,581,750
Off-the-balance sheet transactions		
Gross nominal amount of the off-balance sheet transactions	296,469,078	158,382,111
(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
Total risk amount for off-balance sheet transactions	296,469,078	158,382,111
Capital and total risk		
Tier 1 Capital	51,629,838	33,598,560
Total risk amount	898,445,577	553,965,980
Leverage ratio		
Leverage ratio	5.75%	6.07%

(*) The amounts in the table are calculated by using the 3 months average amounts.

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IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	446,381,434	279,664,595	436,930,433	272,564,337
Money Market Placement	-	12,242,941	-	12,242,941
Banks	22,838,032	7,149,245	22,838,032	7,149,245
Financial Assets at Fair Value Through Other Comprehensive Income	35,417,404	7,825,439	35,417,404	7,825,439
Financial Assets Valued Over Amortised Cost	61,925,060	49,280,368	47,458,034	42,218,736
Loans	326,200,938	203,166,602	331,216,963	203,127,976
Financial Liabilities	551,931,204	360,603,941	557,662,522	361,683,725
Banks Deposits	6,038,897	2,577,249	6,038,897	2,577,249
Other Deposits	399,571,300	282,168,587	401,043,352	282,987,203
Funds Received from Other Financial Institutions (*)	116,958,402	59,687,406	121,217,668	59,948,574
Securities Issued	-	-	-	-
Other Liabilities	29,362,605	16,170,699	29,362,605	16,170,699

(*) Money market funds and subordinated loans are included in the line of funds from other financial institutions.

Investment securities in the current period include financial assets valued at their amortised cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions, is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure; by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

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IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (continued)

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

31 December 2024	Level 1	Level 2	Level 3	Total
Financial Assets	38,327,571	5,246,759	287,651	43,861,981
Financial Assets at Fair Value Through Profit or Loss	3,082,617	5,016,448	185,710	8,284,775
Government Debt Securities	2,962,137	-	-	2,962,137
Derivative Financial Assets at Fair Value Through Profit or Loss	-	4,645,545	-	4,645,545
Other Financial Assets at Fair Value Through Profit or Loss	120,480	370,903	185,710	677,093
Derivative Financial Assets for Hedging Purposes	-	159,802	-	159,802
Financial Assets at Fair Value Through Other Comprehensive Income	35,244,954	70,509	101,941	35,417,404
Government Debt Securities	35,244,954	70,509	-	35,315,463
Other Financial Assets at Fair Value Through Other Comprehensive Income	-	-	101,941	101,941
Financial Liabilities	-	5,324,183	-	5,324,183
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	5,252,853	-	5,252,853
Derivative Financial Liabilities for Hedging Purposes	-	71,330	-	71,330
31 December 2023	Level 1	Level 2	Level 3	Total
Financial Assets	8,409,007	4,248,168	192,418	12,849,593
Financial Assets at Fair Value Through Profit or Loss	738,581	3,136,969	110,083	3,985,633
Government Debt Securities	588,465	-	-	588,465
Derivative Financial Assets at Fair Value Through Profit or Loss	-	2,973,062	-	2,973,062
Other Financial Assets at Fair Value Through Profit or Loss	150,116	163,907	110,083	424,106
Derivative Financial Assets for Hedging Purposes	-	1,038,521	-	1,038,521
Financial Assets at Fair Value Through Other Comprehensive Income	7,670,426	72,678	82,335	7,825,439
Government Debt Securities	7,670,426	72,678	-	7,743,104
Other Financial Assets at Fair Value Through Other Comprehensive Income	-	-	82,335	82,335
Financial Liabilities	-	2,635,298	-	2,635,298
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	2,552,843	-	2,552,843
Derivative Financial Liabilities for Hedging Purposes	-	82,455	-	82,455

There is no transition between levels in the current year.

The table below shows the movement table of financial assets at Level 3:

	Current Period	Prior Period
Balance at the Beginning of the Period	192,418	127,016
Purchases	-	-
Redemption or Sale	-	-
Valuation Difference	95,233	65,402
Transfers	-	-
Balance at the End of the Period	287,651	192,418

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X. Explanations Related to Transactions Carried Out on Behalf of Other Parties and Fiduciary Assets

The Bank performs trading transactions on behalf of customers, and gives custody, administration and consultancy services.

The Bank does not deal with fiduciary transactions.

XI. Explanations Related to Risk Management

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. The notes to be presented within the scope of Internal Rating-Based Approach have not been presented due to use of standard approach for the calculation of capital adequacy ratio by the Bank.

1. Risk management approach and risk weighted amounts

1.1 Bank’s risk management approach

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Risk Committee and Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Bank aims to,

- i) Identify the main risks to which bank is exposed and identified risks are within the controlled range,
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Risk Committee and Audit Committee.

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XI. Explanations Related to Risk Management (continued)

1. Risk management approach and risk weighted amounts (continued)

1.2 Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
Credit Risk (Excluding Counterparty Credit Risk) (CCR)	331,771,664	239,589,156	26,541,733
Of which Standardized Approach (SA)	331,771,664	239,589,156	26,541,733
Of which Internal Rating-Based (IRB) Approach	-	-	-
Counterparty Credit risk	7,747,486	7,031,153	619,799
Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	7,747,486	7,031,153	619,799
Of which Internal Model Method (IMM)	-	-	-
Equity positions in banking accounts under market-based approach	-	-	-
Equity Investment in Funds - Look-Through Approach	-	-	-
Equity Investment in Funds - Mandate-Based Approach	-	-	-
Equity Investment in Funds - 1250% Weighted Risk Approach	-	-	-
Settlement Risk	-	-	-
Securitization Positions in banking accounts	-	-	-
Of which IRB ratings-based approach (RBA)	-	-	-
Of which IRB Supervisory Formula Approach (SFA)	-	-	-
Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
Market risk	11,536,139	8,105,978	922,891
Standardized approach (SA)	11,536,139	8,105,978	922,891
Internal model approaches (IMM)	-	-	-
Operational Risk	38,341,361	22,912,505	3,067,309
Of which Basic Indicator Approach	38,341,361	22,912,505	3,067,309
Of which Standard Approach	-	-	-
Of which Advanced Measurement Approach	-	-	-
Amounts Below the Thresholds for Deduction (Subject to a 250% Risk Weight)	-	-	-
Floor Adjustment	-	-	-
Total	389,396,650	277,638,792	31,151,732

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XI. Explanations Related to Risk Management (continued)

2. Linkages between financial statements and regulatory exposures

2.1. Differences and mapping between the scope of accounting and legal consolidation

Current Period	Amount valued in accordance with TAS within the scope of legal consolidation (*)	Valued amount of items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk framework	Subject to counterparty credit risk framework	Securitization positions	Subject to the market risk framework	
Assets						
Cash Balances and the Central Bank	120,558,350	120,558,350	-	-	-	-
Banks	22,885,604	27,602,547	-	-	-	-
Money Market Placement	-	-	-	-	-	-
Financial Assets at Fair Value through Profit Loss	3,639,230	662,967	-	-	2,976,263	-
Financial Assets at Fair Value Through Other Comprehensive Income	35,417,404	35,424,285	-	-	-	-
Financial Assets Measured at Amortised Cost	61,937,017	61,937,017	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit and Loss	4,645,545	-	4,645,545	-	4,645,545	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	159,802	-	159,802	-	159,802	-
Non-Performing Financial Assets	-	-	-	-	-	-
Expected credit loss (-)	(6,526,469)	(3,058,677)	-	-	-	-
Loans (*)	332,643,700	332,643,700	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	32,289	32,289	-	-	-	-
Affiliates (Net)	-	-	-	-	-	-
Subsidiaries (Net)	279,021	279,021	-	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-	-
Tangible Assets (Net)	3,043,626	2,856,228	-	-	-	187,398
Intangible Assets (Net)	1,953,352	-	-	-	-	1,953,352
Investment Properties (Net)	-	-	-	-	-	-
Current Tax Asset	74,736	74,736	-	-	-	-
Deferred Tax Asset	1,376,821	1,376,821	-	-	-	-
Other Assets	29,297,783	23,774,881	5,522,902	-	-	-
Total assets	611,417,816	604,164,170	10,328,249	-	7,781,610	2,140,750
Liabilities						
Deposit	405,610,197	-	-	-	-	-
Loans Received	25,762,330	-	-	-	-	-
Money Market Funds	62,952,385	-	62,952,385	-	-	-
Issued securities	-	-	-	-	-	-
Financial Liabilities with Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	5,324,183	-	1,924,761	-	-	-
Factoring debts	-	-	-	-	-	-
Lease Liabilities	1,775,595	-	-	-	-	-
Provisions	5,842,031	-	-	-	-	-
Current Tax Liability	2,640,469	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-	-
Subordinated loans	28,243,687	-	-	-	-	-
Other Liabilities	29,362,605	-	892,920	-	-	-
Equity	43,904,334	-	-	-	-	-
Total liabilities	611,417,816	-	65,770,066	-	-	-

(*) Refers to the Bank's unconsolidated financial statement.

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XI. Explanations Related to Risk Management (continued)

2. Linkages between financial statements and regulatory exposures (continued)

2.1. Differences and mapping between the scope of accounting and legal consolidation (continued)

Prior Period	Amount valued in accordance with TAS within the scope of legal consolidation (*)	Valued amount of items in accordance with TAS				
		Subject to credit risk framework	Subject to counterparty credit risk framework	Securitization positions	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash Balances and the Central Bank	104,484,538	104,484,538	-	-	-	-
Banks	7,194,585	7,194,585	-	-	-	-
Money Market Placement	12,243,739	-	12,243,739	-	-	-
Financial Assets at Fair Value through Profit Loss	1,012,571	424,106	-	-	588,465	-
Financial Assets at Fair Value Through Other Comprehensive Income	7,825,439	7,827,217	-	-	-	-
Financial Assets Measured at Amortised Cost	49,291,458	49,291,458	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit and Loss	2,973,062	-	2,973,062	-	2,973,062	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	1,038,521	-	1,038,521	-	1,038,521	-
Non-Performing Financial Assets	-	-	-	-	-	-
Expected credit loss (-)	(6,792,890)	(1,565,971)	-	-	-	-
Loans (*)	209,885,478	209,885,478	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	82,060	82,060	-	-	-	-
Affiliates (Net)	-	-	-	-	-	-
Subsidiaries (Net)	279,021	279,021	-	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-	-
Tangible Assets (Net)	1,933,104	1,861,672	-	-	-	71,432
Intangible Assets (Net)	1,269,693	-	-	-	-	1,269,693
Investment Properties (Net)	-	-	-	-	-	-
Current Tax Asset	220,897	220,897	-	-	-	-
Deferred Tax Asset	2,410,400	2,410,400	-	-	-	-
Other Assets	11,567,338	10,443,190	1,124,148	-	-	-
Total assets	406,919,019	392,838,656	17,379,470	-	4,600,048	1,341,125
Liabilities						
Deposit	284,745,836	-	-	-	-	-
Loans Received	19,939,597	-	-	-	-	-
Money Market Funds	28,109,842	-	28,109,842	-	-	-
Issued securities	-	-	-	-	-	-
Financial Liabilities with Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	2,635,298	-	607,669	-	-	-
Factoring debts	-	-	-	-	-	-
Lease Liabilities	991,149	-	-	-	-	-
Provisions	6,361,827	-	-	-	-	-
Current Tax Liability	1,282,114	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-	-
Subordinated loans	11,637,967	-	-	-	-	-
Other Liabilities	16,170,699	-	1,766,837	-	-	-
Equity	35,044,690	-	-	-	-	-
Total liabilities	406,919,019	-	30,484,348	-	-	-

(*) Represents the unconsolidated financial statements of Bank.

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XI. Explanations Related to Risk Management (continued)

2. Linkages between financial statements and regulatory exposures (continued)

2.2 Main sources of differences between the risk amounts and the amounts measured in accordance with TAS in the financial statements

Current Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Valued amounts of assets within the scope of legal consolidation in accordance with TAS	611,417,816	604,164,170	10,328,249	7,781,610
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	65,770,066	-	65,770,066	-
3	Total net amount under legal consolidation	545,647,750	604,164,170	(55,441,817)	7,781,610
4	Off-balance sheet amounts	307,119,350	77,067,397	2,441,254	-
5	Differences in valuations	-	-	-	-
6	Differences due to different netting rules (other than those already included in row 2)	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-
8	Differences due to prudential filters	-	-	-	-
9	Exposure amounts	852,767,100	681,231,567	(53,000,563)	7,781,610

Prior Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Valued amounts of assets within the scope of legal consolidation in accordance with TAS	406,919,019	392,838,656	17,379,470	4,600,048
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	30,484,348	-	30,484,348	-
3	Total net amount under legal consolidation	376,434,671	392,838,656	(13,104,878)	4,600,048
4	Off-balance sheet amounts	165,354,442	52,394,469	1,405,350	-
5	Differences in valuations	-	-	-	-
6	Differences due to different netting rules (other than those already included in row 2)	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-
8	Differences due to prudential filters	-	-	-	-
9	Exposure amounts	541,789,113	445,233,125	(11,699,528)	4,600,048

2.3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and reviewed annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure

3.1. General information about credit risk

3.1.1. General qualitative information about credit risk

The objective of the Risk Management system is to provide that the risks that are derived from the bank's activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and risk expectations for the future. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to Senior Management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors, Risk Committee and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports are presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Risk Committee, and Board of Directors.

The Bank's credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee, Risk Committee and the Board of Directors.

The Risk Appetite Declaration is approved by the Board of Directors and audited once a year. The Bank combines existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the Bank.

The Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

3.1.2. Credit quality of assets

Current Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/depreciation/ and impairment	Net Value
	Defaulted exposures	Non-defaulted exposures		
Loans	4,237,271	328,406,429	6,442,762	326,200,938
Debt Securities	-	97,252,480	11,957	97,240,523
Off-balance sheet exposures	-	304,678,094	1,100,361	303,577,733
Total	4,237,271	730,337,003	7,555,080	727,019,194

Prior Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/depreciation/ and impairment	Net Value
	Defaulted exposures	Non-defaulted exposures		
Loans	2,181,205	207,704,273	6,718,876	203,166,602
Debt Securities	-	57,034,562	11,090	57,023,472
Off-balance sheet exposures	-	163,949,093	910,591	163,038,502
Total	2,181,205	428,687,928	7,640,557	423,228,576

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.3. Changes in stock of defaulted loans and debt securities

1 Defaulted loans and debt securities at end of the 31 December 2023	2,181,205
2 Loans and debt securities that have defaulted since the last reporting period	5,787,617
3 Returned to non-defaulted status	-
4 Amounts written off (*)	(1,832,155)
5 Other changes (**)	(1,899,396)
6 Defaulted loans and debt securities at end of 31 December 2024 (1+2-3-4-5)	4,237,271
(*) The Bank wrote off TL 45,507 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 1,786,344 for which a provision of TL 1,350,146 was provided, was sold in 2024 with a price of TL 623,404 and after following the completion of the necessary procedures, non-performing loans were written off from the records.	
(**) Includes collections during the period.	
1 Defaulted loans and debt securities at end of the 31 December 2022	2,625,892
2 Loans and debt securities that have defaulted since the last reporting period	1,783,803
3 Returned to non-defaulted status	-
4 Amounts written off (*)	(995,717)
5 Other changes (**)	(1,232,773)
6 Defaulted loans and debt securities at end of 31 December 2023 (1+2-3-4-5)	2,181,205
(*) The Bank wrote off TL 99,443 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 896,274 for which a provision of TL 747,165 was provided, was sold in 2023 with a price of TL 367,959 and after following the completion of the necessary procedures, non-performing loans were written off from the records.	
(**) Includes collections during the period.	

3.1.4. Additional disclosure related to the credit quality

- a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of "past due" and "impaired" for accounting purposes

According to the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as "non-performing loan" in the Accounting Practice.

Receivables past due more than 90 days are considered as "impaired receivables", and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past due exposures (more than 90 days) that are not considered to be "impaired" and the reasons for this

A specific provision is allocated for receivables which are overdue for more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments

Provision amount is determined in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves".

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

e) Breakdown of exposures by geographical areas, industry and residual maturity:

Breakdown of Loans and Receivables by sector:

	Current Period			
	TL	(%)	FC	(%)
Agriculture	4,300,496	1.94	1,453,447	1.37
Farming and Stockbreeding	4,289,344	1.93	285,553	0.27
Forestry	-	-	-	-
Fishery	11,152	0.01	1,167,894	1.10
Manufacturing	56,092,865	25.22	71,349,946	67.35
Mining and Quarrying	3,651,742	1.64	4,956,496	4.68
Production	50,194,435	22.56	64,488,295	60.87
Electricity, Gas and Water	2,246,688	1.01	1,905,155	1.80
Construction	3,877,102	1.74	2,332,999	2.20
Services	61,997,642	27.87	30,633,152	28.91
Wholesale and Retail Trade	24,381,147	10.96	6,103,697	5.76
Accommodation and Dining	1,898,665	0.85	2,588,854	2.44
Transportation and Telecom.	10,514,694	4.73	9,229,841	8.71
Financial Institutions	7,474,197	3.36	4,806,560	4.54
Real Estate and Rental Services	5,877,615	2.64	7,740,079	7.31
Self-Employment Services	2,616,736	1.18	164,121	0.15
Educational Services	190,949	0.09	-	-
Health and Social Services	9,043,639	4.07	-	-
Other	96,192,586	43.24	176,194	0.17
Total	222,460,691	100.00	105,945,738	100.00

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	2,787,835	1.87	845,221	1.43
Farming and Stockbreeding	2,784,308	1.87	137,291	0.23
Forestry	-	-	-	-
Fishery	3,527	-	707,930	1.20
Manufacturing	46,298,157	31.17	38,919,594	65.79
Mining and Quarrying	2,142,938	1.44	2,881,943	4.87
Production	42,565,712	28.66	34,347,476	58.06
Electricity, Gas and Water	1,589,507	1.07	1,690,175	2.86
Construction	2,155,939	1.45	337,944	0.57
Services	35,751,181	24.07	18,791,373	31.76
Wholesale and Retail Trade	14,911,692	10.04	3,341,267	5.65
Accommodation and Dining	1,095,541	0.74	1,642,967	2.78
Transportation and Telecom.	5,494,243	3.70	6,001,139	10.14
Financial Institutions	4,623,588	3.11	3,990,127	6.74
Real Estate and Rental Services	2,875,986	1.94	3,698,838	6.25
Self-Employment Services	1,955,076	1.32	117,035	0.20
Educational Services	73,397	0.05	-	-
Health and Social Services	4,721,658	3.18	-	-
Other	61,552,632	41.44	264,397	0.45
Total	148,545,744	100.00	59,158,529	100.00

Breakdown of loans and receivables according to remaining maturities is provided in the note VII. of section four under the “Presentation of assets and liabilities according to their remaining maturities”.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

- f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Bank’s loans under follow up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under “Information in terms of major sectors and type of counterparties”.

- g) Aging analysis of loans under close monitoring

31 December 2024	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	884,106	281,404	153,326	1,318,836
Consumer Loans	1,910,041	334,995	1,552,963	3,797,999
Credit Cards	1,091,284	860,796	1,137,919	3,089,999
Total	3,885,431	1,477,195	2,844,208	8,206,834

31 December 2023	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	100,292	19,299	137,509	257,100
Consumer Loans	1,099,934	229,895	541,569	1,871,398
Credit Cards	370,971	268,744	218,052	857,767
Total	1,571,197	517,938	897,130	2,986,265

- h) Breakdown of restructured exposures between impaired and not impaired exposures

Not impaired loans:

Current Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	994,625	642,408	352,217
Consumer Loans	350,214	72,640	277,574
Credit Cards	779,351	231,606	547,745
Total	2,124,190	946,654	1,177,536

Prior Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	920,030	599,674	320,356
Consumer Loans	105,211	9,684	95,527
Credit Cards	51,297	11,831	39,466
Total	1,076,538	621,189	455,349

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

Impaired loans:

Current Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	8,896	4,341	4,555
Consumer Loans	292,486	214,194	78,292
Credit Cards	126,436	100,128	26,308
Total	427,818	318,663	109,155

Prior Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	11,217	5,311	5,906
Consumer Loans	97,573	70,583	26,990
Credit Cards	15,990	13,092	2,898
Total	124,780	88,986	35,794

3.2. Credit Risk Mitigation

3.2.1. Qualitative disclosure requirements related to credit risk mitigation techniques

- a) Core features of policies and processes for which the Bank makes on and off-balance sheet netting

The Bank does not perform on and off-balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

- b) Core features of policies and processes for collateral evaluation and management

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

- c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers)

Guarantor entity's credit risk value is to be considered in credit risk mitigation process in cases where Bank credit customers obtained guarantee from other entities.

The Bank mostly prefers cash, securities such as government and treasury bond for collateral which have low market and credit risk concentration risk.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.2. Credit risk mitigation (continued)

3.2.2. Credit risk mitigation techniques – Overview

	Exposures unsecured: valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
Current Period							
1 Loans (*)	296,228,269	24,635,281	23,446,687	8,927,914	6,289,938	-	-
2 Debt securities (*)	97,259,362	-	-	-	-	-	-
3 Total	393,487,631	24,635,281	23,446,687	8,927,914	6,289,938	-	-
4 Of which defaulted (*)	3,959,983	276,465	116,304	823	580	-	-

(*) In the calculation of the amount subject to credit risk, the Central Bank's foreign exchange buying rates as of June 26, 2023, were used in accordance with the Board decision dated December 12, 2023, and numbered 10747 when calculating the revalued amounts in foreign currency.

	Exposures unsecured: valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
Prior Period							
1 Loans (*)	186,579,517	14,672,845	13,201,392	7,146,212	4,546,415	-	-
2 Debt securities (*)	57,036,340	-	-	-	-	-	-
3 Total	243,615,857	14,672,845	13,201,392	7,146,212	4,546,415	-	-
4 Of which defaulted (*)	2,129,015	41,635	27,011	10,555	117	-	-

(*) In the calculation of the amount subject to credit risk, the Central Bank's foreign exchange buying rates as of December 30, 2022, were used in accordance with the Board decision dated January 31, 2023, and numbered 10496 when calculating the revalued amounts in foreign currency.

3.3. Credit risk under standardized approach

3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- a) Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period

The Bank uses Fitch Ratings International Rating Agency's external ratings.

- b) The risk classes for which each ECAI or ECA is used

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight on is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

- c) A description of the process used to apply the issuer to issue credit ratings onto other issuer comparable assets in the banking book

20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and a 50% risk weight is used for receivables with a maturity period of more than 3 months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.1. Disclosures on banks’ use of credit ratings under the standard approach for credit risk (continued)

- d) The alignment of the alphanumerical scale of each agency used with risk buckets. (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply)

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long- Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables (*)
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

(*) In accordance with the Board Decisions No 10265 dated 07 July 2022, 500% risk weights are applied to Corporate Receivables.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amounts and Risk Weighted Amounts density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted amounts	Risk Weighted amounts density
Risk classes						
1 Exposures to central governments or central banks	195,558,121	-	198,032,114	135,000	2,373,616	1%
2 Exposures to regional governments or local authorities	8,640,525	2,696	8,376,111	1,286	4,188,703	50%
3 Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	35,205,070	4,804,336	34,715,100	3,205,315	10,288,353	27%
7 Exposures to corporates	140,168,094	83,360,200	137,243,097	45,734,748	176,968,183	97%
8 Retail exposures	130,752,411	155,904,384	127,899,291	16,561,737	108,325,666	75%
9 Exposures secured by residential property	10,296,604	1,210,507	10,275,076	578,239	3,798,660	35%
10 Exposures secured by commercial real estate	10,670,551	2,158,867	10,670,551	1,159,250	6,688,440	57%
11 Past-due loans	1,178,546	473,107	1,177,965	206,084	1,271,818	92%
12 Higher-risk categories by the Agency Board	2,354,050	-	2,354,050	-	4,406,919	187%
13 Exposures in the form of covered bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other Receivables	19,370,683	33,098,061	19,370,683	4	12,818,910	66%
17 Investments in equities	642,396	-	642,396	-	642,396	100%
18 Total	554,837,051	281,012,158	550,756,434	67,581,663	331,771,664	54%

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (continued)

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amounts and Risk Weighted Amounts density	
	On-balance sheet Amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amounts	Risk Weighted Amounts density
Risk classes						
1 Exposures to central governments or central banks	126,925,090	-	127,645,090	-	1,753,945	1%
2 Exposures to regional governments or local authorities	374,705	6,557	340,904	3,190	172,052	50%
3 Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4 Exposures to multilateral development Banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	8,478,242	5,360,939	8,478,241	4,025,743	4,464,571	36%
7 Exposures to corporates	66,774,692	48,637,682	65,577,790	25,205,169	87,958,321	97%
8 Retail exposures	58,643,242	70,745,307	57,010,439	8,349,726	50,547,051	77%
9 Exposures secured by residential Property	4,930,336	787,370	4,930,337	353,927	1,849,492	35%
10 Exposures secured by commercial real Estate	9,068,901	2,823,826	8,799,003	1,230,380	6,568,460	65%
11 Past-due loans	603,476	115,949	603,382	32,999	415,467	65%
12 Higher-risk categories by the Agency Board	45,162,514	-	45,142,217	-	77,993,207	173%
13 Exposures in the form of covered bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other Receivables	15,850,988	8,555,673	15,850,971	4	7,473,967	47%
17 Investments in equities	392,622	-	392,622	-	392,622	100%
18 Total	337,204,808	137,033,303	334,770,996	39,201,138	239,589,155	64%

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.3. Receivables by risk classes and risk weights

Current Period														Total credit risk exposure amount (after CCF and CRM)
Risk Classes / Risk Weights		0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	500%	Others (**)	
1	Exposures to regional governments or local authorities	195,793,498	-	-	-	-	-	-	2,373,616	-	-	-	-	198,167,114
2	Exposures to regional governments or local authorities	-	-	-	-	-	8,377,388	-	9	-	-	-	-	8,377,397
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	21,515,134	-	-	11,607,204	-	68,620	12,510	-	-	4,716,947	37,920,415
7	Exposures to corporates	-	-	2,168,160	-	-	8,550,268	-	172,259,417	-	-	-	-	182,977,845
8	Retail exposures	-	-	30,524	-	-	13,271	144,417,233	-	-	-	-	-	144,461,028
9	Exposures secured by residential property	-	-	-	-	10,853,315	-	-	-	-	-	-	-	10,853,315
10	Exposures secured by commercial real estate	-	-	-	-	-	10,282,722	-	1,547,079	-	-	-	-	11,829,801
11	Past-due loans	-	-	-	-	-	946,526	-	177,802	193,672	-	66,049	-	1,384,049
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	2,103,809	-	250,241	-	2,354,050
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	642,396	-	-	-	-	642,396
17	Other Receivables	6,453,158	-	123,273	-	-	-	-	12,794,256	-	-	-	-	19,370,687
18	Total	202,246,656	-	23,837,091	-	10,853,315	39,777,379	144,417,233	189,863,195	2,309,991	-	316,290	4,716,947	618,338,097

(*) The amount shown in the “Receivables Secured by Commercial Real Estate Mortgage” row is “Secured by Real Estate Mortgage,” and the other amounts indicated in this column represent receivables subject to a 50% risk weight.

(**) A two percent risk weight is shown in the “Others” column.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.3. Receivables by risk classes and risk weights (continued)

	Prior Period													
	Risk Classes / Risk Weights	0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	500%	Others(**)	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to regional governments or local authorities	125,891,145	-	-	-	-	-	-	1,753,945	-	-	-	-	127,645,090
2	Exposures to regional governments or local authorities	-	-	-	-	-	344,084	-	10	-	-	-	-	344,094
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	6,287,266	-	-	6,092,490	-	50,939	73,289	-	-	-	12,503,984
7	Exposures to corporates	-	-	113,553	-	-	5,467,593	-	85,201,813	-	-	-	-	90,782,959
8	Retail exposures	-	-	7,071	-	-	14,934	59,199,962	6,138,198	-	-	-	-	65,360,165
9	Exposures secured by residential property	-	-	-	-	5,284,264	-	-	-	-	-	-	-	5,284,264
10	Exposures secured by commercial real estate	-	-	-	-	-	6,921,847	-	3,107,536	-	-	-	-	10,029,383
11	Past-due loans	-	-	-	-	-	451,811	-	174,588	9,982	-	-	-	636,381
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	27,145,390	-	427,156	17,569,671	45,142,217
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	392,622	-	-	-	-	392,622
17	Other Receivables	8,309,945	-	83,826	-	-	-	4	7,457,200	-	-	-	-	15,850,975
18	Total	134,201,090	-	6,491,716	-	5,284,264	19,292,759	59,199,966	104,276,851	27,228,661	-	427,156	17,569,671	373,972,134

(*) The amount shown in the line "Receivables collateralised by mortgages on commercial real estate" is "Collateralised by mortgages on real estate" and the other amounts in this column represent the receivables subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the "Others" column.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk

4.1. Qualitative disclosure related to counterparty credit risk

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by coefficients based on each factor’s historical movement that varies according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. (potential risk) The coefficients used in the calculations are reviewed annually. In the event of high market volatility, all coefficients can be evaluated and modified without waiting for the one-year review period.

In the calculation of coefficients, analyses are conducted considering different historical periods. All results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Derivative product customers are classified into two categories based on the purpose of the transaction: Trading or Hedging. The relevant credit department decides which category the customer will fall into, covering all transactions of the respective customer.

In principle, all individual customers are evaluated as in trading portfolio, and transactions with these customers are conducted with 100% cash and cash equivalent collaterals. For commercial and corporate customers, decisions are made on a firm basis, and transactions can be conducted with different collateral conditions based on the decision. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA, VM and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data and resulting evaluation amount is installed to the main banking system. As a new transaction is made, risk amount calculated with risk coefficients is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on the main banking system. Collateral amount required for customer transactions, transaction evaluation amount and the potential risk calculated with the relevant coefficient are monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel risk classes of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

As of 1 July 2022, the “Standard Approach” method has been used in the calculation of counterparty credit risk.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.2. Analysis of counterparty credit risk (CCR) exposure by approach

Current Period	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	1,755,285	2,195,563		1.4	3,931,544	3,236,668
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					12,495,929	3,189,441
Total						6,426,109

(*) Effective Expected Positive Exposure

Prior Period	Replacement Cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	1,350,406	1,376,928		1.4	2,710,248	2,064,377
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					7,263,300	3,631,653
Total						5,696,030

(*) Effective Expected Positive Exposure

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.3. Credit valuation adjustment (CVA) capital charge

Current Period	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	3,931,544	1,283,728
Total subject to the CVA capital charge	3,931,544	1,283,728

Prior Period	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	2,710,248	1,315,620
Total subject to the CVA capital charge	2,710,248	1,315,620

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.4. Counterparty credit risk by risk classes and risk weights

Current Period											Total credit exposure (*)
Risk Weight / Regulatory portfolio	0%	2%	10%	20%	50%	75%	100%	150%	500%	Others	
Receivables from central governments and central banks	-	-	-	-	-	-	-	-	-	-	-
Receivables from regional and local governments	-	-	-	-	-	-	-	-	-	-	-
Receivables from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and financial intermediaries	-	1,490,053	-	10,399,322	2,930,699	-	-	-	-	-	14,820,074
Corporate receivables	-	-	-	134,225	200,654	-	2,727,172	-	-	-	3,062,051
Retail receivables	-	-	-	-	-	35,401	-	-	-	-	35,401
Other receivables(**)	-	-	-	-	-	-	-	-	-	-	-
Total	-	1,490,053	-	10,533,547	3,131,353	35,401	2,727,172	-	-	-	17,917,526

(*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(**) Other receivables: Includes amounts that cannot be included in the counterparty credit risk reported in the Central Counterparty risk table.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.4. Counterparty credit risk by risk classes and risk weights (continued)

Prior Period Risk Weight / Regulatory portfolio	0%	2%	10%	20%	50%	75%	100%	150%	500%	Others	Total credit exposure (*)
Receivables from central governments and central banks	466,650	-	-	-	-	-	-	-	-	-	466,650
Receivables from regional and local governments	-	-	-	-	-	-	-	-	-	-	-
Receivables from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and financial intermediaries	-	855,980	-	23,075	7,564,930	-	-	-	-	-	8,443,985
Corporate receivables	-	-	-	1,860	-	-	1,883,211	-	-	-	1,885,071
Retail receivables	-	-	-	-	-	33,822	-	-	-	-	33,822
Other receivables (**)	-	-	-	-	-	-	-	-	-	-	-
Total	466,650	855,980	-	24,935	7,564,930	33,822	1,883,211	-	-	-	10,829,528

(*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(**) Other receivables: Includes amounts that cannot be included in the counterparty credit risk reported in the Central Counterparty risk table.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.5. Composition of collateral for counterparty credit risk exposure

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	-	4,716,947
Cash – other currencies	-	998,779	-	62,390	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	998,779	-	62,390	-	4,716,947

Prior Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	1,618,392	-	-	-	689,592
Cash – other currencies	-	105,433	-	250,698	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	1,723,825	-	250,698	-	689,592

4.6. Credit Derivatives

None.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.7. Exposures to central counterparties

	Current Period		Prior Period	
	Risk Amount After CRA	RAT	Risk Amount After CRA	RAT
Total risks arising from transactions with qualified CCPs		37,649		5,711
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)				
(i) OTC derivative financial instruments	1,490,053	29,801	166,388	3,328
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-		-	
Unallocated initial margin				
Paid guarantee fund amount	119,811	7,848	99,300	2,383
Unpaid guarantee fund commitment	-	-	-	-
Total risks arising from transactions with non-qualified CCPs		-		-
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)				
(i) OTC derivative financial instruments	-	-	-	-
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-	-	-	-
Unallocated initial margin	-		-	
Paid guarantee fund amount	-	-	-	-
Unpaid guarantee fund commitment	-	-	-	-

5. Securitization Disclosures

Since the Bank does not hold securitization position, the notes to be presented according to the 'Communiqué on Disclosures about Risk Management to be announced to Public by Banks' have not been presented.

6. Market Risk Disclosures

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitization positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with the "Communiqué on Disclosures about Risk Management to be announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this note.

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XI. Explanations Related to Risk Management (continued)

6. Market Risk Disclosures (continued)

6.1. Qualitative disclosure requirements related to market risk

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Bank's assets, liabilities and off-balance sheet items values. The Bank's economic value's sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents value of the Bank's sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity's influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings are prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted. Both historical and hypothetical scenario analyzes are performed.

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, Value at Risk ("VAR") limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked, and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product-based cash flows are formed, repricing, maturity and product-based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All Limit and risk positions are represented to Risk Policies Committee, Risk Committee and to The Board of Directors.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

XI. Explanations Related to Risk Management (continued)

6. Market Risk Disclosures (continued)

6.2. Standardized Approach

Current Period		Risk Weighted Amounts
Outright products		
1	Interest rate risk (general and specific)	4,092,361
2	Equity risk (general and specific)	-
3	Foreign exchange risk	5,012,081
4	Commodity risk	1,769,084
Options		
5	Simplified approach	-
6	Delta-plus method	662,613
7	Scenario approach	-
8	Securitization	-
9	Total	11,536,139

Prior Period		Risk Weighted Amounts
Outright products		
1	Interest rate risk (general and specific)	2,554,246
2	Equity risk (general and specific)	-
3	Foreign exchange risk	2,935,826
4	Commodity risk	1,866,568
Options		
5	Simplified approach	-
6	Delta-plus method	749,338
7	Scenario approach	-
8	Securitization	-
9	Total	8,105,978

7. Explanations Related to Operational Risk

- a) Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed annually.
- b) In case of Basic Indicator Approach the following:

	31.12.2021	31.12.2022	31.12.2023	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	6,334,586	24,662,302	30,349,291	20,448,726	15	3,067,309
Operational Risk Capital Requirement (Total*12.5)						38,341,361

	31.12.2020	31.12.2021	31.12.2022	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	5,663,120	6,334,586	24,662,302	12,220,003	15	1,833,000
Operational Risk Capital Requirement (Total*12.5)						22,912,506

- c) The Bank does not use the standard method.
- d) The Bank does not use any alternative approach in standard method.
- e) The Bank does not use advanced measurement approach.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

XI. Explanations Related to Risk Management (continued)

8. Explanations Related to Remuneration Policy in Banks:

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees’ collective and individual success.

An annual performance bonus is determined based on the Bank’s profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA’s “Communiqué on Corporate Management of Banks” and “Guidance on Good Remuneration Practices in Banks”, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank’s activities, long-term targets, the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to the risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the Human Resources, Financial Affairs, Risk, Compliance, and Internal Control Groups. The remuneration policy is reviewed and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,759,366	6,013,987	1,034,157	11,238,000
Balances with the Central Bank of Türkiye	64,882,508	47,463,277	39,555,867	52,128,885
Other	-	439,212	-	527,629
Total	66,641,874	53,916,476	40,590,024	63,894,514

b) Information related to the account of the Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	35,454,108	-	18,986,133	-
Unrestricted Time Deposit	10,513,842	18,419,016	17,283,685	28,228,037
Restricted Time Deposit	18,914,558	29,044,261	3,286,049	23,900,848
Total	64,882,508	47,463,277	39,555,867	52,128,885

As of 31 December 2024, the applicable rates for the reserve requirements established at the CBRT are between 3% and 33% (31 December 2023: between 0% and 30%) in Turkish Lira, and between 5% and 30% in foreign currency, depending on the maturity structure (31 December 2023: between 5% and 30%). The rate of Turkish currency held for foreign currency is 4%.

2. Information on financial assets at fair value through profit or loss (net):

a.1) Information on financial assets at fair value through profit or loss given as collateral / blocked: None (31 December 2023: None).

a.2) Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2023: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 2,962,137 (31 December 2023: TL 588,465).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	2,491,105	471,032	242,988	345,477
Securities Representing Share in Capital	185,052	371,561	109,256	164,734
Other Financial Assets	-	120,480	-	150,116
Total	2,676,157	963,073	352,244	660,327

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

3. Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	440,721	15,764	213,972	94,335
Swap Transactions	1,976,625	1,243,839	1,237,871	524,285
Futures Transactions	-	-	-	-
Options	515,405	453,191	483,792	418,807
Other	-	-	-	-
Total	2,932,751	1,712,794	1,935,635	1,037,427

4. Information on banks:

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	7,010,449	943	1,305,465	795
Foreign	683,361	15,190,851	302,205	5,586,120
Foreign Head Offices and Branches	-	-	-	-
Total	7,693,810	15,191,794	1,607,670	5,586,915

An expected loss provision of TL 47,572 (31 December 2023: TL 45,340) has been set aside for receivables from banks.

b) Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	2,791,922	1,351,333	1,851,469	239,507
USA, Canada	3,729,709	1,305,097	93,069	-
OECD Countries (*)	4,405,615	357,404	44,367	-
Off-Shore Banking Regions	1,233	31	-	-
Other	2,642,740	2,361,153	314,088	273,800
Total	13,571,219	5,375,018	2,302,993	513,307

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

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

a.1) Information on financial assets at fair value through other comprehensive income given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	4,785,960	-	3,751,191	-
Other	-	-	-	-
Total	4,785,960	-	3,751,191	-

a.2) Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	8,915,248	14,241,110	996,753	2,649,642
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	8,915,248	14,241,110	996,753	2,649,642

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 7,475,086 (31 December 2023: TL 427,853).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

5. Information on financial assets at fair value through other comprehensive income (continued):

b.1) Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	35,315,463	7,743,104
Quoted on a Stock Exchange	35,244,954	7,670,426
Unquoted on a Stock Exchange	70,509	72,678
Equity Securities	101,941	82,335
Quoted on a Stock Exchange	-	-
Unquoted on a Stock Exchange	101,941	82,335
Impairment Provision (-)	-	-
Total	35,417,404	7,825,439

An expected loss provision of TL 6,881 (31 December 2023: TL 1,778) has been reserved for financial assets at fair value through other comprehensive income.

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	278,013	-	1,607,169
Corporate Shareholders	-	278,013	-	1,607,169
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	538,998	-	341,242	-
Total	538,998	278,013	341,242	1,607,169

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:

Current Period:

		Loans under Close Monitoring		
		Not Under the Scope of Restructuring	Loans with Revised Contract Terms	Refinancing
Cash Loans	Standard Loans			
Non-Specialized Loans	302,536,751	23,745,488	876,710	1,247,480
Working Capital Loans	35,401,475	2,117,501	-	795,813
Export Loans	62,972,323	453,677	19,144	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	8,862,062	8	-	-
Consumer Loans	43,923,459	8,247,601	10,806	339,408
Credit Cards	36,780,152	6,310,548	779,351	-
Other	114,597,280	6,616,153	67,409	112,259
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	302,536,751	23,745,488	876,710	1,247,480

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

b) Information on the Standard Loans and Loans under Close Monitoring and restructured loans under close monitoring: (continued)

Prior Period:

		Loans under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Monitoring	
Cash Loans	Standard Loans		Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	192,710,647	13,917,088	82,658	993,880
Working Capital Loans	18,799,021	3,316,949	-	843,000
Export Loans	45,631,545	189,599	-	772
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,595,877	8,401	-	-
Consumer Loans	32,135,421	5,307,828	28,012	77,199
Credit Cards	21,143,243	2,896,900	51,297	-
Other	69,405,540	2,197,411	3,349	72,909
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	192,710,647	13,917,088	82,658	993,880

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	1,095,926	-	687,130	-
Significant increase in Credit Risk	-	2,288,159	-	4,465,775
Total	1,095,926	2,288,159	687,130	4,465,775

c) Distribution of cash loans by maturity structure:

Current Period	Loans under Close Monitoring		
	Standard Loans	Not under the Scope of	
		Restructuring	Restructured
Short Term Loans	188,959,081	13,947,151	483,407
Medium- and Long-Term Loans	113,577,670	9,798,337	1,640,783
Total	302,536,751	23,745,488	2,124,190

Prior Period	Loans under Close Monitoring		
	Standard Loans	Not under the Scope of	
		Restructuring	Restructured
Short Term Loans	126,940,789	5,838,182	29,365
Medium- and Long-Term Loans	65,769,858	8,078,906	1,047,173
Total	192,710,647	13,917,088	1,076,538

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	22,741,325	21,868,416	44,609,741
Housing Loans	1,713	4,030,028	4,031,741
Vehicle Loans	855,317	808,581	1,663,898
General Purpose Loans	21,884,295	17,029,807	38,914,102
Other	-	-	-
Consumer Loans –Indexed to FC	-	6,102	6,102
Housing Loans	-	6,102	6,102
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	12,839	12,839
Housing Loans	-	574	574
Vehicle Loans	-	3,986	3,986
General Purpose Loans	-	8,279	8,279
Other	-	-	-
Individual Credit Cards-TL	35,298,816	605,978	35,904,794
With Instalments	8,970,738	605,978	9,576,716
Without Instalments	26,328,078	-	26,328,078
Individual Credit Cards-FC	134,756	-	134,756
With Instalments	-	-	-
Without Instalments	134,756	-	134,756
Personnel Loans-TL	213,580	119,736	333,316
Housing Loans	-	64	64
Vehicle Loans	-	-	-
General Purpose Loans	213,580	119,672	333,252
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	184,280	252	184,532
With Instalments	51,719	252	51,971
Without Instalments	132,561	-	132,561
Personnel Credit Cards-FC	2,208	-	2,208
With Instalments	-	-	-
Without Instalments	2,208	-	2,208
Overdraft Accounts-TL (Real Persons) (*)	7,559,271	-	7,559,271
Overdraft Accounts-FC (Real Persons)	5	-	5
Total	66,134,241	22,613,323	88,747,564

(*) Overdraft accounts include personnel loans amounting to TL 18,942.

(**) Loans granted via branches abroad.

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	8,681,383	26,373,938	35,055,321
Housing Loans	2,514	2,839,333	2,841,847
Vehicle Loans	508,394	959,933	1,468,327
General Purpose Loans	8,170,475	22,574,672	30,745,147
Other	-	-	-
Consumer Loans –Indexed to FC	-	6,330	6,330
Housing Loans	-	6,330	6,330
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	14,982	14,982
Housing Loans	-	2,543	2,543
Vehicle Loans	-	-	-
General Purpose Loans	-	12,439	12,439
Other	-	-	-
Individual Credit Cards-TL	19,129,345	41,355	19,170,700
With Instalments	7,138,988	41,355	7,180,343
Without Instalments	11,990,357	-	11,990,357
Individual Credit Cards-FC	60,541	-	60,541
With Instalments	-	-	-
Without Instalments	60,541	-	60,541
Personnel Loans-TL	87,228	135,071	222,299
Housing Loans	-	143	143
Vehicle Loans	-	-	-
General Purpose Loans	87,228	134,928	222,156
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	108,846	16	108,862
With Instalments	45,205	16	45,221
Without Instalments	63,641	-	63,641
Personnel Credit Cards-FC	917	-	917
With Instalments	-	-	-
Without Instalments	917	-	917
Overdraft Accounts-TL (Real Persons) (*)	2,249,528	-	2,249,528
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	30,317,788	26,571,692	56,889,480

(*) Overdraft accounts include personnel loans amounting to TL 9,164.

(**) Loans granted via branches abroad.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

Current Period	Short-Term	Medium and Long-Term	Total
Commercial Loans with Instalment – TL	8,031,049	35,196,504	43,227,553
Business Loans	2,410	126,049	128,459
Vehicle Loans	1,341,699	8,034,704	9,376,403
General Purpose Loans	6,686,940	27,035,751	33,722,691
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Commercial Loans with Instalment – FC	28,163	-	28,163
Business Loans	-	-	-
Vehicle Loans	25,741	-	25,741
General Purpose Loans	2,422	-	2,422
Other	-	-	-
Corporate Credit Cards-TL	7,628,578	2,052	7,630,630
With Instalments	1,651,034	2,052	1,653,086
Without Instalments	5,977,544	-	5,977,544
Corporate Credit Cards-FC	13,131	-	13,131
With Instalments	-	-	-
Without Instalments	13,131	-	13,131
Overdraft Accounts-TL (Legal Entities)	1,925,782	-	1,925,782
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	17,626,703	35,198,556	52,825,259

Prior Period	Short-Term	Medium and Long-Term	Total
Commercial Loans with Instalment – TL	6,285,919	16,466,506	22,752,425
Business Loans	-	74,389	74,389
Vehicle Loans	457,510	3,219,119	3,676,629
General Purpose Loans	5,828,409	13,172,998	19,001,407
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	9,576	9,576
Business Loans	-	3,387	3,387
Vehicle Loans	-	-	-
General Purpose Loans	-	6,189	6,189
Other	-	-	-
Commercial Loans with Instalment – FC	566	-	566
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	566	-	566
Other	-	-	-
Corporate Credit Cards-TL	4,714,470	24,480	4,738,950
With Instalments	1,169,402	24,480	1,193,882
Without Instalments	3,545,068	-	3,545,068
Corporate Credit Cards-FC	11,470	-	11,470
With Instalments	-	-	-
Without Instalments	11,470	-	11,470
Overdraft Accounts-TL (Legal Entities)	941,417	-	941,417
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	11,953,842	16,500,562	28,454,404

f) Distribution of loans by users:

	Current Period	Prior Period
Public	6,046,132	5,207,828
Private	322,360,297	202,496,445
Total	328,406,429	207,704,273

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

g) Distribution of domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	326,633,435	206,871,036
Foreign Loans	1,772,994	833,237
Total	328,406,429	207,704,273

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans to Subsidiaries and Associates	606,322	277,413
Indirect Loans to Subsidiaries and Associates	-	-
Total	606,322	277,413

i) Specific or non-performing loan (Stage 3) provisions for loans:

	Current Period	Prior Period
Loans with Limited Collectability	1,362,458	332,737
Loans with Doubtful Collectability	1,030,940	289,351
Uncollectible Loans	665,279	943,883
Total	3,058,677	1,565,971

j) Information on non-performing loans (Net):

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Current Period			
Gross Amounts before Provisions	322,632	85,266	19,920
Restructured Loans	322,632	85,266	19,920
Prior Period			
Gross Amounts before Provisions	61,062	36,088	27,630
Restructured Loans	61,062	36,088	27,630

j.2) Movement of non-performing loans

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Prior Period End Balance	495,870	435,385	1,249,950
Additions during the Period (+)	5,653,404	17,207	117,006
Transfers from other accounts of Non-performing (+)	-	2,874,889	614,410
Transfers to other accounts of Non-performing (-)	2,874,889	614,410	-
Collections during the Period (-)	829,970	403,758	895,780
Write-Offs (-)	-	-	45,507
Sold (-) (*)	564,612	841,801	380,235
Corporate and Commercial Loans	1,694	8,750	18,926
Retail Loans	284,009	491,431	255,549
Credit Cards	278,909	341,620	105,760
Other	-	-	230,112
Current Period End Balance	1,879,803	1,467,512	889,956
Provision (-)	1,362,458	1,030,940	665,279
Net Balances on Balance Sheet	517,345	436,572	224,677

(*) The portion of the Bank's non-performing receivables portfolio amounting to TL 1,786,344 with a provision of TL 1,350,146 was sold for TL 623,404 in 2024 and the sale proceeds were collected after the completion of the necessary procedures and the related non-performing receivables were derecognized.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

j) Information on non-performing loans (Net) (continued) :

j.3) Information on non-performing loans arising from foreign currency loans:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectable Loans and Receivables
31 December 2024			
Period End Balance	13,674	47,425	29,355
Provision Amount (-)	8,731	26,756	21,963
Net Balance on Balance Sheet	4,943	20,669	7,392
31 December 2023			
Period End Balance	95,542	6,216	75,789
Provision Amount (-)	78,190	2,508	56,563
Net Balance on Balance Sheet	17,352	3,708	19,226

j.4) Information on gross and net amounts of non-performing loans according to user groups:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectable Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1,879,803	1,467,512	889,956
Provision Amount (-)	1,362,458	1,030,940	665,279
Loans to Real Persons and Legal Entities (Net)	517,345	436,572	224,677
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	495,870	435,385	1,249,950
Provision Amount (-)	332,737	289,351	943,883
Loans to Real Persons and Legal Entities (Net)	163,133	146,034	306,067
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

h.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing receivables and their provisions:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectable Loans
Current Period (Net)	3,180	1,597	13,054
Interest Accruals, Rediscounts and Valuation Differences	335,979	293,933	274,617
Provision Amount (-)	332,799	292,336	261,563
Prior Period (Net)	1,901	1,011	187
Interest Accruals, Rediscounts and Valuation Differences	58,525	57,600	352,139
Provision Amount(-)	56,624	56,589	351,952

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

k) Explanations on write-off policy:

Group 5 - Loans classified as Bad Debt, with at least one reporting period remaining in this group, and provided with life-long expected credit loss provision due to the debtor's default, constitute the bank's loans to be written-off. Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criteria. And the following write-off criteria are considered:

- Limited possibility of recovery: Loans with low collateralization rates, limited collateral capability, limited assets that provide foreclosure collection opportunities, loans with higher collection costs and lower collection expectations are evaluated.

- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuits/prosecution to be filed is higher than the collection to be made, are evaluated.

- Long-term follow-up: Those who do not have a reasonable expectation of collection are evaluated for the recovery of the loans whose follow-up process continues for a long time,

The following applications regarding the loans which is under follow-up and written-off cannot be different from registered loans.

- The methods applied for legal collection of loans from debtors,
- Decisions regarding the inclusion to the non-performing loans sale,
- Decisions to waive the receivables by waiving the loans.

The amount written-off by the Parent Bank within the scope of TFRS 9 during the financial period is TL 45,507 (31 December 2023: TL 99,443) and its effect on NPL ratio is 0.02% (31 December 2023: 0.05%). The follow-up conversion rate is 1.27% (31 December 2023: 1.04%) with the current period non-performing loans after write-offs, while the calculated rate including the loans written-off during the year is 1.29% (31 December 2023: 1.09%).

l) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	221,833,140	43,923,459	36,780,152	302,536,751
Loans Under Close Monitoring	10,181,964	8,597,815	7,089,899	25,869,678
Loans Under Follow Up	1,429,133	1,753,106	1,055,032	4,237,271
Total	233,444,237	54,274,380	44,925,083	332,643,700
12 Month Expected Credit Loss (Stage I) (-)	443,011	375,781	277,134	1,095,926
Significant Increase in Credit Risk (Stage II) (-)	911,863	479,274	897,022	2,288,159
Default (Stage III) (-)	1,000,181	1,275,248	783,248	3,058,677
Total	2,355,055	2,130,303	1,957,404	6,442,762
Net Credit Balance on Balance Sheet	231,089,182	52,144,077	42,967,679	326,200,938
Prior Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	139,431,983	32,135,421	21,143,243	192,710,647
Loans Under Close Monitoring	6,632,390	5,413,039	2,948,197	14,993,626
Loans Under Follow Up	703,721	1,218,540	258,944	2,181,205
Total	146,768,094	38,767,000	24,350,384	209,885,478
12 Month Expected Credit Loss (Stage I) (-)	291,501	231,388	164,241	687,130
Significant Increase in Credit Risk (Stage II) (-)	2,762,281	993,612	709,882	4,465,775
Default (Stage III) (-)	489,172	887,329	189,470	1,565,971
Total	3,542,954	2,112,329	1,063,593	6,718,876
Net Credit Balance on Balance Sheet	143,225,140	36,654,671	23,286,791	203,166,602

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The following is a reclassification of provision for impairment on loans by stage;

Current Period

Commercial	Loans Under Close			Total
	Standard Loans (Stage 1)	Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	
31 December 2023	291,501	2,762,281	489,172	3,542,954
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(9,174)	63,113	-	53,939
- Stage 1 to Stage 3	(2,846)	-	182,406	179,560
- Stage 2 to Stage 3	-	(49,935)	29,113	(20,822)
- Stage 2 to Stage 1	1,696	(160,065)	-	(158,369)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	326,621	(1,712,672)	561,308	(824,743)
Collections	(182,915)	(216,978)	(231,595)	(631,488)
Sold Portfolio	-	-	(17,399)	(17,399)
Write-offs	-	-	(45,437)	(45,437)
Currency differences	18,128	226,119	32,613	276,860
Total Expected Loss Provision - 31 December 2024	443,011	911,863	1,000,181	2,355,055

Prior Period

Commercial	Loans Under Close			Total
	Standard Loans (Stage 1)	Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	
31 December 2022	365,454	1,775,605	590,043	2,731,102
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(21,170)	47,017	-	25,847
- Stage 1 to Stage 3	(661)	-	27,380	26,719
- Stage 2 to Stage 3	-	(2,859)	8,182	5,323
- Stage 2 to Stage 1	1,185	(30,935)	-	(29,750)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	145,986	423,746	201,931	771,663
Collections	(235,592)	(135,862)	(256,214)	(627,668)
Sold Portfolio	-	-	(26,596)	(26,596)
Write-offs	-	-	(86,961)	(86,961)
Currency differences	36,299	685,569	31,407	753,275
Total Expected Loss Provision - 31 December 2023	291,501	2,762,281	489,172	3,542,954

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

Current Period

	Standard Loans (Stage 1)	Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Consumer				
31 December 2023	231,388	993,612	887,329	2,112,329
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(17,534)	98,106	-	80,572
- Stage 1 to Stage 3	(7,068)	-	308,935	301,867
- Stage 2 to Stage 3	-	(25,086)	138,244	113,158
- Stage 2 to Stage 1	6,950	(40,670)	-	(33,720)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	273,717	(411,276)	423,889	286,330
Collections	(111,672)	(135,412)	164,511	(82,573)
Sold Portfolio	-	-	(647,590)	(647,590)
Write-offs	-	-	(70)	(70)
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2024	375,781	479,274	1,275,248	2,130,303

Prior Period

	Standard Loans (Stage 1)	Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Consumer				
31 December 2022	231,139	385,520	1,173,192	1,789,851
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(16,157)	62,410	-	46,253
- Stage 1 to Stage 3	(4,488)	-	140,516	136,028
- Stage 2 to Stage 3	-	(23,921)	107,116	83,195
- Stage 2 to Stage 1	6,384	(56,848)	-	(50,464)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	91,915	706,861	(71,281)	727,495
Collections	(77,405)	(80,410)	(77,712)	(235,527)
Sold Portfolio	-	-	(372,020)	(372,020)
Write-offs	-	-	(12,482)	(12,482)
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2023	231,388	993,612	887,329	2,112,329

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

Current Period

	Standard Loans (Stage 1)	Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Credit Cards				
31 December 2023	164,241	709,882	189,470	1,063,593
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(18,098)	549,602	-	531,504
- Stage 1 to Stage 3	(5,441)	-	421,326	415,885
- Stage 2 to Stage 3	-	(22,285)	103,782	81,497
- Stage 2 to Stage 1	31,647	(140,327)	-	(108,680)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	134,423	(92,643)	269,978	311,758
Collections	(29,638)	(107,207)	296,241	159,396
Sold Portfolio	-	-	(497,549)	(497,549)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2024	277,134	897,022	783,248	1,957,404

Prior Period

	Standard Loans (Stage 1)	Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Credit Cards				
31 December 2022	137,943	257,466	129,119	524,528
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(10,904)	166,690	-	155,786
- Stage 1 to Stage 3	(2,293)	-	79,260	76,967
- Stage 2 to Stage 3	-	(13,557)	38,340	24,783
- Stage 2 to Stage 1	17,271	(99,622)	-	(82,351)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	43,448	442,857	90,930	577,235
Collections	(21,224)	(43,952)	(18,847)	(84,023)
Sold Portfolio	-	-	(129,332)	(129,332)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2023	164,241	709,882	189,470	1,063,593

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The fair value of collaterals of non-performing loans, capped with the respective outstanding loan balance as of 31 December 2024 is TL 960,710 (31 December 2023: TL 639,046).

The fair value of the collateral of non-performing loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	630,403	557,394
Vehicle	312,636	48,162
Cash	1,297	238
Other (*)	16,374	33,252
Total	960,710	639,046

(*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 16,374 (31 December 2023: TL 33,252).

As of 31 December 2024, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring that do not exceed the risk is TL 6,685,815 (31 December 2023: TL 3,881,224).

Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	3,741,747	3,232,685
Vehicle	2,311,557	541,478
Cash, Government Bonds	632,498	106,561
Other	13	500
Total	6,685,815	3,881,224

As of 31 December 2024 and 31 December 2023, the details of the commodities and real estates that the bank has acquired for disposal of credit receivables are as follows:

31 December 2024	Commercial	Consumer	Total
Residential, commercial or industrial properties	32,000	289	32,289
Other	-	-	-
Total	32,000	289	32,289

31 December 2023	Commercial	Consumer	Total
Residential, commercial or industrial properties	81,771	289	82,060
Other	-	-	-
Total	81,771	289	82,060

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

7. Information on financial assets measured at amortized cost:

- a) a.1) Information on financial assets measured at amortized cost and subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	44,531,480	6,542,001	14,269,209	14,639,935
Total	44,531,480	6,542,001	14,269,209	14,639,935

- a.2) Information on financial assets measured at amortized cost and given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	5,568,097	-	17,933,295	-
Other	-	-	-	-
Total	5,568,097	-	17,933,295	-

Unrestricted financial assets measured at amortized cost are TL 5,295,439 (31 December 2023: TL 2,449,019).

- a.3) Information on government debt securities measured at amortized cost:

	Current Period	Prior Period
Government Bonds	61,937,017	49,291,458
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	61,937,017	49,291,458

An expected loss provision of TL 11,957 (31 December 2023: TL 11,090) is reserved for government debt securities classified in amortized cost portfolio.

- a.4) Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	61,937,017	49,291,458
Quoted on a Stock Exchange	61,937,017	49,291,458
Unquoted on a Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	61,937,017	49,291,458

- a.5) Movement of financial assets measured at amortized cost:

	Current Period	Prior Period
Balance at the Beginning of the Period	49,291,458	40,455,936
Foreign Currency Differences on Monetary Assets	1,218,219	5,539,588
Purchases During the Year	14,600,317	15,451,927
Disposals Through Sales and Redemptions	(9,675,435)	(9,541,486)
Impairment Provision (-)	-	-
Valuation Effect(*)	6,502,458	(2,614,507)
Closing Balance	61,937,017	49,291,458

(*) Includes rediscount amounts too.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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I. Explanations and Disclosures Related to the Assets (continued)

8. Information on associates (Net):

- a.1) Information on unconsolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2023: None).
- a.2) Information on the unconsolidated associates: None (31 December 2023: None).
- a.3) Information on the consolidated associates: None (31 December 2023: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2023: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2023: None).

9. Information on subsidiaries (Net):

- a) Information on shareholders' equity of significant subsidiaries:

Subsidiaries do not use internal capital adequacy assessment approach.

	TEB Faktoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.	TEB Finansman A.Ş.
Paid-in capital to be entitled for compensation after all creditors	50,000	100,000	30,000	71,626
Reserves	768,963	189	4,431	671,479
Net income for the period and prior period income	503,737	1,233,239	531,050	222,526
Income/ Loss recognized under equity in accordance with TAS	-	-	-	-
Leasehold improvements on operational leases (-)	5,070	4,414	1,914	677
Goodwill and intangible asset and the related deferred tax liability (-)	23,262	25,131	3,094	9,218
Total Common Equity Tier 1 Capital	1,294,368	1,303,883	560,473	955,736
Provisions	26,782	-	-	7,732
Equity	1,321,150	1,303,883	560,473	963,468

- b) If there is any unconsolidated subsidiary, total equity amount that is lack of subsection to the reasonable justifications of non-consolidate and minimum capital requirement: None (31 December 2023: None).
- c) Information on the unconsolidated subsidiaries: None (31 December 2023: None).
- d) Information on the consolidated subsidiaries:
 - d.1) Information on the consolidated subsidiaries:

Title	Address (City/ Country)	The Bank's share percentage-If different voting percentage (%)	Other shareholders' share percentage(%)
1 TEB Faktoring A.Ş.	İstanbul/Turkey	100.00	-
2 TEB Yatırım Menkul Değerler A.Ş. (*)	İstanbul/Turkey	96.62	3.38
3 TEB Portföy Yönetimi A.Ş. (*)	İstanbul/Turkey	25.60	29.14
4 TEB Finansman A.Ş.	İstanbul/Turkey	100.00	-

Information on the consolidated subsidiaries with the order as presented in the table above:

	Shareholders , Total Assets	Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit/Loss (*)	Fair Value
1	17,086,304	1,322,700	63,281	4,253,505	-	503,737	377,396	-
2	2,123,951	1,333,428	54,693	1,157,838	-	523,439	409,317	-
3	695,011	565,481	29,088	34,971	90	400,368	103,636	-
4	5,554,230	965,631	18,553	1,623,952	-	222,954	175,146	-

(*) Amounts adjusted according to the BRSA's financial statements prepared for consolidation as of 31 December 2024. Within the framework of BRSA regulations, it includes values as of 31 December 2024, which have not been subjected to inflation accounting.

(**) These are the amounts adjusted according to the financial statements prepared by the BRSA for consolidation as of 31 December 2023, which have not been subjected to inflation accounting.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

9. Information on subsidiaries (Net): (continued)

d) Information on the consolidated subsidiaries: (continued)

d.2) Information on consolidated financial subsidiaries: (continued)

	Current Period	Prior Period
Balance at the Beginning of the Period	278,971	115,986
Movements during the Period	-	162,985
Purchases (*)	-	162,985
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase/(Decrease)	-	-
Provisions for Impairment	-	-
Balance at the end of the period	278,971	278,971
Capital commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) As of 4 November 2022, for the acquisition of 61,300,800 shares of BNP Paribas Personal Finance S.A. from a total of 71,626,000 registered shares in the capital of TEB Finansman A.Ş. and (ii) of 10,325,200 shares owned by TEB Holding A.Ş. by Türk Ekonomi Bankası A.Ş.; Share Transfer Agreement has been signed between BNP Paribas Personal Finance S.A., TEB Holding A.Ş. and Türk Ekonomi Bankası A.Ş. It was announced with the material event statement made on 16 January 2023 that the Banking Regulation and Supervision Agency and the Competition Authority's applications/information were made and the necessary approvals were received regarding the share transfer that the mentioned transaction was within the scope of intra-group restructuring. In this context, the acquisition of all (100%) shares of TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction was carried out on 23 January 2023 and Türk Ekonomi Bankası A.Ş. became the sole shareholder of TEB Finansman A.Ş.

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	43,417	43,417
Leasing Companies	-	-
Finance Companies	162,985	162,985
Other Financial Subsidiaries	72,569	72,569
Total	278,971	278,971

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2023: None).

e) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2023: None).

TEB ARF Teknoloji A.Ş. was established by the Bank with TL 50,000 paid in capital and 100% ownership; it was registered in the Trade Registry Gazette on 16 July 2020.

10. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures)

Entities under common control (joint ventures)	Share of the Bank (%)	Share of the Group (%)	Current Assets	Non-current Assets	Long-Term Liability	Income	Expense
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	0.1	33.3	336,786	291,791	145,066	1,771,727	(1,652,358)

(*) As of 31 December 2024, these are the amounts adjusted according to the financial statements prepared by the BRSA for consolidation that have not been subjected to inflation accounting.

b) The method used in accounting for joint ventures (joint ventures) in the unconsolidated financial statements of the parent bank due to the reasons why the unconsolidated joint venture (joint venture) is not consolidated:

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

11. Information on financial lease receivables (Net): None (31 December 2023: None)

12. Positive differences related to derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	108,556	51,246	735,767	302,754
Foreign Net Investment Hedge	-	-	-	-
Total	108,556	51,246	735,767	302,754

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortized through profit or loss to the financial asset price until the maturity of the asset.

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 17,507 (31 December 2023: TL 39,591) is recorded under equity as of 31 December 2024 and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

13. Information on tangible assets:

	31 December 2023	Purchases	Sales	Other	31 December 2024
Cost:					
Real estate	117,731	4,602	-	49	122,382
Right of Use	1,491,179	1,175,800	(212,610)	-	2,454,369
Furniture, Furnishings, Office Machines and Other Securities	2,101,521	805,507	(45,670)	4,177	2,865,535
Total Cost	3,710,431	1,985,909	(258,280)	4,226	5,442,286
	31 December 2023	Charge for the Period	Sales	Other	31 December 2024
Accumulated Depreciation:					
Real estate	64,382	3,367	-	49	67,798
Right of Use Depreciation	680,344	496,715	(173,719)	-	1,003,340
Furniture, Furnishings, Office Machines and Other Securities	1,032,601	338,204	(43,292)	9	1,327,522
Total Accumulated Depreciation	1,777,327	838,286	(217,011)	58	2,398,660
Net Book Value	1,933,104				3,043,626

- a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- b) Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets: None.

14. Information on intangible assets:

	31 December 2023	Purchases	Sales	Other	31 December 2024
Cost:					
Other Intangible Assets	1,626,602	1,021,558	(9,708)	-	2,638,452
Total Cost	1,626,602	1,021,558	(9,708)	-	2,638,452
	31 December 2023	Charge for the Period	Sales	Other	31 December 2024
Accumulated Depreciation:					
Other Intangible Assets	778,033	328,233	(3)	(39)	1,106,224
Total Accumulated Depreciation	778,033	328,233	(3)	(39)	1,106,224
Net Book Value	848,569				1,532,228

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

14. Information on intangible assets: (continued)

- a) Disclosures for book value, description and remaining useful life for a specific intangible asset that is material to the financial statements: None.
- b) Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition: None.
- c) The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.
- d) Book value of intangible assets that are restricted or pledged in use: None.
- e) Amount of purchase commitments for intangible assets: None.
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: Not applicable for unconsolidated financial statements.
- i) Information on goodwill:

Following the publication of the BRSA's permission dated 10 February 2011 in the Official Gazette dated 12 February 2011 and numbered 27844, all rights by the termination of the legal personality of Fortis Bank A.Ş. The merger of two banks was realized through the transfer of receivables, liabilities and liabilities to the Bank in the form of ashes. The shareholders of Fortis Bank A.Ş., which was dismissed due to the merger, were given 1.0518 registered TEB shares for each share with a nominal value of TL 1 to be replaced with their existing shares. Since the enterprises subject to this merger are not controlled by the same person or persons before and after the business merger, the transaction has been evaluated within the scope of TFRS 3. In the merger, Fortis Bank A.Ş. has been identified as an acquired business and the fair value of the equity shares subject to the change because of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recognized as goodwill.

- j) Beginning and ending balance of the goodwill and movement on goodwill in the current period:

	Current Period	Prior Period
Beginning of the period	421,124	421,124
Foreign currency differences	-	-
Acquisitions	-	-
Period End Balance	421,124	421,124

15. Information on investment properties: None (31 December 2023: None).

16. Information on deferred tax asset:

- a) As of 31 December 2024, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 1,376,821 (31 December 2023: TL 2,410,400). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

	Current Period	Prior Period
As of 1 January	2,410,400	1,599,145
Deferred Tax Income / (Expense)	(1,413,348)	461,351
Deferred Tax Accounted Under Equity	379,769	349,904
Deferred Tax Asset	1,376,821	2,410,400

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

16. Information on deferred tax assets: (continued)

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax expense of TL 1,413,348 is stated under the tax provision in the income statement (31 December 2023: TL 461,351 income). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

	Current Period	Prior Period
Financial Assets Fair Value Through Other Comprehensive Income	181,855	275,510
From hedge accounting	116,713	988
Actuarial gains and losses	81,201	73,406
Total	379,769	349,904

	2024		2023	
Timing differences that form the basis for deferred tax	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Valuation Differences of Financial Assets and Liabilities	(8,397,232)	(2,519,170)	(5,055,749)	(1,516,725)
Expected Loss Provisions	4,176,029	1,252,809	5,998,938	1,799,681
Unearned Revenues	2,896,812	869,044	1,495,830	448,749
Differences Between Book Value and Tax Value of Fixed Assets	2,378,443	713,533	2,419,962	725,989
Provision for Employee Benefits	2,716,095	814,829	2,886,278	865,883
Valuation Differences of Derivatives	661,786	198,536	(970,266)	(291,080)
Accumulated Depreciation Differences	(542,374)	(162,712)	(210,915)	(63,275)
Other	699,845	209,952	1,470,590	441,178
Total Net Deferred Tax Asset	4,589,404	1,376,821	8,034,668	2,410,400

17. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	82,060	100,370
Beginning of Period Accumulated Depreciation (-)	-	-
Net Book Value	82,060	100,370
Opening Balance	82,060	100,370
Acquired	8,194	49,380
Disposed (-)	58,251	67,042
Impairment (-)	(286)	648
Depreciation Value (-)	-	-
Period End Cost	32,289	82,060
Period End Accumulated Depreciation (-)	-	-
Closing Net Book Value	32,289	82,060

As of 31 December 2024, the Bank has no non-current assets related to discontinued operations (31 December 2023: None).

18. Information on other assets:

Other assets of the balance sheet amount to TL 29,297,783 (31 December 2023: TL 11,567,338) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current Period

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Acc. Deposits	Total
Foreign Currency Deposits	20,904,989	-	100,254,960	58,116,998	6,547,050	864,954	3,175,396	-	189,864,347
Residents in Turkey	64,958,347	-	9,369,119	13,139,099	37,306	28,307	169,437	-	87,701,615
Residents Abroad	61,913,888	-	8,743,334	12,726,768	31,117	12,594	155,782	-	83,583,483
Public Sector Deposits	3,044,459	-	625,785	412,331	6,189	15,713	13,655	-	4,118,132
Commercial Deposits	4,056,278	-	49,827	281,935	-	-	-	-	4,388,040
Other Institutions Deposits	19,770,805	-	60,152,815	13,298,694	3,879,521	532,283	762,041	-	98,396,159
Precious Metals Deposits	1,479,898	-	255,998	1,264,938	55,937	11,063	321	-	3,068,155
Bank Deposits	15,997,089	-	25,491	94,925	10,921	24,118	440	-	16,152,984
Central Bank of Türkiye	767,742	-	5,271,155	-	-	-	-	-	6,038,897
Domestic Banks	396,374	-	-	-	-	-	-	-	396,374
Foreign Banks	4	-	1,737,633	-	-	-	-	-	1,737,637
Participation Banks	371,364	-	3,533,522	-	-	-	-	-	3,904,886
Other	-	-	-	-	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-	-	-	-	-
Total	127,935,148	-	175,379,365	86,196,589	10,530,735	1,460,725	4,107,635	-	405,610,197

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2024, TL deposit amount includes TL 21,398,461 (31 December 2023: TL 44,388,822) deposits within this scope.

a.2) Prior Period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Acc. Deposits	Total
Saving Deposits	11,434,614	-	30,955,848	65,389,026	2,876,936	9,874,584	3,204,116	-	123,735,124
Foreign Currency Deposits	62,450,456	-	11,279,340	12,705,976	231,984	50,731	47,189	-	86,765,676
Residents in Turkey	59,084,682	-	10,540,158	12,196,472	211,226	47,602	42,603	-	82,122,743
Residents Abroad	3,365,774	-	739,182	509,504	20,758	3,129	4,586	-	4,642,933
Public Sector Deposits	1,838,949	-	14,044	205,711	1,547,150	-	-	-	3,605,854
Commercial Deposits	16,022,870	-	12,734,684	20,143,834	1,154,047	1,998,176	1,399,329	-	53,452,940
Other Institutions Deposits	1,007,541	-	183,111	833,605	65,215	11	278	-	2,089,761
Precious Metals Deposits	12,382,123	-	20,326	85,192	10,527	20,771	293	-	12,519,232
Bank Deposits	329,106	-	2,248,143	-	-	-	-	-	2,577,249
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	5	-	-	-	-	-	-	-	5
Foreign Banks	329,101	-	2,248,143	-	-	-	-	-	2,577,244
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	105,465,659	-	57,435,496	99,363,344	5,885,859	11,944,273	4,651,205	-	284,745,836

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

i) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance (*):

Saving Deposit	Under the Guarantee of Insurance (**)		Exceeding the Insurance Limit (**)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	91,691,410	49,743,453	94,057,590	72,203,333
Foreign Currency Saving Deposits	21,190,054	18,884,543	22,201,877	26,773,509
Other Deposits in the Form of Saving Deposits	6,316,932	4,671,518	7,318,563	6,054,464
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	119,198,396	73,299,514	123,578,030	105,031,306

(*) Pursuant to the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by the insurance amount to TL 10,312,851 (31 December 2023: TL 8,720,452) and the relevant amount is not included in the note.

(**) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

b) Information on saving deposits under the guarantee of saving deposit insurance: (continued)

b.1) Saving deposits exceeding the limit of insurance: (continued)

ii) Deposits of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Foreign Branches' Deposits and Other Accounts	2,161,731	2,040,846
Deposits of Controlling Shareholders and Their Close Families	5,751,847	3,159,145
Deposits of Chairman and Members of the Board of Directors and Their Close Families	210,468	186,514
Deposits Obtained Through Illegal Acts Defined in the 282 nd Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Offshore Banking Activities	-	-

2. Information on derivative financial liabilities held for trading:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1,021,092	150,842	344,298	14,767
Swap Transactions	2,519,447	496,607	1,020,999	347,925
Futures Transactions	-	-	-	-
Options	379,132	372,595	387,146	437,708
Other	-	-	-	-
Total	3,919,671	1,020,044	1,752,443	800,400

3. Information on funds borrowed and debt securities issued:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Türkiye	-	-	-	-
From Domestic Banks and Institutions	464,120	335,827	112,235	12,801
From Foreign Banks, Institutions and Funds	-	24,962,383	-	19,814,561
Total	464,120	25,298,210	112,235	19,827,362

As of 31 December 2024, the Bank has no loans from the risk group it is included in (31 December 2023: None).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	229,981	2,339,015	112,235	1,824,002
Medium and Long-Term	234,139	22,959,195	-	18,003,360
Total	464,120	25,298,210	112,235	19,827,362

c) Information on debt securities issued: None. (31 December 2023: None)

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

4. Information on money market funds:

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	12,015,992	45,474,286	-	21,558,125
Financial Institutions and Organizations	12,015,992	45,474,286	-	21,558,125
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
From Foreign Transactions	-	5,462,107	-	6,551,717
Financial Institutions and Organizations	-	5,462,107	-	6,551,717
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Total	12,015,992	50,936,393	-	28,109,842

5. Other external funding payables which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

Other external funding payables amounting to TL 29,362,605 (31 December 2023: TL 16,170,699) do not exceed 10% of the total balance sheet.

6. Explanations on financial lease obligations (Net):

With the "TFRS 16 Leases" standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease have been removed and the lease transactions are started to be recognized under "Tangible Fixed Asset" as an asset (tenure) and under "Liabilities from Leasing" as a liability. As of 31 December 2024, the Bank has leasing liability amounting to TL 1,775,595 (31 December 2023: TL 991,149).

7. Negative differences related to derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	313,138	-	-
Cash Flow Hedge	71,330	-	82,455	-
Hedging the Risk of Net Investments Abroad	-	-	-	-
Total	71,330	313,138	82,455	-

In case the fair value hedge accounting is terminated, any adjustment made to the book value of the hedged financial instrument determined by using the effective interest method within the scope of fair value hedge accounting is amortized through profit or loss until the maturity of the financial instrument.

Derivative financial instruments for fair value hedging purposes consist of interest rate swaps. As of 31 December, 2024, the amount of TL 313,138 represents the fair value of derivative financial instruments used in fair value hedging of foreign currency borrowings (31 December, 2023: None).

As of 31 December 2024, there are accumulated valuation differences of TL 17,507 (31 December 2023: TL 39,591) under equity. Regarding the cash flow hedging transactions terminated by the Bank, this amount is spread over the remaining terms of the hedged items by the Bank and transferred to the income statement.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

8. Information on provisions:

- a) Foreign exchange provision on the foreign currency indexed loans and financial lease receivables: There are no provision on the foreign currency indexed loans that is offset from the loans on the balance sheet (31 December 2023: None).
- b) The specific provisions provided for unindemnified non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	329,245	167,442
Stage 2	388,352	611,469
Stage 3	382,764	131,680
Total	1,100,361	910,591

- c) Liabilities on unused vacation, bonus, health and employment termination benefits:

As of 31 December 2024, TL 63,420 (31 December 2023: TL 46,844) unused vacation provision, TL 1,168,401 (31 December 2023: TL 1,410,470) employment termination benefit provision, TL 1,482,997 (31 December 2023: TL 1,427,188) bonus provision, TL 1,570 (31 December 2023: TL 1,887) other expense provision are presented under "Provision of Employee Rights" in financial statements.

c.1) Termination benefits:

In determining the liability, the Bank makes use of independent actuaries and makes assumptions on issues such as discount rate, employee turnover rate and future salary increases. These assumptions are reviewed annually:

	31 December 2024	31 December 2023
Discount rate (%)	30.51	23.13
Estimated inflation rate (%)	25.25	17.77
Salary increase rate over inflation rate (%)	1.00	1.00

Movement of employee termination benefits

	Current Period	Prior Period
As of 1 January	1,410,470	1,252,858
Current service cost	114,127	84,387
Interest cost	232,843	86,256
Reductions and payments	23,016	8,115
Actuarial loss / (gain)	308,791	350,144
Compensations paid	(920,846)	(371,290)
Total	1,168,401	1,410,470

c.2) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of the Parent Bank and Fortis Bank are members of the "Pension Fund Foundation" established in accordance with the Social Security Law No.506, provisional Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI "Explanations on Liabilities related to Rights of Employees" which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2024 and 31 December 2023. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.2) Retirement Benefits: (continued)

Within the frame of the assumptions determined;

Period Based Pension and Health Obligations:	31 December 2024	31 December 2023
Net Present Value of Transferrable Retirement Liabilities	(11,377,142)	(6,317,234)
Net Present Value of Transferrable Retirement and Health Contributions	1,881,959	851,710
General Administration Expenses	(113,771)	(63,172)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(9,608,954)	(5,528,696)
Fair Value of Plan Assets (2)	12,690,064	8,399,806
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	3,081,110	2,871,110
Non-Transferable Benefits (4)	(3,059,646)	(2,148,410)
Asset Surplus over Total Benefits ((3)-(4))	21,464	722,700

As of 31 December 2024 and 31 December 2023, the distribution of the fair value of the total assets of the Pension Fund is as follows:

	31 December 2024	31 December 2023
Bank placements	1,026,000	1,730,850
Tangible assets	2,296,000	465,925
Government Bonds and Treasury Bills, Funds and Rediscount Interest Income	9,260,958	5,697,020
Other	107,106	506,011
Total	12,690,064	8,399,806

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

	31 December 2024	31 December 2023
Discount rates (%)	30.51	23.13
Inflation expectations (%)	25.25	17.77

As of 31 December 2024, health inflation is assumed to be in line with inflation. Long-term inflation assumption is assumed to be 25.25% on 31 December 2024 (31 December 2023: 17.77%). It is assumed that general salary increases will be 1% above inflation and SSI ceiling increase will be at the same rate as inflation. CSO 2001 (31 December 2023: CSO 2001) Female/Male mortality table is used to represent expected mortality rates both before and after retirement.

d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-Cash Loans	1,100,361	910,591
Provision for Legal Cases	229,796	227,121
Provision for Promotions of Credit Cards and Banking Services	55,489	16,718
Other (*)	1,739,997	2,321,008
Total	3,125,643	3,475,438

(*) As of 31 December 2024, it includes a free provision of TL 1,500,000 (December 31, 2023: TL 2,050,000).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

8. Information on provisions: (continued)

d) Information on other provisions: (continued)

The following table is represented reconciliation on the provision for impairment of non-cash loans;

Current Period	Standard Loans (Stage I)	Loans Under Close Monitoring (Stage II)	Loans Under Follow Up (Stage III)	Total
31 December 2023	167,442	611,469	131,680	910,591
Transfers;				
- Stage 1 to Stage 2	(626)	10,288	-	9,662
- Stage 1 to Stage 3	(184)	-	14,523	14,339
- Stage 2 to Stage 3	-	(66,738)	308,622	241,884
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	308	(2,061)	-	(1,753)
Transferred within the period	188,825	143,418	(60,378)	271,865
Collections	(28,946)	(357,989)	(11,683)	(398,618)
Exchange differences	2,426	49,965	-	52,391
Total Expected Loss Provision -31 December 2024	329,245	388,352	382,764	1,100,361

Prior Period	Standard Loans (Stage I)	Loans Under Close Monitoring (Stage II)	Loans Under Follow Up (Stage III)	Total
31 December 2022	163,475	389,419	133,621	686,515
Transfers;				
- Stage 1 to Stage 2	(688)	4,024	-	3,336
- Stage 1 to Stage 3	(112)	-	5,422	5,310
- Stage 2 to Stage 3	-	(6,942)	120,364	113,422
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	425	(4,346)	-	(3,921)
Transferred within the period	15,447	139,730	(107,916)	47,261
Collections	(29,853)	(95,662)	(19,811)	(145,326)
Exchange differences	18,748	185,246	-	203,994
Total Expected Loss Provision -31 December 2023	167,442	611,469	131,680	910,591

9. Information on taxes payable:

a) Information on tax provision:

The Bank's corporate tax liability is TL 86,859 as of 31 December 2024 (31 December 2023: TL 250,538). As of 31 December 2024, the Bank's total debt for taxes and premiums is TL 2,640,469 (December 31, 2023: TL 1,282,114).

b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	86,859	250,538
Taxation on Securities	1,142,179	194,666
Property Tax	9,767	5,891
Banking Insurance Transaction Tax (BITT)	916,898	433,185
Foreign Exchange Transaction Tax	15,253	8,508
Value Added Tax Payable	83,574	60,258
Other (*)	192,730	112,821
Total	2,447,260	1,065,867

(*) Others include income taxes deducted from wages amounting to TL 172,486 (31 December 2023: TL 99,174).

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II. Explanations and Disclosures Related to the Liabilities (continued)

9. Information on taxes payable: (continued)

c) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	78,390	153,650
Social Security Premiums-Employer	98,797	52,207
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	5,664	3,761
Unemployment Insurance-Employer	10,358	6,629
Other	-	-
Total	193,209	216,247

d) Explanations on deferred tax liabilities, if any: Bank has no deferred tax liabilities as of 31 December 2024 (31 December 2023: None).

10. Information on fixed assets payables related to activities held and discontinued for sale: None (31 December 2023: None).

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

On January 17, 2024, the Bank issued a subordinated debt instrument amounting to USD 400 million with a maturity of 10 years and an early redemption option at the end of the 5th year. The interest rate of the "Tier 2 capital" issuance is a fixed annual rate of 9.375%.

On May 8, 2024, the Bank issued a subordinated private placement debt instrument amounting to EUR 100 million with a maturity of 10 years and early redemption options, provided that it is not earlier than the 5th year and at the end of each subsequent interest period. The interest rate of the issuance is 6-month Euribor + 3.70% annually. The mentioned "Tier 2 capital" was provided by the International Finance Corporation ("IFC").

On September 11, 2024, the Bank issued an "additional Tier 1 capital" debt instrument amounting to USD 300 million, which is perpetual and has redemption options at any time from the end of the earliest 5th year to the end of the latest 5.5th year following the closing date and at each subsequent interest payment period. The interest rate of the issuance is a fixed annual rate of 9.375%.

The subordinated loans mentioned above have been used in line with the BRSA's definitions of "credit capital" and, in addition to providing long-term funding for the Bank, positively impact the Bank's capital adequacy ratio.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

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

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments to be Included in Additional Capital Calculation	-	10,497,994	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	10,497,994	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	17,745,693	-	11,637,967
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	17,745,693	-	11,637,967
Total	-	28,243,687	-	11,637,967

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Domestic Other Institutions	-	-	-	-
From Foreign Banks	-	24,601,200	-	11,637,967
From Other Foreign Institutions	-	3,642,487	-	-
Total	-	28,243,687	-	11,637,967

12. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common Stock	2,204,390	2,204,390
Preferred Stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None

e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

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

The income diversified with various business line and related channels/products/sectors, supported with different projects result a sustainable and relatively non-volatile profitability. Besides, interest rate, currency rate and liquidity risk under control are testing with various simulation and these tests prevents the risks of effect. The profitability of the Bank is followed up and estimated by the Bank's Planning and Performance Management in short, medium and long-term. It is also reported to Asset-Liability Committee and other related organs. As result, current and future negative effect on equity is not occurred and expected.

g) Information on preferred shares: None.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

12. Information on shareholders' equity: (continued)

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(426,482)	(112,577)	(81,628)	(29,672)
Foreign Exchange Difference	-	-	-	-
Total	(426,482)	(112,577)	(81,628)	(29,672)

13. Information on minority interests: None (31 December 2023: None).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations and Disclosures Related to the Off-Balance Sheet Items

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Credit Card Limits	120,254,472	52,048,755
Asset Purchase Commitments	37,721,935	10,243,499
Loan Granting Commitments	32,887,846	13,577,154
Commitments for Cheque Payments	5,731,412	4,044,146
Tax and Fund Liabilities from Export Commitments	2,395,399	302,721
Commitments for Credit Cards and Banking Services Promotions	7,529	3,181
Other Revocable Commitments	1,999,594	854,282
Other Irrevocable Commitments	1,043,854	938,745
Total	202,042,041	82,012,483

b) Possible losses and commitments related to off-balance sheet items:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

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

	Current Period	Prior Period
Letters of credit	25,708,955	22,935,305
Bank acceptances	62,540	70,513
Other guarantees	18,395,507	10,693,200
Other contingencies	6,225,965	3,057,472
Total	50,392,967	36,756,490

b.2) Guarantees, temporary guarantees, suretyships, and similar transactions:

	Current Period	Prior Period
Guarantee letters	35,306,635	28,949,303
Advance guarantee letters	6,051,652	8,472,141
Guarantee letters given for customs	1,689,825	1,321,518
Temporary guarantee letters	1,100,708	659,207
Other guarantee letters	8,094,266	5,777,951
Total	52,243,086	45,180,120

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

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	7,488,129	5,609,748
With Maturity of One Year or Less Than One Year	1,582,864	821,496
With Maturity of More Than One Year	5,905,265	4,788,252
Other Non-Cash Loans	95,147,924	76,326,862
Total	102,636,053	81,936,610

For non-cash loans amounting to TL 781,048 (31 December 2023: TL 250,521) that are not compensated and not cashed in off-balance sheet accounts, a third stage provision for expected loss of TL 382,764 (31 December 2023: TL 131,680) has been set aside. In addition, TL 329,245 (31 December 2023: TL 167,442) Stage 1, TL 388,352 (31 December 2023: TL 611,469) Stage 2 TFRS 9 expected loss provision has been made.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

1. Information on off-balance sheet liabilities: (continued)

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

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	82,347	0.23	23,047	0.03	82,951	0.42	3,953	0.01
Farming and raising livestock	81,984	0.23	21,426	0.03	81,156	0.41	3,953	0.01
Forestry	-	-	-	-	-	-	-	-
Fishery	363	-	1,621	-	1,795	0.01	-	-
Manufacturing	19,527,667	54.04	30,491,364	45.85	8,836,468	44.96	23,981,409	38.50
Mining and Quarry	886,008	2.45	3,596,392	5.41	438,967	2.23	783,719	1.26
Production	18,295,956	50.63	26,418,476	39.73	8,262,778	42.04	23,165,480	37.19
Electricity, Gas and Water	345,703	0.96	476,496	0.72	134,723	0.69	32,210	0.05
Construction	3,020,790	8.36	14,217,853	21.38	1,992,328	10.14	14,932,457	23.98
Services	13,256,960	36.69	19,868,772	29.88	8,444,984	42.97	20,834,283	33.45
Wholesale and Retail Trade	8,323,770	23.03	6,354,454	9.56	5,305,720	26.99	6,786,838	10.90
Hotel and Restaurant Services	590,391	1.63	47,259	0.07	284,066	1.45	19,444	0.03
Transportation and Communication	2,043,995	5.66	2,340,865	3.52	1,140,776	5.80	1,563,540	2.51
Financial Institutions	814,380	2.25	2,371,371	3.57	428,284	2.18	3,889,322	6.24
Real Estate and Renting	896,989	2.48	5,327,445	8.01	647,865	3.30	5,517,421	8.86
Self-employment Services	566,443	1.57	3,427,378	5.15	620,375	3.16	3,045,051	4.89
Education Services	16,531	0.05	-	-	7,942	0.04	12,667	0.02
Health and Social Services	4,461	0.01	-	-	9,956	0.05	-	-
Other	249,070	0.68	1,898,183	2.86	297,967	1.51	2,529,810	4.06
Total	36,136,834	100.00	66,499,219	100.00	19,654,698	100.00	62,281,912	100.00

c.3) Information on Stage I and Stage II non-cash loans:

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Non-Cash Loans				
Letters of Guarantee	18,071,453	30,391,799	843,393	2,198,508
Bank Acceptances	-	62,540	-	-
Letters of Credit	12,209	25,628,606	-	25,634
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Commitments	-	-	-	-
Other Commitments and Contingencies	16,919,340	7,552,299	149,224	-
Total	35,003,002	63,635,244	992,617	2,224,142

Prior Period	Stage I		Stage II	
	TL	FC	TL	FC
Non-Cash Loans				
Letters of Guarantee	12,782,959	28,525,278	583,560	3,288,323
Bank Acceptances	-	70,513	-	-
Letters of Credit	-	22,788,090	-	147,215
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Commitments	-	-	-	-
Other Commitments and Contingencies	6,146,454	7,462,493	141,725	-
Total	18,929,413	58,846,374	725,285	3,435,538

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

2. Information related to derivative financial instruments:

	Derivative Transactions According to Purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of Trading Transactions				
Foreign Currency Related Derivative Transactions (I):	442,166,665	265,163,642	-	-
Forward Transactions	57,413,528	35,938,034	-	-
Swap Transactions	204,718,713	127,164,205	-	-
Futures Transactions	30,848,901	-	-	-
Option Transactions	149,185,523	102,061,403	-	-
Interest Related Derivative Transactions (II):	109,042,432	102,471,834	-	-
Forward Rate Transactions	-	-	-	-
Interest Rate Swap Transactions	99,673,342	91,040,876	-	-
Interest Option Transactions	9,369,090	11,430,958	-	-
Futures Interest Transactions	-	-	-	-
Marketable Securities Call-Put Options (III)	-	-	-	-
Other Trading Derivative Transactions (IV)	479,564	4,413,011	-	-
A. Total Trading Derivative Transactions (I+II+III+IV)	551,688,661	372,048,487	-	-
Types of Hedging Transactions				
Fair Value Hedges	-	-	40,283,436	-
Cash Flow Hedges	-	-	30,283,940	26,163,509
Net Investment Hedges	-	-	-	-
B. Total Hedging Related Derivatives	-	-	70,567,376	26,163,509
Total Derivative Transactions (A+B)	551,688,661	372,048,487	70,567,376	26,163,509

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value.

i) Derivative Instruments for Fair Value Hedging Purposes:

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross-currency interest rate swaps	-	-	-	-	-	-
Interest rate swaps	40,283,436	-	313,138	-	-	-
Total	40,283,436	-	313,138	-	-	-

ii) Derivative instruments for cash flow hedge purposes

The Bank has designated swap transactions with a total notional amount of TL 30,283,940 (31 December 2023: TL 26,163,509) as cash flow hedges by matching with the deposit portfolio and selected loans portfolio with maturities between 1-90 days. The amount of the portion accounted under equity is TL 78,511 (31 December 2023: TL 310,532 receivable) payable and TL 23,553 (31 December 2023: TL 93,160 payable) receivable in the financial statements, net of deferred tax effect.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross currency swaps	-	-	-	7,449,520	776,565	82,455
Interest rate swaps	30,283,940	159,802	71,330	18,713,989	261,956	-
Total	30,283,940	159,802	71,330	26,163,509	1,038,521	82,455

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

3. Credit derivatives and risk exposures on credit derivatives: None.

4. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
 - b.1) Contingent assets are accounted for if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2024, there are no contingent assets that need to be explained (31 December 2023: None).
 - b.2) A provision is made for contingent liabilities if realization is probable, and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank has provided provision amounting to TL 229,796 (31 December 2023: TL 227,121) for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under "Other Provisions" in the financial statements.

5. Custodian and intermediary services:

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of Off-Balance Accounts.

6. The information on the Bank's rating by the international rating introductions (*):

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2024, TEB's ratings were as follows:

Fitch Ratings:

<i>Foreign Currency</i>	
Long-term	BB-
Short-term	B
Outlook	Stable
<i>Turkish Lira</i>	
Long-term	BB-
Short-term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Strength	b+
Shareholder Support Note	bb-

Moody's Investor Services:

Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	ba3
Long Term FC Deposits	Ba3
Short Term FC Deposits	NP
Long Term TL Deposits	Ba3
Short Term TL Deposits	NP
Outlook	Positive

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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IV. Explanations and Disclosures Related to the Statement of Income

1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-Term Loans	50,829,907	4,176,510	18,922,708	2,534,133
Medium and Long-Term Loans	31,649,384	2,044,639	11,340,925	1,179,081
Interest on Loans Under Follow-Up	356,195	37,568	232,116	8,504
<u>Premiums Received from Resource Utilization Support Fund</u>	-	-	-	-
Total	82,835,486	6,258,717	30,495,749	3,721,718

(*) Includes fees and commissions obtained from cash loans amounting to TL 1,436,972 (31 December 2023: TL 981,443).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Türkiye	543,616	-	116,389	11,464
Domestic Banks	1,092,852	7	681,756	546
Foreign Banks	175,585	226,807	74,207	247,384
<u>Branches and Head Office Abroad</u>	-	-	-	-
Total	1,812,053	226,814	872,352	259,394

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	933,362	52,190	176,700	30,677
Financial Assets at Fair Value Through Other Comprehensive Income	3,351,617	276,653	1,681,130	129,230
Financial Assets Measured at Amortized Cost	13,358,746	486,648	9,857,644	453,755
Total	17,643,725	815,491	11,715,474	613,662

As stated in Note VII of Section Three, the Bank's securities portfolios, whose fair value difference is reflected in other comprehensive income and measured at amortized cost, include CPI-indexed bonds. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. At year-end, the actual inflation rate is used.

d) Interest income on subsidiaries and associates:

	Current Period	Prior Period
Interest Received from Subsidiaries and Associates	14,554	106,511

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expenses

a) Information on interest expense on funds borrowed (*):

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic Banks	126,793	5,099	47,438	4,291
Foreign Banks	47,482	3,667,489	-	2,584,985
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	176,948	-	-
Total	174,275	3,849,536	47,438	2,589,276

(*) It also includes fees and commission expenses related to borrowings, amounting to TL 200,999 (31 December 2023: TL 29,270).

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest Expenses to Associates and Subsidiaries	63,923	32,167

c) Information on interest expenses on securities issued: None

d) Distribution of interest expenses on deposits based on maturity of deposits:

Account Name	Demand Deposits	Time Deposits						Acc. Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TL									
Bank Deposits	-	1,191,750	-	-	-	-	-	-	1,191,750
Saving Deposits	-	30,526,266	25,613,689	3,137,411	5,590,219	1,252,196	-	-	66,119,781
Public Sector Deposits	-	16,694	92,617	104,516	-	-	-	-	213,827
Commercial Deposits	-	10,850,280	8,286,142	1,072,713	556,585	390,828	-	-	21,156,548
Other Deposits	-	39,403	435,650	14,921	1,081	66	-	-	491,121
7 Day Call Accounts	-	-	-	-	-	-	-	-	-
Total	-	42,624,393	34,428,098	4,329,561	6,147,885	1,643,090	-	-	89,173,027
FC									
Foreign Currency Deposits	-	35,335	213,471	481	581	12,317	-	-	262,185
7 Day Call Accounts	-	2,405	-	-	-	-	-	-	2,405
Precious Metal Deposits	-	-	67	-	-	-	-	-	67
Total	-	37,740	213,538	481	581	12,317	-	-	264,657
Grand Total	-	42,662,133	34,641,636	4,330,042	6,148,466	1,655,407	-	-	89,437,684

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expenses (continued)

d) Distribution of interest expenses on deposits based on maturity of deposits: (continued)

Prior Period	Time Deposits						Acc. Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Account Name								
TL								
Bank Deposits	-	379,800	-	-	-	-	-	379,800
Saving Deposits	-	5,687,280	15,883,593	413,388	660,675	469,031	-	23,113,967
Public Sector Deposits	-	19,021	270,538	90,468	-	-	-	380,027
Commercial Deposits	-	1,892,939	3,843,030	237,443	134,245	362,915	-	6,470,572
Other Deposits	-	17,585	191,245	7,613	1	1,223	-	217,667
7 Day Call Accounts	-	-	-	-	-	-	-	-
Total	-	7,996,625	20,188,406	748,912	794,921	833,169	-	30,562,033
FC								
Foreign Currency	-	29,569	337,053	15,733	1,918	728	-	385,001
Deposits	-	393	-	-	-	-	-	393
7 Day Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	23	3,634	218	-	-	-	3,875
Total	-	29,985	340,687	15,951	1,918	728	-	389,269
Grand Total	-	8,026,610	20,529,093	764,863	796,839	833,897	-	30,951,302

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value through Profit and Loss	24,235	12,170
Financial Assets at Fair Value Through Other Comprehensive Income	1,480	746
Other	-	12,953
Total	25,715	25,869

4. Information on trading profit/loss:

	Current Period	Prior Period
Profit	2,515,588,340	221,810,882
Profit on Capital Market Operations	954,639	1,894,580
Profit on Derivative Financial Instruments ⁽¹⁾	72,699,294	88,891,537
Foreign Exchange Profit	2,441,934,407	131,024,765
Loss (-)	2,517,142,529	211,626,250
Losses on Capital Market Operations	1,010,835	387,652
Losses on Derivative Financial Instruments ⁽¹⁾	75,407,484	92,455,422
Foreign Exchange Losses	2,440,724,210	118,783,176

(1) Includes exchange rate fluctuations of hedging transactions net profit of TL 148,287 (31 December 2023: TL 181,032 profit), derivative financial instruments exchange rate changes in profit accounts amounting to TL 326,497 (31 December 2023: TL 7,042,585 loss) net exchange profit.

5. Information on other operating income:

Other operating income of the Bank mainly consists of all transaction costs collected from clients and disposal of assets.

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

6. Provision expenses of banks for loans and other receivables:

a) Provision for Expected Credit Losses and Other Provision Expenses:

	Current Period	Prior Period
Expected Credit Losses	799,584	1,577,836
12-Month Expected Credit Losses (Stage 1)	557,181	(88,242)
Significant Increase in Credit Risk (Stage 2) (**)	(2,676,817)	1,398,418
Credit-Impaired (Stage 3)	2,919,220	267,660
Impairment Provisions for Securities	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other(*)	(666,719)	1,805,505
Total	132,865	3,383,341

(*) As of December 31, 2024, it includes the reversal of free provisions amounting to 550,000 TL (December 31, 2023: an increase of 1,650,000 TL in free provisions).

(**) As of December 31, 2024, the amount of additional provisions previously allocated under IFRS 9 and reversed during the period is 2,884,595 TL (December 31, 2023: 2,119,142 TL).

7. Information on other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits ⁽¹⁾	369,986	178,758
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	838,286	488,329
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Depreciation Expenses of Intangible Assets	328,233	188,154
Impairment for Investments Accounted with Equity Method	-	-
Impairment Expenses of Assets to be Disposed	(286)	648
Depreciation Expenses of Assets to be Disposed	-	-
Impairment Expenses of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	6,682,036	4,934,710
Leasing Expenses on TFRS 16 Exceptions	177,919	102,209
Maintenance and Repair Expenses	227,693	163,864
Advertisement Expenses	289,481	259,406
Other Expenses	5,986,943	4,409,231
Loss on Sales of Assets	1,280	1,630
Other ⁽²⁾	3,195,375	1,428,380
Total	11,414,910	7,220,609

⁽¹⁾ The provision for employment termination benefits is included in the personnel expenses item in the financial statements

⁽²⁾ Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 991,446 (31 December 2023: TL 601,533) and other taxes and fees paid-in the amount of TL 1,677,809 (31 December 2023: TL 552,025).

8. Information on profit loss before continuing and discontinued operations before tax:

- a) The portion of the profit before tax amounting to TL 28,063,705 (31 December 2023: TL 16,755,953) consists of net interest income, while TL 9,736,170 (31 December 2023: TL 4,901,709) consists of net fee and commission income; total operating expenses amount to TL 22,610,240 (31 December 2023: TL 14,073,378).
- b) Explanations on discontinued operations profit loss: None.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income (continued)

9. Information on tax provision for continued and discontinued operations:

- As of 31 December 2024, the current tax expense from continued operations is TL 2,076,256 (31 December 2023: TL 3,647,896 expense) and net deferred tax expense is TL 1,413,348 (31 December 2023: TL 461,351 income) and there is no current and deferred tax income/expense from discontinued operations (31 December 2023: None).
- Deferred tax expense on temporary differences resulted from continued operations is TL 1,413,348 (31 December 2023: 461,351 net deferred tax income).

10. Information on net profit / loss of continuing and discontinued operations:

The Group's net profit from continuing operations as of 31 December 2024 is TL 10,903,731 (31 December 2023: TL 11,726,648 profit) and there is no net profit from discontinued operations as of 31 December 2024 (31 December 2023: None).

11. The explanations on net income and loss for the period:

- The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 December 2023: None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2023: None).
- Profit/loss attributable to minority interest: None (31 December 2023: None).

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

	Current Period	Prior Period
Other fees and commissions received		
Fees and commissions received due to cards and POS	14,316,609	5,365,112
Insurance commissions	1,029,305	637,461
Fund management commissions	903,706	272,335
Transfer commissions	617,693	394,380
General limit revision commissions	358,791	217,976
Settlement expense provision, eft, swift, agency commissions	179,541	183,143
Early closing commissions	53,810	27,342
Other	1,027,897	1,122,730
Total	18,487,352	8,220,479
Other fees and commissions given		
Fees and commissions paid due to cards and POS	8,794,162	3,571,217
Commission and fees paid to correspondent banks	207,968	191,346
Settlement expense provision, eft, swift, agency commissions	140,505	82,606
Other	956,154	448,119
Total	10,098,789	4,293,288

13. Fees for Services Received from Independent Auditor / Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's domestic subsidiaries and unconsolidated non-financial partnerships.

(Thousand TL amounts excluding VAT)	Current Period	Prior Period
Independent audit fee for the reporting period	25,568	18,007
Fees for tax advisory services	1,251	-
Fee for other assurance services	11,264	577
Fees for services other than independent audit	-	3,969
Total	38,083	22,553

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity

- a) The effect of changes in the fair value of financial assets at fair value through profit or loss is recognized in the "Marketable Securities Valuation Differences" account under the equity. The relevant amount decreased by TL 611,085 in 2024 (31 December 2023: TL 1,080,669 decreased) and change effect to deferred tax is TL 183,326 (31 December 2023: TL 278,118).

- b) Increase in cash flow risk hedging items:

The Bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in "Hedging Funds" account. In 2024, the amount decreased by TL 389,043 (31 December 2023: TL 66,060 decreased) and the deferred tax effect of this change was TL 116,713 (31 December 2023: TL 988).

- c) Explanations on profit distribution:

According to the decision taken at the Ordinary General Assembly Meeting of the Parent Bank held on 27 March 2024, out of TL 11,726,648, which constitutes the net balance sheet profit for the year 2023, TL 1,172,665 to shareholders and TL 9.96 to founder redemption certificate holders as profit as recommended by the Board of Directors, and the remaining balance was allocated as Extraordinary Reserves.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

VI. Explanations and Disclosures Related to Statement of Cash Flows

1. The effect of the other items stated in the cash flow statement and the change in exchange rates on cash and cash equivalents:

"Other items" under "Operating profit before changes in operating assets and liabilities" amounting to TL 31,627,002 (31 December 2023: TL 14,218,092) consists of other operating expenses excluding finance lease expenses, provision for employment termination benefits, depreciation expenses and taxes paid, and fees and commissions paid.

"Net increase in other liabilities" amounting to TL 15,005,547 (31 December 2023: TL 4,052,020) under "Change in assets and liabilities from banking activities" consists of miscellaneous payables, other liabilities, and changes in money markets. "Net decrease in other assets" amounting to TL 29,864,552 (31 December 2023: TL 9,894,272) consists of changes in blocked reserve requirements, miscellaneous receivables, and other assets.

"Other items" item under "Net cash flows from investing activities" amounting to TL 1,021,558 (31 December 2023: TL 729,935) consists of cash outflow for intangible assets purchased in the current period.

The effect of the change in foreign exchange rate on cash and cash equivalents includes the foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of monthly the period has been realized as TL 2,634,397 for the year 2024 (31 December 2023: TL 6,438,331).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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VI. Explanations and Disclosures Related to Statement of Cash Flows (continued)

2. Cash and cash equivalents at the beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the Period	Current Period	Prior Period
Cash	77,297,641	25,644,055
Cash in TL/Foreign Currency	12,272,157	10,757,014
Central Bank – Unrestricted amount	64,497,855	14,326,200
Other	527,629	560,841
Cash Equivalents	19,116,162	16,382,880
Banks	6,916,162	8,782,880
Money Market Placements	12,200,000	7,600,000
Total Cash and Cash Equivalents	96,413,803	42,026,935
End of the Period	Current Period	Prior Period
Cash	72,599,531	77,297,641
Cash in TL/Foreign Currency	7,773,353	12,272,157
Central Bank – Unrestricted amount	64,386,966	64,497,855
Other	439,212	527,629
Cash Equivalents	22,561,707	19,116,162
Banks	22,561,707	6,916,162
Money Market Placements	-	12,200,000
Total Cash and Cash Equivalents	95,161,238	96,413,803

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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VII. Explanations and Disclosures Related to Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items of previous periods are presented as of 31 December 2023 and income/expense items of previous periods are presented as of 31 December 2023.

a) Current Period:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-Cash
Loans						
Balance at Beginning of the Period	277,413	12,477	109,615	1,607,169	1,028,497	188,732
Balance at End of the Period	606,322	5,053	708,642	278,013	874,544	394,775
Interest and Commission Income	14,554	181	10,384	2	128,851	2,086

Direct and indirect shareholders of the Bank balance above include TL 708,642 and other entities included in the risk group balance above includes TL 5,807 placement in "Banks".

b) Prior Period:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-Cash
Loans						
Balance at Beginning of the Period	437,163	2,934	257,375	1,118,603	1,213,006	93,918
Balance at End of the Period	277,413	12,477	109,615	1,607,169	1,028,497	188,732
Interest and Commission Income	106,511	93	22,597	2,264	143,534	1,318

Direct and indirect shareholders of the Bank balance above include TL 109,615 and other entities included in the risk group balance above includes TL 128,181 placement in "Banks".

c) c.1) Information on deposits belonging to the risk group of the Bank:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at Beginning of the Period	178,635	41,131	5,808,611	5,686,882	2,519,918	1,332,483
Balance at End of the Period	126,591	178,635	11,212,092	5,808,611	5,549,810	2,519,918
Deposit Interest Expense	63,923	32,167	1,382,444	710,474	597,585	198,928

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

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Through Profit and Loss						
Beginning of the Period	-	-	93,842,978	58,227,206	4,740,236	2,322,171
End of the Period	-	-	89,182,720	93,842,978	4,865,240	4,740,236
Total Profit/Loss	-	-	(122,403)	267,296	(112,663)	(14,052)
Hedging Transactions purposes						
Beginning of the Period	-	-	21,460,631	16,690,868	-	-
End of the Period	-	-	51,557,376	21,460,631	-	-
Total Profit/Loss	-	-	(366,421)	116,046	-	-

d) As of 31 December 2024, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 334,600 (31 December 2023: TL 202,328)

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VIII. Explanations on the Bank's Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Numbers	Employees			
Domestic branches	432	7,975			
Rep-offices abroad	-	-			
Branches abroad	4	72			
Off-shore branches	-	-			
			Country		
				Total Assets	Capital
			Cyprus	5,025,862	80,000

2. Explanation on the Subject in Case the Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

The Bank closed 11 branches in 2024, 3 branches were opened during the year.

IX. Explanations and Disclosures Related to Subsequent Events

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on Activities of the Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Bank were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the independent auditor's report dated 4 February 2025 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors

None.