

Türkiye İş Bankası Anonim Şirketi

Consolidated Financial Statements As at and For the Year Ended December 31, 2024

With Independent Auditor's Report Thereon

*This report includes "Independent Auditor's Report"
comprising 8 pages and; "Consolidated Financial
Statements and Related Disclosures and Footnotes"
comprising 138 pages.*



INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Türkiye İş Bankası Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye İş Bankası Anonim Şirketi (“the Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the statement of consolidated balance sheet as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion section below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.



2. Basis for Qualified Opinion

As mentioned in Section Five Part II.i.4 .4 and IV.d of Explanations and Notes to the Consolidated Financial Statements, the free provision amounting to TL 10,000,000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Group management as at 31 December 2024 in the accompanying consolidated financial statements. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods' profit would have decreased by TL 10,000,000 thousand and increased by TL 10,000,000 thousand respectively for the year ended 31 December 2024.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015, the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”) and International Standards on Auditing (“ISA”) issued by the International Auditing and Assurance Standards Board (“IAASB”) . Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the “Ethical Rules”), the ethical requirements regarding independent audit in regulations issued by POA and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”) that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules, regulations and IESBA Code. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Key Audit Matters

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

| Key Audit Matters | How the key audit matter was addressed in the audit |
|--|--|
| <p>Expected credit losses for loans and receivables</p> <p>The Group has total provision for expected credit losses amounting to TL 61,491,064 thousand in respect to total loans and receivables amounting to TL 1,950,632,186 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2024. Explanations and notes regarding expected credit losses on loans and receivables are represented in Notes VII of Section Three, VIII of Section Three, II of Section Four, XI.c of Section Four, I.f of Section Five of the accompanying consolidated financial statements as at 31 December 2024.</p> <p>The Group recognizes provision for expected credit losses in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost.</p> <p>Furthermore, in order to determine expected credit losses, the Group performs both quantitative and qualitative assessments and identifies significant increases in credit risk and default events, for stage classifications of loans and receivables</p> | <p>Within our audit procedures, we have assessed policies, procedures and principles established by the Group management with respect to classifications of loans and receivables as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles.</p> <p>We checked the appropriateness of the matters considered in the methodology applied by the Group, for the classification of loans and receivables, and measurement of provisions, with the requirements of TFRS 9. For forward-looking assumptions used by the Group's management in its expected credit loss calculations, we held discussions with management and evaluated these assumptions using publicly available information and expert opinions. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations.</p> <p>We tested the reliability and completeness of the data used in the calculation of the expected credit losses.</p> |

| Key Audit Matters | How the key audit matter was addressed in the audit |
|---|--|
| <p>Expected credit losses for loans and receivables (Continued)</p> <p>In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of data are key in the determination of expected credit losses on loans and receivables. Expected credit losses are calculated on a collective basis for portfolios of loans and receivables of a similar nature and on individual basis for significant loans, taking into account Management's best estimate at the balance sheet date and historical losses incurred.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses, such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and other judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p> | <p>For a selected sample, we have evaluated the appropriateness of expected credit losses provided for loans and receivables based on individual assessment as per the Group policies by using supportable data and through discussions with the Group management.</p> <p>We have carried loan review on a selected sample of loans and receivables with the objective to identify whether the classification of loans is performed appropriately in accordance with the applicable regulation, whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the TFRS 9 framework.</p> <p>We reviewed the consistency and adequacy of disclosures related to loan and receivable impairment in the Group's financial statements.</p> |

| Key Audit Matters | How the key audit matter was addressed in the audit |
|---|--|
| <p>Valuation of Pension Fund obligations</p> <p>The Group has recognised a provision of TL 21,755,360 thousand for the pension fund obligations related to pension fund foundations of the Parent Bank and of its certain subsidiaries in the consolidated financial statements as at 31 December 2024. Explanations regarding these Pension Fund Foundations and the recognized provision are disclosed in Note II.i.4.1 of Section Five and Note XX.2 of Section Three of the accompanying consolidated financial statements prepared as of 31 December 2024.</p> <p>The related Pension Funds were established in accordance with the Social Security Law numbered 506 article No 20 and they are within the scope of Funds whose members' rights are to be transferred to the Social Security Institution (SSI). The President of the Republic of Türkiye is authorized to determine the date of transfer.</p> <p>The calculation of the Pension Fund obligations and the selection of appropriate assumptions require significant judgment and technical expertise. The Group's management uses actuaries for the purpose of valuations of Fund obligations.</p> <p>During our audit, we determined this area to be a key audit matter, considering the fundamental assumptions and estimates used in the calculation of the Pension Fund obligations, the uncertainty regarding the transfer date, the technical interest rate applied in the present value calculation being determined in accordance with the law governing the transfer conditions, and the significant impact that may arise from possible changes in these assumptions on Pension Fund obligations.</p> | <p>Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the actuaries for the calculation of the Pension Fund obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet.</p> <p>We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations.</p> <p>With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations.</p> <p>Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.</p> |



4. Other Matters

The audit of consolidated financial statements of the Group as at and for the year ended 31 December 2023 were conducted by another audit firm who expressed qualified opinion on 13 February 2024 due to free provision accounted, in the consolidated financial statements.

Our initial audit report was previously issued on 12 February 2025 for the financial statements prepared as at 31 December 2024. As explained in Section Three Part I and Section Seven Part I, we have provided this new auditors' report.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015, SIA and ISA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015, SIA and ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



B. Other Responsibilities Arising From Regulatory Requirements

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

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

A handwritten signature in blue ink, appearing to read 'T. Gül', is positioned below the text of the firm.

Talar Gül, SMMM
Independent Auditor

Istanbul, 5 September 2025

TÜRKİYE İŞ BANKASI A.Ş

THE CONSOLIDATED FINANCIAL REPORT AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

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The consolidated financial report as at and for the year ended prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, comprises the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR’S REPORT

Associates, subsidiaries and structured entities whose financial statements have been consolidated in the consolidated financial report are as follows:

| Subsidiaries | Associates |
|---|------------------------|
| ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ | ARAP-TÜRK BANKASI A.Ş. |
| ANADOLU HAYAT EMEKLİLİK A.Ş. | |
| EFES VARLIK YÖNETİM A.Ş. | |
| İŞ FAKTORİNG A.Ş. | |
| İŞ FİNANSAL KİRALAMA A.Ş. | |
| İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. | |
| İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. | |
| İŞ PORTFÖY YÖNETİMİ A.Ş. | |
| İŞ YATIRIM MENKUL DEĞERLER A.Ş. | |
| İŞ YATIRIM ORTAKLIĞI A.Ş. | |
| İŞBANK AG | |
| JOINT STOCK COMPANY İŞBANK (JSC İŞBANK) | |
| JOINT STOCK COMPANY İŞBANK GEORGIA (JSC İŞBANK GEORGIA) | |
| LEVENT VARLIK KİRALAMA A.Ş. | |
| MAXİS GİRİŞİM SERMAYESİ PORTFÖY YÖNETİMİ A.Ş. | |
| MAXIS INVESTMENTS LTD. | |
| MİLLİ REASÜRANS T.A.Ş. | |
| MOKA ÖDEME VE ELEKTRONİK PARA KURULUŞU A.Ş. | |
| TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. | |
| TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. | |
| YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş. | |
| YATIRIM VARLIK KİRALAMA A.Ş. | |
| Structured Entities | |
| TIB DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY | |

The consolidated yearended financial statements and related disclosures and footnotes in this report are prepared, in accordance with the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks. Banking Regulation and Supervision Agency (BRSA) regulations, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated the accompanying consolidated financial report is presented in thousands of Turkish Lira (TL) and has been subjected to independent audit and presented as the attached.

Sadrettin Yurtsever

Member of the Board and
the Audit Committee

Güzide Meltem Kökden

Deputy Chairperson of the Board of
Directors and Chairperson of the
Audit Committee

Adnan Bali

Chairperson of the Board of
Directors

Hürdoğan İrmak

Head of Financial Management
Division

Mehmet Türk

Deputy Chief Executive
In Charge of Financial Reporting

Hakan Aran

Chief Executive Officer

The authorized contact person for questions on this consolidated financial report:
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|--------|---|----|
| | <u>SECTION I</u> | |
| | <u>General Information about the Parent Bank</u> | |
| I. | Explanations on the Establishment Date and Initial Status of the Parent Bank, and History Including the Changes in the Former Status | 1 |
| II. | Explanations on the Capital Structure, Shareholders who Directly or Indirectly, Solely or Jointly Undertake the Management and Control of the Parent Bank any Changes in the Period, and Information on the Parent Bank's Risk Group | 1 |
| III. | Explanations on the Chairperson's, Directors', Auditors', Chief Executive Officer's and Deputy Chief Executives' Shares, if any, and the Areas of their Responsibility at the Bank | 1 |
| IV. | Information on the Parent Bank's Qualified Shareholders | 2 |
| V. | Summary Information on the Parent Bank's Functions and Business Lines | 2 |
| VI. | Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Explanation about the Institutions Subject to Line-By-Line Method or Proportional Consolidation and Institutions which are Deducted from Equity or not Included in These Three Methods | 3 |
| VII. | Existing or Potential, Actual or Legal Obstacles on the Transfer of Shareholders' Equity Between the Parent Bank and its Subsidiaries or the Reimbursement of Liabilities | 6 |
| VIII. | Written Policies on Assessment of Ensuring Compliance on Market Discipline, Disclosure Obligations, Frequency and Accuracy of the Related Disclosures | 6 |
| | <u>SECTION II</u> | |
| | <u>Consolidated Financial Statements</u> | |
| I. | Consolidated Balance Sheet – Assets | 7 |
| II. | Consolidated Balance Sheet – Liabilities | 8 |
| III. | Consolidated Statement of Off-Balance Sheet Items | 9 |
| IV. | Consolidated Statement of Profit or Loss | 10 |
| V. | Profit or Loss and Other Comprehensive Income | 11 |
| VI. | Consolidated Statement of Changes in the Shareholders' Equity | 12 |
| VII. | Consolidated Statement of Cash Flows | 13 |
| VIII. | Consolidated Statement of Profit Appropriation | 14 |
| | <u>SECTION III</u> | |
| | <u>Explanations on Accounting Policies</u> | |
| I. | Basis of Presentation | 15 |
| II. | Strategy for Use of Financial Instruments and on Foreign Currency Transactions | 16 |
| III. | Information on the Consolidated Companies | 17 |
| IV. | Forward, Option Contracts and Derivative Instruments | 18 |
| V. | Interest Income and Expenses | 19 |
| VI. | Fees and Commission Income and Expenses | 19 |
| VII. | Financial Assets | 19 |
| VIII. | Impairment of Financial Assets | 21 |
| IX. | Offsetting Financial Instruments | 22 |
| X. | Sale and Repurchase Agreements and Securities Lending Transactions | 22 |
| XI. | Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities | 23 |
| XII. | Goodwill and Other Intangible Assets | 23 |
| XIII. | Tangible Assets | 23 |
| XIV. | Investment Property | 24 |
| XV. | Leasing Transactions | 24 |
| XVI. | Insurance Technical Income and Expense | 24 |
| XVII. | Insurance Technical Provisions | 25 |
| XVIII. | Provisions and Contingent Liabilities | 25 |
| XIX. | Contingent Assets | 25 |
| XX. | Liabilities Regarding Employee Benefits | 26 |
| XXI. | Taxation | 27 |
| XXII. | Additional Information on Borrowings | 30 |
| XXIII. | Information on Equity Shares and Their Issuance | 31 |
| XXIV. | Bank Acceptances and Bills of Guarantee | 31 |
| XXV. | Government Incentives | 31 |
| XXVI. | Segment Reporting | 31 |
| XXVII. | Other Disclosures | 31 |

| | | |
|-------|--|-----|
| | <u>SECTION IV</u> <u>Information on the Financial Position and Risk Management of the Group</u> | |
| I. | Explanations on Shareholders' Equity | 32 |
| II. | Explanations on Credit Risk | 40 |
| III. | Explanations on Currency Risk | 49 |
| IV. | Explanations on Interest Rate Risk | 52 |
| V. | Explanations on Equity Shares Risk Arising from Banking Book | 56 |
| VI. | Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio | 57 |
| VII. | Explanations on Leverage Ratio | 66 |
| VIII. | Explanations on Other Price Risks | 67 |
| IX. | Explanations on The Presentation of Financial Assets and Liabilities at Fair Value | 67 |
| X. | Explanations on Transactions Made on Behalf of Others and Transactions Based on Fiduciary | 68 |
| XI. | Explanations on Risk Management | 69 |
| XII. | Explanations on Segment Reporting | 90 |
| | <u>SECTION V</u> <u>Disclosures and Footnotes on the Consolidated Financial Statements</u> | |
| I. | Disclosures and Footnotes on Consolidated Assets | 92 |
| II. | Disclosures and Footnotes on Consolidated Liabilities | 112 |
| III. | Disclosures and Footnotes on Consolidated Off-Balance Sheet Items | 122 |
| IV. | Disclosures and Footnotes on Consolidated Income Statement | 124 |
| V. | Disclosures and Footnotes on the Statement of Changes in Equity | 129 |
| VI. | Disclosures and Footnotes on The Cash Flow Statement | 129 |
| VII. | Disclosures and Footnotes on the Bank's Risk Group | 130 |
| VIII. | Disclosures on the Bank's Domestic, Foreign, Off-Shore Branches or Subsidiaries and Foreign Representative Offices | 132 |
| IX. | Subsequent Events | 144 |
| | <u>SECTION VI</u> <u>Other Explanations</u> | |
| I. | Explanation on the Group's Credit Ratings | 135 |
| | <u>SECTION VII</u> <u>Explanations on the Independent Audit Report</u> | |
| I. | Explanations on the Independent Auditors' Report | 137 |
| II. | Explanations and Footnotes of the Independent Auditors Report | 137 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION ONE: GENERAL INFORMATION ABOUT THE PARENT BANK

I. Explanations on the Establishment Date and Initial Status of the Parent Bank, and History Including the Changes in the Former Status

TÜRKİYE İŞ BANKASI A.Ş. (“the Bank” or “the Parent Bank”) was established on August 26, 1924 to operate in all kinds of banking activities and to initiate and/or participate in all kinds of financial and industrial sector undertakings when necessary. There is no change in the Bank’s status since its establishment.

II. Explanations on the Capital Structure, Shareholders who Directly or Indirectly, Solely or Jointly Undertake the Management and Control of the Parent Bank, any Changes in the Period, and Information on the Parent Bank’s Risk Group

As of December 31, 2024, the shareholder structure of the Bank is as follows:

- 38.59% of the shares are owned by the Türkiye İş Bankası A.Ş. Members' Supplementary Pension Fund Foundation (December 31, 2023:38.20%).
- 28.09% of the shares belong to Atatürk and, in accordance with his will, are represented by the Republican People's Party (CHP) (December 31, 2023:28.09%). As stipulated in Atatürk’s will, the dividend income from these shares is allocated to the Turkish Language Association and the Turkish Historical Society, and dividend payments are made to these institutions in accordance with the provisions of the will and applicable legal regulations.
- 33.32% is free float (December 31, 2023: 33.71%).

III. Explanations on the Chairperson’s, Directors’, Auditors’, Chief Executive Officer’s and Deputy Chief Executives’ Shares, if any, and the Areas of their Responsibility at the Bank

Chairperson and Members of the Board of Directors:

| Name and Surname | Areas of Responsibility |
|-------------------------|---|
| Adnan Bali | Chairperson of the Board of Directors, Remuneration Committee, Chairperson of the Risk Committee, Sustainability Committee, Chairperson of the Board of Directors Operating Principles Committee, and the Member of the Credit Committee |
| Güzide Meltem Kökden | Deputy Chairperson of the Board of Directors, Chairperson of the Audit Committee, TRNC Internal Systems Committee and Operational Risk Committee, Member of the Risk Committee |
| Hakan Aran | Chief Executive Officer and Board Member, Chairperson of the Credit Committee, Human Resources Committee and Information Systems Strategy Committee, Natural Member of the Risk Committee, Chairperson of the Executive Committee, Member of the Operational Risk Committee |
| Sadrettin Yurtsever | Director, Chairperson of the Corporate Governance Committee, Member of the Audit Committee, Remuneration Committee, TRNC Internal Systems Committee, Sustainability Committee Risk Committee, Member of the Operational Risk Committee Corporate Social Responsibility Committee, and the Member of the Board of Directors Operating Principles Committee |
| Fazlı Bulut | Director, Member of Corporate Social Responsibility Committee, Corporate Governance Committee and Substitute Member of the Credit Committee |
| Durmuş Öztekin | Director, Member of Corporate Social Responsibility Committee, and the Member of the Board of Directors Operating Principles Committee |
| Şebnem Aydın | Director, Member of Corporate Governance Committee, Corporate Social Responsibility Committee, Credit Committee and Sustainability Committee, Substitute Member of the Credit Committee |
| Recep Hakan Özyıldız | Director |
| Mustafa Rıdvan Selçuk | Director |
| Ahmet Gökhan Sungur | Director |
| Bahattin Özarslantürk | Director, Member of the Credit Committee |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Chief Executive Officer and Deputy Chief Executives:

| Name and Surname | Areas of Responsibility |
|-------------------------|--|
| Hakan Aran | Chief Executive Officer and Member of the Board of Directors, Credit Committee, Chairperson of Human Resources Committee and Information Technologies Strategic Committee, Natural Member of Risk Committee, Member of Operational Risk Committee and Chairperson of the Executive Committee |
| Nevzat Burak Seyrek | I. Deputy General Manager, Core Banking Operations, Foreign Transactions and Commercial Credit Operations, Affiliates, Corporate Architecture, Information Systems Strategy Committee, Risk Committee, Member of Operational Risk Committee |
| Ebru Özsuca | Financial Institutions, Treasury, Capital Markets, Member of the Risk Committee |
| Ozan Gürsoy | Transaction Banking, Corporate and Commercial Banking Marketing, Corporate and Commercial Banking Sales, Cross-Border Banking, Free Zone Branches, Member of the Sustainability Committee |
| Sezgin Yılmaz | SME and Business Banking Marketing and Sales, Agricultural Banking Marketing, Commercial Banking Product, Member of the Corporate Social Responsibility Committee and Sustainability Committee |
| Sabri Gökmenler | Information Technologies, Data Management, Procurement, Artificial Intelligence, Member of Operational Risk Committee, Sustainability Committee, and Information Technologies Strategic Committee |
| Sezgin Lüle | Retail Banking Marketing, Sales and Product, Digital Banking, Customer Relations, Payment Systems Ecosystem, Product and Operations, Member of Operational Risk Committee, and Sustainability Committee |
| Can Yücel | Credit Strategy Management, Retail, Commercial and Corporate Loans Underwriting, Project Finance, Member of the Corporate Social Responsibility Committee, Risk Committee and Sustainability Committee |
| Sezai Sevgin | Internal Control, Corporate Compliance, Risk Management, Natural Member of the Risk Committee, Member of Information Technologies Strategic Committee, Member of the Operational Risk Committee and Sustainability Committee |
| İzlem Erdem | Economic Research, Financial Law and Tax Management Consultancy, Investor Relations and Sustainability, Management Reporting and Internal Accounting, Member of Risk Committee and Sustainability Committee |
| Suat E. Sözen | General Secretariat, Corporate Communications, Private Banking Marketing and Sales, Member of the Corporate Social Responsibility Committee and Sustainability Committee |
| O. Tufan Kurbanoglu | Legal Affairs and Follow-Up, Legal Counsellorship, Credit Monitoring, Retail Loans and Commercial and Corporate Loans Follow-Up |
| Mehmet Celayir | Support Services, Human Resources Management, Construction and Real Estate Management, Talent Management, Consumer Relations Coordination Officer, Member of Operational Risk and Sustainability Committee. |
| Mehmet Türk | Financial Management, Strategy and Corporate Performance Management, Member of the Information Systems Strategy Committee and Sustainability Committee |

The Parent Bank's shares attributable to the Directors and members of the Audit Committee, to the CEO and the Deputy Chief Executives are of minor importance.

IV. Information on the Parent Bank's Qualified Shareholders

| Name Surname/Company | Shares | Ownership | Paid-in Capital | Unpaid Capital |
|--|---------------|------------------|------------------------|-----------------------|
| T. İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı (İşbank Members' Supplementary Pension Fund) | 9,647,873 | 38.59% | 9,647,873 | |
| Cumhuriyet Halk Partisi – Republican People's Party - (Atatürk's Shares) | 7,023,013 | 28.09% | 7,023,013 | |
| | | | | |

V. Summary Information on the Parent Bank's Functions and Business Lines

In line with the relevant legislation and principles stated in the Articles of Incorporation of the Bank, the Bank's activities include operating in retail, commercial, corporate and private banking, foreign currency and money market operations, marketable securities operations, international banking services and other banking operations, as well as initiating or participating in all kinds of financial and industrial sector corporations as may be required.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Explanation about the Institutions Subject to Full Consolidation Method or Proportional Consolidation and Institutions which are deducted from Equity or not included in these Three Methods

Banks are obligated to prepare consolidated financial statements for credit institutions and financial subsidiaries for creating legal restrictions on a consolidated basis based on the “Communiqué on Preparation of Consolidated Financial Statements of Banks” by applying Turkish Accounting Standards. There is not any difference between the related Communiqué and the consolidation operations that is based on Turkish Accounting Standards and Turkish Financial Reporting Standards.

The consolidated financial statement in this report includes the subsidiaries of the Bank, which are credit or financial institutions, in accordance with the BRSA regulations. As of current period, there is no credit or financial institution subsidiaries which are excluded in the scope of the consolidation.

- ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ
 - ANADOLU HAYAT EMEKLİLİK A.Ş.
 - EFES VARLIK YÖNETİM A.Ş.
 - İŞ FAKTÖRİNG A.Ş.
 - İŞ FİNANSAL KİRALAMA A.Ş.
 - İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
 - İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
 - İŞ PORTFÖY YÖNETİMİ A.Ş.
 - İŞ YATIRIM MENKUL DEĞERLER A.Ş.
 - İŞ YATIRIM ORTAKLIĞI A.Ş.
 - İŞBANK AG
 - JSC İŞBANK
 - JSC ISBANK GEORGIA
 - LEVENT VARLIK KİRALAMA A.Ş.
 - MAXİS GİRİŞİM SERMAYESİ PORTFÖY YÖNETİMİ A.Ş.
 - MAXIS INVESTMENTS LTD.
 - MİLLİ REASÜRANS T.A.Ş.
 - MOKA ÖDEME VE ELEKTRONİK PARA KURULUŞU A.Ş.
 - TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
 - TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
 - YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.
 - YATIRIM VARLIK KİRALAMA A.Ş.
- and Structured Entity;
- TIB DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY
- is included in the consolidated financial statements with “full consolidation method”.

The Parent Bank’s associate acting as a credit institution;

- ARAP-TÜRK BANKASI A.Ş.

is accounted under equity accounting method in the consolidated financial statements.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Explanation about the Institutions Subject to Full Consolidation Method or Proportional Consolidation and Institutions which are deducted from Equity or not included in these Three Methods (Continued)

Consolidated companies are active in the areas of banking, insurance and reinsurance, private pensions, payment services, finance leasing, factoring, real estate investment, venture capital investment, brokerage, investment consulting, portfolio and asset management. Those companies are explained below.

Anadolu Anonim Türk Sigorta Şirketi

The Company was established in 1925 and operates in almost all non-life insurance service. The Company's shares are traded in the Borsa İstanbul A.Ş.

Anadolu Hayat Emeklilik A.Ş.

The Company was founded in 1990 and its' headquarter is located in Istanbul. The company's main activities are private or group pension and life/death insurance and all kinds of insurance services related to these branches. There are 40 private pension funds offered by the company to the subscribers. The company's shares are traded in the Borsa İstanbul A.Ş.

Efes Varlık Yönetim A.Ş.

The field of activity of the company, which was founded in February 2011, is to purchase and sell the receivables with other assets of deposit banks, participation banks and other financial institutions.

İş Faktoring A.Ş.

The Company, which operates in the factoring sector since 1993, is engaged in domestic and foreign factoring operations.

İş Finansal Kiralama A.Ş.

The Company, whose field of activity is financial leasing within the country and abroad started its business in 1988. The Company's shares are traded in the Borsa İstanbul A.Ş.

İş Gayrimenkul Yatırım Ortaklığı A.Ş.

The Company, whose main field of activity is investing in real estate, capital market instruments backed by real estate, real estate projects and capital market instruments, is conducting its business in the sector as a real estate investment trust since 1999. The Company's shares are traded in the Borsa İstanbul A.Ş. since its establishment.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.

The Company, which started its venture capital business in the year 2000, aims to make long term investments in venture capital firms which established or to be founded in Türkiye, have potential development and need resources. The Company's shares are traded in the Borsa İstanbul A.Ş. since the year 2004.

İş Portföy Yönetimi A.Ş.

The Company which was founded in 2000 and operating under the supervision of the Capital Markets Board, establishes investment funds, provides portfolio management services to individual and institutional investors, manages pension funds, and offers investment advisory services.

İş Yatırım Menkul Değerler A.Ş.

The Company's main field of activity is composed of intermediary, corporate finance, investment consulting and private portfolio management services. The Company's shares are traded in the Borsa İstanbul A.Ş. since May 2007.

İş Yatırım Ortaklığı A.Ş.

The aim of the Company, which was founded in İstanbul in the year 1995, is to operate in capital market activities which is stated in the principal agreement, and Company's main field of activities is portfolio management. The Company's shares are traded in the Borsa İstanbul A.Ş. since April 1996.

İşbank AG

İşbank AG was founded to carry out the banking transactions in Europe. İşbank AG has 9 branches in total, 8 branches in Germany and 1 branch in Netherlands.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Explanation about the Institutions Subject to Full Consolidation Method or Proportional Consolidation and Institutions which are deducted from Equity or not included in these Three Methods (Continued)

JSC İşbank

The Bank, which was acquired in 2011 and based in Moscow, is operating banking services as, corporate banking, individual deposits, treasury transactions and foreign trade financing operations with its Moscow Branch and representative offices in St. Petersburg and Kazan.

JSC İşbank Georgia

The Bank, which was established in Georgia in the third quarter of 2015, is operating banking services mainly deposit, loan and exchange transactions. As part of the organizational structure of Parent Bank in abroad, it continues its operations through the Head Office in Tbilisi and the branch it opened in Tbilisi in 2014.

Levent Varlık Kiralama A.Ş.

Established in November 2023, the Company's main activity is to issue lease certificates in accordance with the Capital Markets Law and related legislation.

Maxis Girişim Sermayesi Porföy Yönetimi A.Ş.

The purpose of the Company, which was founded in November 2017, is to establish and manage capital investment funds in accordance with the Capital Markets Law and related legislations.

Maxis Investments Ltd.

The purpose of the Company, which was founded in England in the year 2005, is to operate in activities in foreign capital markets.

Milli Reasürans T.A.Ş.

The Company, which was founded in 1929, aims to provide reinsurance and retrocession services in foreign and domestic branches. It has 1 branch in Singapore.

Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.

The company was acquired in 2021. The company established of 2014 and it operates in the field of payment services.

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.

The core business activity of the Company, which was founded in 2006, is to create and develop an investment property portfolio and to invest in capital market instruments that are based on investment properties. The Company's shares are traded in the Borsa İstanbul A.Ş. since April 2010.

Türkiye Sınai Kalkınma Bankası A.Ş.

Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB) which is an industrial development, and an investment bank is founded specially to support private sector investments in industry and to provide domestic and foreign capital to Turkish companies. The Bank's shares are traded in the Borsa İstanbul A.Ş.

Yatırım Finansman Menkul Değerler A.Ş.

The Company was founded in 1976. The purpose of the Company is to engage in capital market operations stated in its articles of association.

Yatırım Varlık Kiralama A.Ş.

The purpose of the Company, which is founded on September 2019, is to issue lease certificates exclusively within the framework of the Capital Market Law and related legislation provisions.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VII. Existing or Potential, Actual or Legal Obstacles on the Transfer of Shareholders' Equity between the Parent Bank and its Subsidiaries or the Reimbursement of Liabilities

None.

VIII. Written Policies on Assessment of Ensuring Compliance on Market Discipline, Disclosure Obligations, Frequency and Accuracy of the Related Disclosures

The Parent Bank has written policies on assessment of ensuring compliance on market discipline, disclosure obligations, frequency and accuracy of related disclosures. The mentioned policies which are agreed by Board of Directors can be obtained from the Parent Bank's website.

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION TWO: CONSOLIDATED FINANCIAL STATEMENTS

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) | | | | | | | | |
|--|-----------|--------------------------------|---------------|---------------|------------------------------|---------------|---------------|--|
| ASSETS | Footnotes | THOUSAND TL | | | | | | |
| | | CURRENT PERIOD (31/12/2024) | | | PRIOR PERIOD (31/12/2023) | | | |
| | | TL | FC | Total | TL | FC | Total | |
| I. FINANCIAL ASSETS (NET) | | 615,642,840 | 639,596,921 | 1,255,239,761 | 390,336,844 | 591,744,745 | 982,081,589 | |
| 1.1 Cash and Cash Equivalents | | 311,967,779 | 421,360,397 | 733,328,176 | 192,369,378 | 427,090,304 | 619,459,682 | |
| 1.1.1 Cash and Balances with Central Bank | V-I-a | 278,450,061 | 354,096,475 | 632,546,536 | 165,825,618 | 360,809,028 | 526,634,646 | |
| 1.1.2 Banks | V-I-d | 22,914,928 | 67,508,683 | 90,423,611 | 18,731,062 | 66,536,675 | 85,267,737 | |
| 1.1.3 Money Market Placements | | 10,813,365 | - | 10,813,365 | 7,939,685 | - | 7,939,685 | |
| 1.1.4 Expected Credit Loss (-) | | 210,575 | 244,761 | 455,336 | 126,987 | 255,399 | 382,386 | |
| 1.2 Financial Assets at Fair Value Through Profit or Loss | V-I-b | 46,089,229 | 29,685,102 | 75,774,331 | 24,018,754 | 20,477,288 | 44,496,042 | |
| 1.2.1 Government Debt Securities | | 571,659 | 26,681,100 | 27,252,759 | 372,461 | 19,192,296 | 19,564,757 | |
| 1.2.2 Equity Securities | | 6,407,420 | 467,439 | 6,874,859 | 3,551,151 | 658,024 | 4,209,175 | |
| 1.2.3 Other Financial Assets | | 39,110,150 | 2,536,563 | 41,646,713 | 20,095,142 | 626,968 | 20,722,110 | |
| 1.3 Financial Assets at Fair Value Through Other Comprehensive Income | V-I-e | 254,347,393 | 171,801,635 | 426,149,028 | 173,412,009 | 123,613,217 | 297,025,226 | |
| 1.3.1 Government Debt Securities | | 251,170,013 | 160,779,443 | 411,949,456 | 170,689,290 | 116,832,858 | 287,522,148 | |
| 1.3.2 Equity Securities | | 417,432 | 4,023,536 | 4,440,968 | 505,358 | 2,598,836 | 3,104,194 | |
| 1.3.3 Other Financial Assets | | 27,599,948 | 6,998,656 | 9,758,604 | 2,217,361 | 4,181,523 | 6,398,884 | |
| 1.4 Derivative Financial Assets | V-I-c-l | 3,238,439 | 16,749,787 | 19,988,226 | 536,703 | 20,563,936 | 21,100,639 | |
| 1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss | | 3,238,439 | 16,749,787 | 19,988,226 | 536,703 | 20,563,936 | 21,100,639 | |
| 1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income | | - | - | - | - | - | - | |
| II. Financial Assets Measured at Amortised Cost (Net) | | 1,328,499,830 | 841,806,291 | 2,170,306,121 | 958,404,269 | 590,776,237 | 1,549,180,506 | |
| 2.1 Loans | V-I-f | 1,096,594,825 | 790,696,012 | 1,887,290,837 | 777,452,231 | 556,841,298 | 1,334,293,529 | |
| 2.2 Lease Receivables | V-I-f-k | 6,624,783 | 21,205,949 | 27,830,732 | 6,843,234 | 17,883,403 | 24,726,637 | |
| 2.3 Factoring Receivables | V-I-f | 26,216,589 | 9,294,028 | 35,510,617 | 19,150,379 | 3,341,707 | 22,492,086 | |
| 2.4 Other Financial Assets Measured at Amortised Cost (Net) | V-I-g | 240,288,834 | 41,068,345 | 281,357,179 | 184,774,042 | 31,404,006 | 216,178,048 | |
| 2.4.1 Government Debt Securities | | 236,823,940 | 23,827,649 | 260,651,589 | 184,190,708 | 15,316,159 | 199,506,867 | |
| 2.4.2 Other Financial Assets | | 3,464,894 | 17,240,696 | 20,705,590 | 583,334 | 16,087,847 | 16,671,181 | |
| 2.5 Expected Credit Loss (-) | | 41,225,201 | 20,458,043 | 61,683,244 | 29,815,617 | 18,694,177 | 48,509,794 | |
| III. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | V-I-q | 34,000 | 18,344 | 52,344 | 1,545,205 | 17,749 | 1,562,954 | |
| 3.1 Held for Sale | | 34,000 | 18,344 | 52,344 | 1,545,205 | 17,749 | 1,562,954 | |
| 3.2 Discontinued Operations | | - | - | - | - | - | - | |
| IV. EQUITY INVESTMENTS | | 111,411,807 | - | 111,411,807 | 81,035,427 | 311,107 | 81,346,534 | |
| 4.1 Investments in Associates (Net) | V-I-h | 651,282 | - | 651,282 | 569,486 | - | 569,486 | |
| 4.1.1 Associates Accounted by using Equity Method | | 554,844 | - | 554,844 | 453,026 | - | 453,026 | |
| 4.1.2 Unconsolidated Associates | | 96,438 | - | 96,438 | 116,460 | - | 116,460 | |
| 4.2 Subsidiaries (Net) | V-I-i | 110,616,058 | - | 110,616,058 | 80,430,190 | 311,107 | 80,741,297 | |
| 4.2.1 Unconsolidated Financial Subsidiaries | | - | - | - | - | - | - | |
| 4.2.2 Unconsolidated Non-Financial Subsidiaries | | 110,616,058 | - | 110,616,058 | 80,430,190 | 311,107 | 80,741,297 | |
| 4.3 Joint Ventures (Net) | V-I-j | 144,467 | - | 144,467 | 35,751 | - | 35,751 | |
| 4.3.1 Joint Ventures Accounted by using Equity Method | | - | - | - | - | - | - | |
| 4.3.2 Unconsolidated Joint Ventures | | 144,467 | - | 144,467 | 35,751 | - | 35,751 | |
| V. TANGIBLE ASSETS (Net) | V-I-m | 70,597,501 | 548,097 | 71,145,598 | 44,255,046 | 540,492 | 44,795,538 | |
| VI. INTANGIBLE ASSETS (Net) | V-I-n | 12,075,964 | 238,404 | 12,314,368 | 6,877,527 | 260,714 | 7,138,241 | |
| 6.1 Goodwill | | 27,994 | - | 27,994 | 27,994 | - | 27,994 | |
| 6.2 Other | | 12,047,970 | 238,404 | 12,286,374 | 6,849,533 | 260,714 | 7,110,247 | |
| VII. INVESTMENT PROPERTY (Net) | V-I-o | 25,407,317 | - | 25,407,317 | 18,056,230 | - | 18,056,230 | |
| VIII. CURRENT TAX ASSET | | 96,312 | 13,761 | 110,073 | 39,440 | 10,895 | 50,335 | |
| IX. DEFERRED TAX ASSET | V-I-p | 30,811,538 | - | 30,811,538 | 14,637,453 | - | 14,637,453 | |
| X. OTHER ASSETS | V-I-r | 138,971,673 | 44,927,721 | 183,899,394 | 223,161,320 | 32,731,871 | 255,893,191 | |
| TOTAL ASSETS | | 2,333,548,782 | 1,527,149,539 | 3,860,698,321 | 1,738,348,761 | 1,216,393,810 | 2,954,742,571 | |

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) | | | | | | | |
|---|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| LIABILITIES | Footnotes | THOUSAND TL | | | | | |
| | | CURRENT PERIOD | | | PRIOR PERIOD | | |
| | | (31/12/2024) | | | (31/12/2023) | | |
| | | TL | FC | Total | TL | FC | Total |
| I. DEPOSITS | V-II-a | 1,203,500,844 | 975,916,686 | 2,179,417,530 | 875,970,187 | 834,081,633 | 1,710,051,820 |
| II. FUNDS BORROWED | V-II-c | 48,988,007 | 252,713,125 | 301,701,132 | 10,088,579 | 231,152,014 | 241,240,593 |
| III. MONEY MARKETS | | 259,797,239 | 97,857,054 | 357,654,293 | 85,108,713 | 52,604,325 | 137,713,038 |
| IV. SECURITIES ISSUED (Net) | V-II-d | 14,609,149 | 157,927,691 | 172,536,840 | 10,315,459 | 98,828,108 | 109,143,567 |
| 4.1 Bills | | 6,964,236 | - | 6,964,236 | 6,165,382 | 735,314 | 6,900,696 |
| 4.2 Asset Backed Securities | | 2,052,309 | - | 2,052,309 | 1,508,031 | - | 1,508,031 |
| 4.3 Bonds | | 5,592,604 | 157,927,691 | 163,520,295 | 2,642,046 | 98,092,794 | 100,734,840 |
| V. FUNDS | | 30,945 | 652,954 | 683,899 | 132,820 | 1,349,660 | 1,482,480 |
| 5.1 Borrower Funds | | 30,945 | 652,954 | 683,899 | 132,820 | 1,349,660 | 1,482,480 |
| 5.2 Other | | - | - | - | - | - | - |
| VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | - | - | - | - | - | - |
| VII. DERIVATIVE FINANCIAL LIABILITIES | V-II-b-h | 279,118 | 11,518,855 | 11,797,973 | 602,277 | 7,762,079 | 8,364,356 |
| 7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss | | 279,118 | 11,518,855 | 11,797,973 | 602,277 | 7,762,079 | 8,364,356 |
| 7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income | | - | - | - | - | - | - |
| VIII. FACTORING PAYABLES | | - | - | - | - | - | - |
| IX. LEASE PAYABLES (Net) | V-II-g | 3,413,844 | 458,566 | 3,872,410 | 1,835,905 | 461,609 | 2,297,514 |
| X. PROVISIONS | V-II-i | 109,178,239 | 49,411,690 | 158,589,929 | 80,916,682 | 26,716,635 | 107,633,317 |
| 10.1 Restructuring Provisions | | - | - | - | - | - | - |
| 10.2 Reserve for Employee Benefits | | 7,092,554 | 11,868 | 7,104,422 | 6,162,265 | 12,347 | 6,174,612 |
| 10.3 Insurance Technical Provisions (Net) | | 70,674,366 | 46,847,513 | 117,521,879 | 42,121,605 | 23,658,483 | 65,780,088 |
| 10.4 Other Provisions | | 31,411,319 | 2,552,309 | 33,963,628 | 32,632,812 | 3,045,805 | 35,678,617 |
| XI. CURRENT TAX LIABILITY | V-II-j | 14,942,949 | 472,319 | 15,415,268 | 13,264,627 | 464,721 | 13,729,348 |
| XII. DEFERRED TAX LIABILITY | V-II-j | 2,907,265 | 28,449 | 2,935,714 | 71,374 | 42,819 | 114,193 |
| XIII. LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS | V-II-k | - | - | - | - | - | - |
| 13.1 Held for Sale | | - | - | - | - | - | - |
| 13.2 Discontinued Operations | | - | - | - | - | - | - |
| XIV. SUBORDINATED DEBT | V-II-l | 2,340,183 | 55,446,014 | 57,786,197 | 2,324,411 | 37,546,571 | 39,870,982 |
| 14.1 Loans | | - | - | - | - | - | - |
| 14.2 Other Debt Instruments | | 2,340,183 | 55,446,014 | 57,786,197 | 2,324,411 | 37,546,571 | 39,870,982 |
| XV. OTHER LIABILITIES | V-II-f | 179,493,801 | 46,101,221 | 225,595,022 | 242,325,905 | 37,418,618 | 279,744,523 |
| XVI. SHAREHOLDERS' EQUITY | V-II-m | 367,632,994 | 5,079,120 | 372,712,114 | 301,694,287 | 1,662,553 | 303,356,840 |
| 16.1 Paid-in capital | | 25,000,000 | - | 25,000,000 | 10,000,000 | - | 10,000,000 |
| 16.2 Capital Reserves | | 4,597,476 | - | 4,597,476 | 1,269,954 | - | 1,269,954 |
| 16.2.1 Share Premium | | 121,391 | - | 121,391 | 138,553 | - | 138,553 |
| 16.2.2 Share Cancellation Profits | | - | - | - | - | - | - |
| 16.2.3 Other Capital Reserves | | 4,476,085 | - | 4,476,085 | 1,131,401 | - | 1,131,401 |
| 16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss | | 69,464,585 | 910 | 69,465,495 | 45,527,841 | 717 | 45,528,558 |
| 16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss | | 12,207,203 | (925,800) | 11,281,403 | 29,367,334 | (1,454,175) | 27,913,159 |
| 16.5 Profit Reserves | | 154,643,193 | 2,060,375 | 156,703,568 | 109,918,245 | 941,934 | 110,860,179 |
| 16.5.1 Legal Reserves | | 16,351,074 | 136,513 | 16,487,587 | 11,735,223 | 62,094 | 11,797,317 |
| 16.5.2 Status Reserves | | 863,802 | - | 863,802 | 403,399 | - | 403,399 |
| 16.5.3 Extraordinary Reserves | | 137,428,317 | 1,923,862 | 139,352,179 | 97,779,623 | 879,840 | 98,659,463 |
| 16.5.4 Other Profit Reserves | | - | - | - | - | - | - |
| 16.6 Profit or Loss | | 47,486,855 | 3,634,089 | 51,120,944 | 70,737,833 | 1,887,486 | 72,625,319 |
| 16.6.1 Prior Periods' Profit or Loss | | 4,815,021 | 769,044 | 5,584,065 | (8,463) | 380,009 | 371,546 |
| 16.6.2 Current Period Profit or Loss | | 42,671,834 | 2,865,045 | 45,536,879 | 70,746,296 | 1,507,477 | 72,253,773 |
| 16.7 Minority Shares | V-II-n | 54,233,682 | 309,546 | 54,543,228 | 34,873,080 | 286,591 | 35,159,671 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 2,207,114,577 | 1,653,583,744 | 3,860,698,321 | 1,624,651,226 | 1,330,091,345 | 2,954,742,571 |

TÜRKİYE İŞ BANKASI A.Ş.

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF DECEMBER 31, 2024

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

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS | | | | | | | |
|---|-----------|--------------------------------|----------------------|-----------------------|------------------------------|----------------------|----------------------|
| OFF-BALANCE SHEET ITEMS | Footnotes | THOUSAND TL | | | | | |
| | | CURRENT PERIOD (31/12/2024) | | | PRIOR PERIOD (31/12/2023) | | |
| | | TL | FC | Total | TL | FC | Total |
| A. OFF-BALANCE SHEET CONTINGENCIES and COMMITMENTS (I+II+III) | | 1,515,029,648 | 1,858,850,923 | 3,373,880,571 | 982,736,242 | 1,524,431,477 | 2,507,167,719 |
| I. GUARANTEES AND SURETYSHIPS | V-III | 285,407,206 | 307,809,745 | 593,216,951 | 168,764,667 | 262,730,679 | 431,495,346 |
| 1.1 Letters of Guarantee | | 262,874,566 | 191,978,642 | 454,853,208 | 159,064,124 | 160,736,332 | 319,800,456 |
| 1.1.1 Guarantees Subject to State Tender Law | | 2,241,617 | 2,241,930 | 4,483,547 | 1,508,058 | 1,770,160 | 3,278,218 |
| 1.1.2 Guarantees Given for Foreign Trade Operations | | 26,321,882 | 76,460,281 | 102,782,163 | 16,505,345 | 63,545,208 | 80,050,553 |
| 1.1.3 Other Letters of Guarantee | | 234,311,067 | 113,276,431 | 347,587,498 | 141,050,721 | 95,420,964 | 236,471,685 |
| 1.2 Bank Acceptances | | 20,465,688 | 5,747,638 | 26,213,326 | 9,435,050 | 4,960,260 | 14,395,310 |
| 1.2.1 Import Letter of Acceptance | | - | 2,450,307 | 2,450,307 | - | 2,834,392 | 2,834,392 |
| 1.2.2 Other Bank Acceptances | | 20,465,688 | 3,297,331 | 23,763,019 | 9,435,050 | 2,125,868 | 11,560,918 |
| 1.3 Letters of Credit | | 2,063,314 | 104,381,611 | 106,444,925 | 261,037 | 90,802,490 | 91,063,527 |
| 1.3.1 Documentary Letters of Credit | | 1,714,172 | 76,593,552 | 78,307,724 | 245,881 | 58,717,904 | 58,963,785 |
| 1.3.2 Other Letters of Credit | | 349,142 | 27,788,059 | 28,137,201 | 15,156 | 32,084,586 | 32,099,742 |
| 1.4 Prefinancing Given as Guarantee | | - | - | - | - | - | - |
| 1.5 Endorsements | | - | - | - | - | - | - |
| 1.5.1 Endorsements to the Central Bank of Turkey | | - | - | - | - | - | - |
| 1.5.2 Other Endorsements | | - | - | - | - | - | - |
| 1.6 Purchase Guarantees for Securities Issued | | - | - | - | - | - | - |
| 1.7 Factoring Guarantees | | - | - | - | - | - | - |
| 1.8 Other Guarantees | | 3,638 | 5,701,854 | 5,705,492 | 4,456 | 6,231,597 | 6,236,053 |
| 1.9 Other Suretyships | | - | - | - | - | - | - |
| II. COMMITMENTS | | 1,025,159,850 | 84,084,334 | 1,109,244,184 | 573,359,840 | 71,511,904 | 644,871,744 |
| 2.1 Irrevocable Commitments | | 1,019,978,192 | 61,262,813 | 1,081,241,005 | 569,766,880 | 57,695,865 | 627,462,745 |
| 2.1.1 Forward Asset Purchase Commitments | | 7,945,928 | 27,609,536 | 35,555,464 | 2,775,678 | 26,011,453 | 28,787,131 |
| 2.1.2 Forward Deposit Purchase and Sales Commitments | | - | - | - | - | - | - |
| 2.1.3 Capital Commitments to Associates and Subsidiaries | | - | 142,284 | 142,284 | - | 168,814 | 168,814 |
| 2.1.4 Loan Granting Commitments | | 232,701,080 | 3,907,881 | 236,608,961 | 118,244,588 | 4,022,975 | 122,267,563 |
| 2.1.5 Securities Underwriting Commitments | | - | - | - | - | - | - |
| 2.1.6 Commitments for Reserve Deposit Requirements | | - | - | - | - | - | - |
| 2.1.7 Commitments for Cheque Payments | | 15,115,800 | - | 15,115,800 | 9,204,813 | - | 9,204,813 |
| 2.1.8 Tax and Fund Liabilities from Export Commitments | | 1,096,921 | - | 1,096,921 | 22,019 | - | 22,019 |
| 2.1.9 Commitments for Credit Card Expenditure Limits | | 737,663,382 | - | 737,663,382 | 417,894,567 | - | 417,894,567 |
| 2.1.10 Commitments for Credit Cards and Banking Services Promotions | | 2,267,499 | - | 2,267,499 | 1,085,145 | - | 1,085,145 |
| 2.1.11 Receivables from Short Sale Commitments | | - | - | - | - | - | - |
| 2.1.12 Payables for Short Sale Commitments | | - | - | - | - | - | - |
| 2.1.13 Other Irrevocable Commitments | | 23,187,582 | 29,603,112 | 52,790,694 | 20,540,070 | 27,492,623 | 48,032,693 |
| 2.2 Revocable Commitments | | 5,181,658 | 22,821,521 | 28,003,179 | 3,592,960 | 13,816,039 | 17,408,999 |
| 2.2.1 Revocable Loan Granting Commitments | | 5,181,658 | 22,821,521 | 28,003,179 | 3,592,960 | 13,816,039 | 17,408,999 |
| 2.2.2 Other Revocable Commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | | 204,462,592 | 1,466,956,844 | 1,671,419,436 | 240,611,735 | 1,190,188,894 | 1,430,800,629 |
| 3.1 Derivative Financial Instruments Held for Risk Management | | - | 69,298,701 | 69,298,701 | - | 38,788,055 | 38,788,055 |
| 3.1.1 Fair Value Hedges | | - | 69,298,701 | 69,298,701 | - | 38,788,055 | 38,788,055 |
| 3.1.2 Cash Flow Hedges | | - | - | - | - | - | - |
| 3.1.3 Net Foreign Investment Hedges | | - | - | - | - | - | - |
| 3.2 Derivative Financial Instruments Held for Trading | | 204,462,592 | 1,397,658,143 | 1,602,120,735 | 240,611,735 | 1,151,400,839 | 1,392,012,574 |
| 3.2.1 Forward Foreign Currency Buy/Sell Transactions | | 27,479,935 | 99,633,598 | 127,113,533 | 45,086,612 | 150,221,875 | 195,308,487 |
| 3.2.1.1 Forward Foreign Currency Buy Transactions | | 14,835,593 | 48,888,485 | 63,724,078 | 32,446,782 | 65,946,872 | 98,393,654 |
| 3.2.1.2 Forward Foreign Currency Sell Transactions | | 12,644,342 | 50,745,113 | 63,389,455 | 12,639,830 | 84,275,003 | 96,914,833 |
| 3.2.2 Currency and Interest Rate Swaps | | 162,009,487 | 1,165,689,686 | 1,327,699,173 | 163,259,055 | 844,538,982 | 1,007,798,037 |
| 3.2.2.1 Currency Swap Buy Transactions | | 11,029,664 | 312,159,655 | 323,189,319 | 101,944 | 240,148,199 | 240,250,143 |
| 3.2.2.2 Currency Swap Sell Transactions | | 121,060,177 | 274,545,733 | 395,605,910 | 154,243,873 | 124,389,343 | 278,633,216 |
| 3.2.2.3 Interest Rate Swap Buy Transactions | | 15,409,823 | 289,492,149 | 304,901,972 | 4,456,619 | 240,000,720 | 244,457,339 |
| 3.2.2.4 Interest Rate Swap Sell Transactions | | 14,509,823 | 289,492,149 | 304,001,972 | 4,456,619 | 240,000,720 | 244,457,339 |
| 3.2.3 Currency, Interest Rate and Security Options | | 11,229,965 | 43,904,183 | 55,134,148 | 30,161,708 | 83,635,857 | 113,797,565 |
| 3.2.3.1 Currency Call Options | | 5,968,328 | 15,823,362 | 21,791,690 | 19,595,726 | 31,548,029 | 51,143,755 |
| 3.2.3.2 Currency Put Options | | 4,119,355 | 16,421,795 | 20,541,150 | 9,931,673 | 40,569,812 | 50,501,485 |
| 3.2.3.3 Interest Rate Call Options | | - | 5,829,513 | 5,829,513 | - | 5,759,008 | 5,759,008 |
| 3.2.3.4 Interest Rate Put Options | | - | 5,829,513 | 5,829,513 | - | 5,759,008 | 5,759,008 |
| 3.2.3.5 Securities Call Options | | 263,607 | - | 263,607 | 161,125 | - | 161,125 |
| 3.2.3.6 Securities Put Options | | 878,675 | - | 878,675 | 473,184 | - | 473,184 |
| 3.2.4 Currency Futures | | 1,356,040 | 1,711,894 | 3,067,934 | 1,801,256 | 2,315,162 | 4,116,418 |
| 3.2.4.1 Currency Buy Futures | | 515,915 | 1,287,679 | 1,803,594 | 1,739,302 | 627,609 | 2,366,911 |
| 3.2.4.2 Currency Sell Futures | | 840,125 | 424,215 | 1,264,340 | 61,954 | 1,687,553 | 1,749,507 |
| 3.2.5 Interest Rate Futures | | - | - | - | - | - | - |
| 3.2.5.1 Interest Rate Buy Futures | | - | - | - | - | - | - |
| 3.2.5.2 Interest Rate Sell Futures | | - | - | - | - | - | - |
| 3.2.6 Other | | 2,387,165 | 86,718,782 | 89,105,947 | 303,104 | 70,688,963 | 70,992,067 |
| B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI) | | 2,821,321,627 | 5,100,248,268 | 7,921,569,895 | 2,101,117,035 | 4,450,415,695 | 6,551,532,730 |
| IV. ITEMS HELD IN CUSTODY | | 256,203,469 | 314,199,435 | 570,402,904 | 168,718,304 | 258,845,119 | 427,563,423 |
| 4.1 Customers' Securities Held | | - | - | - | - | - | - |
| 4.2 Investment Securities Held in Custody | | 145,968,039 | 9,938,561 | 155,906,600 | 89,804,295 | 10,527,854 | 100,332,149 |
| 4.3 Cheques Received for Collection | | 98,646,479 | 145,603,209 | 244,249,688 | 71,751,500 | 122,441,796 | 194,193,296 |
| 4.4 Commercial Notes Received for Collection | | 7,285,957 | 75,099,924 | 82,385,881 | 4,991,481 | 59,891,659 | 64,883,140 |
| 4.5 Other Assets Received for Collection | | - | - | - | - | - | - |
| 4.6 Assets Received for Public Offering | | - | - | - | - | - | - |
| 4.7 Other Items Under Custody | | 4,302,994 | 83,557,741 | 87,860,735 | 2,171,028 | 65,983,810 | 68,154,838 |
| 4.8 Custodians | | - | - | - | - | - | - |
| V. PLEDGED ITEMS | | 2,565,118,158 | 4,786,048,833 | 7,351,166,991 | 1,932,398,731 | 4,191,570,576 | 6,123,969,307 |
| 5.1 Marketable Securities | | 100,345,097 | 472,290,340 | 572,635,437 | 90,629,125 | 377,511,569 | 468,140,694 |
| 5.2 Guarantee Notes | | 36,931,932 | 115,217,517 | 152,149,449 | 28,760,470 | 101,929,480 | 130,689,950 |
| 5.3 Commodity | | 474,402,725 | 683,951,078 | 1,158,353,803 | 372,589,614 | 538,762,101 | 911,351,715 |
| 5.4 Warranty | | - | - | - | - | - | - |
| 5.5 Real Estates | | 1,318,538,444 | 2,134,925,561 | 3,453,464,005 | 925,688,136 | 2,060,964,425 | 2,986,652,561 |
| 5.6 Other Pledged Items | | 634,899,960 | 1,379,664,337 | 2,014,564,297 | 514,731,386 | 1,112,403,001 | 1,627,134,387 |
| 5.7 Pledged Items-Depository | | - | - | - | - | - | - |
| VI. ACCEPTED BILL, GUARANTEES AND SURETIES | | - | - | - | - | - | - |
| TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B) | | 4,336,351,275 | 6,959,099,191 | 11,295,450,466 | 3,083,853,277 | 5,974,847,172 | 9,058,700,449 |

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED STATEMENT OF PROFIT OR LOSS | | | |
|--|-----------|--------------------------------------|------------------------------------|
| STATEMENT OF PROFIT OR LOSS | Footnotes | THOUSAND TL | |
| | | CURRENT PERIOD (01/01-31/12/2024) | PRIOR PERIOD (01/01-31/12/2023) |
| I. INTEREST INCOME | V-IV-a | 599,018,187 | 257,253,164 |
| 1.1 Interest Income on Loans | | 380,317,581 | 164,230,889 |
| 1.2 Interest Income on Reserve Deposits | | 38,907,298 | 774,911 |
| 1.3 Interest Income on Banks | | 11,870,730 | 3,771,730 |
| 1.4 Interest Income on Money Market Placements | | 5,082,529 | 2,347,134 |
| 1.5 Interest Income on Marketable Securities Portfolio | | 149,873,888 | 78,317,720 |
| 1.5.1 Financial Assets At Fair Value Through Profit or Loss | | 834,417 | 475,254 |
| 1.5.2 Financial Assets At Fair Value Through Other Comprehensive Income | | 77,153,729 | 45,774,148 |
| 1.5.3 Financial Assets At Measured at Amortised Cost | | 71,885,742 | 32,068,318 |
| 1.6 Financial Lease Income | | 4,423,628 | 3,029,117 |
| 1.7 Other Interest Income | | 8,542,533 | 4,781,663 |
| II. INTEREST EXPENSE (-) | V-IV-b | 519,552,264 | 168,229,605 |
| 2.1 Interest on Deposits | | 363,043,560 | 121,340,486 |
| 2.2 Interest on Funds Borrowed | | 27,078,206 | 14,506,563 |
| 2.3 Interest on Money Market Funds | | 100,938,153 | 11,181,957 |
| 2.4 Interest on Securities Issued | | 22,586,177 | 10,339,531 |
| 2.5 Financial Lease Expense | | 762,950 | 398,684 |
| 2.6 Other Interest Expenses | | 5,143,218 | 10,462,384 |
| III. NET INTEREST INCOME (I - II) | | 79,465,923 | 89,023,559 |
| IV. NET FEES AND COMMISSIONS INCOME | | 85,362,010 | 40,133,066 |
| 4.1 Fees and Commissions Received | | 119,002,943 | 56,642,029 |
| 4.1.1 Non-cash Loans | | 5,682,387 | 3,880,249 |
| 4.1.2 Other | | 113,320,556 | 52,761,780 |
| 4.2 Fees and Commissions Paid | | 33,640,933 | 16,508,963 |
| 4.2.1 Non-cash Loans | | 182,192 | 143,376 |
| 4.2.2 Other | | 33,458,741 | 16,365,587 |
| V. DIVIDEND INCOME | V-IV-c | 318,657 | 421,522 |
| VI. TRADING INCOME /(LOSS) (Net) | V-IV-ç | 9,971,460 | 40,744,739 |
| 6.1 Gains/(Losses) on Securities Trading | | 36,473,316 | 17,928,872 |
| 6.2 Derivative Financial Transactions Gains/Losses | | (57,793,868) | (936,083) |
| 6.3 Foreign Exchange Gains / (Losses) | | 31,292,012 | 23,751,950 |
| VII. OTHER OPERATING INCOME | V-IV-d | 105,707,600 | 64,136,738 |
| VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII) | | 280,825,650 | 234,459,624 |
| IX. EXPECTED CREDIT LOSS (-) | V-IV-e | 24,863,488 | 19,759,355 |
| X. OTHER PROVISION EXPENSES (-) | V-IV-e | 837,375 | 4,630,217 |
| XI. PERSONNEL EXPENSE (-) | | 58,041,531 | 30,644,805 |
| XII. OTHER OPERATING EXPENSES (-) | V-IV-f | 135,154,108 | 93,011,616 |
| XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII) | | 61,929,148 | 86,413,631 |
| XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER | | - | - |
| XV. PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD | | 10,167,726 | 13,434,857 |
| XVI. NET MONETARY POSITION GAIN/LOSS | | - | - |
| XVII. PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XIII+...+XVI) | V-IV-g | 72,096,874 | 99,848,488 |
| XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±) | V-IV-ğ | 8,329,621 | 13,478,534 |
| 18.1 Current Tax Provision | | 14,969,691 | 20,258,987 |
| 18.2 Deferred Tax Income Effect (+) | | 16,495,076 | 7,439,918 |
| 18.3 Deferred Tax Expense Effect (-) | | 23,135,146 | 14,220,371 |
| XIX. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVI±XVII) | V-IV-h | 63,767,253 | 86,369,954 |
| XX. INCOME ON DISCONTINUED OPERATIONS | | - | - |
| 19.1 Income on Assets Held for Sale | | - | - |
| 19.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | - | - |
| 19.3 Other Income on Discontinued Operations | | - | - |
| XXI. EXPENSE ON DISCONTINUED OPERATIONS (-) | | - | - |
| 20.1 Expense on Assets Held for Sale | | - | - |
| 20.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | - | - |
| 20.3 Other Expense on Discontinued Operations | | - | - |
| XXII. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XX-XXI) | V-IV-g | - | - |
| XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±) | V-IV-ğ | - | - |
| 22.1 Current Tax Provision | | - | - |
| 22.2 Deferred Tax Expense Effect (+) | | - | - |
| 22.3 Deferred Tax Income Effect (-) | | - | - |
| XXIV. NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII) | V-IV-h | - | - |
| XXV. NET PERIOD PROFIT/LOSS (XIX+XXIV) | V-IV-ı | 63,767,253 | 86,369,954 |
| 25.1 Group's Profit / Loss | | 45,536,879 | 72,253,773 |
| 25.2 Non-controlling Interest Profit / Loss (-) | | 18,230,374 | 14,116,181 |
| Earnings per Share (*) | III-XX | 1.8215 | 2.8902 |

(*) Presentation of the earnings/losses per share corresponding to each share with a nominal value of 1 TL. The earnings per share figures for the previous period are presented in their updated form as stated in III-XXIII.

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF DECEMBER 31, 2024

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

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | |
|---|--------------------------------------|------------------------------------|
| PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | THOUSAND TL | |
| | CURRENT PERIOD (01/01-31/12/2024) | PRIOR PERIOD (01/01-31/12/2023) |
| I. PROFIT/LOSS FOR THE PERIOD | 63,767,253 | 86,369,954 |
| II. OTHER COMPREHENSIVE INCOME | 9,685,017 | 16,285,846 |
| 2.1 Other comprehensive income that will not be reclassified to profit or loss | 26,456,998 | 27,358,460 |
| 2.1.1 Revaluation Surplus on Tangible Assets | 20,270,713 | 19,312,374 |
| 2.1.2 Revaluation Surplus on Intangible Assets | - | - |
| 2.1.3 Gains/(Losses) on remeasurements of Defined Benefit Plans | (1,410,534) | 11,018 |
| 2.1.4 Other Income/Expense Items of Other Comprehensive Income not to be Reclassified to Profit Or Loss | 10,923,827 | 8,385,793 |
| 2.1.5 Taxes Relating To Components Of Other Comprehensive Income not to be Reclassified To Profit Or Loss | (3,327,008) | (350,725) |
| 2.2 Other Income/Expense Items not be Reclassified to Profit or Loss | (16,771,981) | (11,072,614) |
| 2.2.1 Exchange Differences on Translation | 2,380,198 | 6,527,303 |
| 2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income | (33,107,806) | (28,885,874) |
| 2.2.3 Income/(Loss) Related with Cash Flow Hedges | - | - |
| 2.2.4 Income/(Loss) Related with Hedges of Net Investments in Foreign Operations | (1,691,123) | (1,121,189) |
| 2.2.5 Other Income/Expense Items of Other Comprehensive Income to be Reclassified to Other Profit or Loss | 5,120,684 | 4,723,021 |
| 2.2.6 Taxes Relating To Components Of Other Comprehensive Income to be Reclassified To Profit Or Loss | 10,526,066 | 7,684,125 |
| III. TOTAL COMPREHENSIVE INCOME (I+II) | 73,452,270 | 102,655,800 |

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | | | | | | | | | | | |
|---|-----------|-----------------|---------------|--|------------------------|---|---|------------|---|---|------------|-----------------|----------------------------|----------------------------------|--|--------------------------|----------------------------|
| CHANGES IN SHAREHOLDERS' EQUITY | Footnotes | THOUSAND TL | | | | | | | | | | | | | | | |
| | | | | | | Accumulated Other Comprehensive Income That will not be Reclassified in Profit/(Loss) | | | Accumulated Other Comprehensive Income That will be Reclassified in Profit/(Loss) | | | | | | | | |
| | | Paid-in Capital | Share Premium | Share Certificate Cancellation Profits | Other Capital Reserves | Tangible assets accumulated revaluation reserve Increase /(Decrease) | Accumulated gains/(losses) on remeasurements of defined benefit plans | Other (1) | Exchange differences on translation reserve | Accumulated gains/(losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income | Other (2) | Profit Reserves | Prior Period Profit/(Loss) | Net Current Period Profit/(Loss) | Total Shareholders' Equity Except Non-controlling Interest | Non-controlling Interest | Total Shareholder's Equity |
| PRIOR PERIOD (31/12/2023) | V-V | | | | | | | | | | | | | | | | |
| I. Beginning Balance | | 10,000,000 | 138,551 | | 1,079,541 | 14,465,250 | (2,834,186) | 8,599,628 | 5,999,012 | 25,014,591 | 8,521,898 | 58,795,620 | 61,471,023 | | 191,250,928 | 18,801,765 | 210,052,693 |
| II. Adjustment in accordance with TAS 8 | | | | | | | | | | | | | | | | | |
| 2.1 The Effect of Adjustments | | | | | | | | | | | | | | | | | |
| 2.2 The Effect of Changes in Accounting Policies | | | | | | | | | | | | | | | | | |
| III. New Balance (I+II) | | 10,000,000 | 138,551 | | 1,079,541 | 14,465,250 | (2,834,186) | 8,599,628 | 5,999,012 | 25,014,591 | 8,521,898 | 58,795,620 | 61,471,023 | | 191,250,928 | 18,801,765 | 210,052,693 |
| IV. Total Comprehensive Income | | | | | | 16,700,491 | 214,834 | 8,376,739 | 6,499,991 | (22,055,900) | 3,932,965 | | | 72,253,773 | 85,922,893 | 16,732,907 | 102,655,800 |
| V. Capital Increase in Cash | | | | | | | | | | | | | | | | | |
| VI. Capital Increase Through Internal Reserves | | | | | | | | | | | | | | | | | |
| VII. Paid-in-Capital inflation adjustment difference | | | | | | | | | | | | | | | | | |
| VIII. Convertible Bonds | | | | | | | | | | | | | | | | | |
| IX. Subordinated Debt | | | | | | | | | | | | | | | | | |
| X. Increase/(Decrease) Through Other Changes (*) | | | 2 | | 51,860 | 6,715 | (913) | | | 602 | | (119,882) | 35,396 | | (26,220) | (33,199) | (59,419) |
| XI. Profit Distribution | | | | | | | | | | | | 52,184,441 | (61,134,873) | | (8,950,432) | (341,802) | (9,292,234) |
| 11.1 Dividend Paid | | | | | | | | | | | | | (8,964,030) | | (8,964,030) | (346,380) | (9,310,410) |
| 11.2 Transfer to Reserves | | | | | | | | | | | | 52,170,843 | (52,170,843) | | | | |
| 11.3 Other (**) | | | | | | | | | | | | 13,598 | | | 13,598 | 4,578 | 18,176 |
| Ending Balance (III+IV+.....+X+XI) | | 10,000,000 | 138,553 | - | 1,131,401 | 31,172,456 | (2,620,265) | 16,976,367 | 12,499,003 | 2,959,293 | 12,454,863 | 110,860,179 | 371,546 | 72,253,773 | 268,197,169 | 35,159,671 | 303,356,840 |
| CURRENT PERIOD (31/12/2024) | | | | | | | | | | | | | | | | | |
| I. Beginning Balance | | 10,000,000 | 138,553 | | 1,131,401 | 31,172,456 | (2,620,265) | 16,976,367 | 12,499,003 | 2,959,293 | 12,454,863 | 110,860,179 | 72,625,319 | | 268,197,169 | 35,159,671 | 303,356,840 |
| II. Adjustment in accordance with TAS 8 | | | | | | | | | | | | | | | | | |
| 2.1 The Effect of Adjustments | | | | | | | | | | | | | | | | | |
| 2.2 The Effect of Changes in Accounting Policies | | | | | | | | | | | | | | | | | |
| III. New Balance (I+II) | | 10,000,000 | 138,553 | | 1,131,401 | 31,172,456 | (2,620,265) | 16,976,367 | 12,499,003 | 2,959,293 | 12,454,863 | 110,860,179 | 72,625,319 | | 268,197,169 | 35,159,671 | 303,356,840 |
| IV. Total Comprehensive Income | | | | | | 14,557,398 | (916,424) | 10,932,881 | 2,359,194 | (22,918,420) | 3,927,470 | | | 45,536,879 | 53,478,978 | 19,973,292 | 73,452,270 |
| V. Capital Increase in Cash | | | | | | | | | | | | | | | | | |
| VI. Capital Increase Through Internal Reserves | | 15,000,000 | | | | | | | | | | (15,000,000) | | | | | |
| VII. Paid-in-Capital inflation adjustment difference | | | | | | | | | | | | | | | | | |
| VIII. Convertible Bonds | | | | | | | | | | | | | | | | | |
| IX. Subordinated Debt | | | | | | | | | | | | | | | | | |
| X. Increase/(Decrease) Through Other Changes (*) | | | (17,162) | | 3,344,684 | (636,906) | (12) | | | | | 121,530 | 670,834 | | 3,482,968 | 32,092 | 3,515,060 |
| XI. Profit Distribution | | | | | | | | | | | | 60,721,859 | (67,712,088) | | (6,990,229) | (621,827) | (7,612,056) |
| 11.1 Dividend Paid | | | | | | | | | | | | | (7,017,722) | | (7,017,722) | (631,084) | (7,648,806) |
| 11.2 Transfer to Reserves | | | | | | | | | | | | 60,694,366 | (60,694,366) | | | | |
| 11.3 Other (**) | | | | | | | | | | | | 27,493 | | | 27,493 | 9,257 | 36,750 |
| Ending Balance (III+IV+.....+X+XI) | | 25,000,000 | 121,391 | - | 4,476,085 | 45,092,948 | (3,536,701) | 27,909,248 | 14,858,197 | (19,959,127) | 16,382,333 | 156,703,568 | 5,584,065 | 45,536,879 | 318,168,886 | 54,543,228 | 372,712,114 |

(1) The accumulated amounts of items from investments valued using the equity method that will not be classified in profit or loss from other comprehensive income, along with other comprehensive income items that will not be reclassified as other gains or losses.

(2) Gains/losses from hedging against net investment risk related to foreign operations, the portions of investments valued using the equity method that will be classified in profit or loss from other comprehensive income, and the accumulated amounts of other comprehensive income items that will be reclassified as other gains or losses.

(*) It includes the effects of changes made within the framework of the compliance of the group companies with the accounting policies applied in the preparation of the group's consolidated financial statements, as well as changes in the group's shares.

(**) Provisions allocated for profit distribution to personnel in the relevant period, in accordance with TAS 19 "Employee Benefits," have been added to the distributable profit amount.

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

| TÜRKİYE İŞ BANKASI A.Ş. CONSOLIDATED STATEMENT OF CASH FLOWS | | | |
|---|-----------|--------------------------------------|------------------------------------|
| | Footnotes | THOUSAND TL | |
| | | CURRENT PERIOD (01/01-31/12/2024) | PRIOR PERIOD (01/01-31/12/2023) |
| A. CASH FLOWS FROM BANKING OPERATIONS | | | |
| 1.1 Operating Profit Before Changes in Operating Assets and Liabilities | | 105,489,934 | 86,645,439 |
| 1.1.1 Interest Received | | 553,873,874 | 211,263,314 |
| 1.1.2 Interest Paid | | (507,499,807) | (143,037,374) |
| 1.1.3 Dividend Received | | 1,441,904 | 1,617,556 |
| 1.1.4 Fees and Commissions Received | | 119,145,339 | 56,642,029 |
| 1.1.5 Other Income | | 104,620,903 | 56,180,996 |
| 1.1.6 Collections from Previously Written Off Loans and Other Receivables | | 6,777,599 | 5,507,942 |
| 1.1.7 Cash Payments to Personnel and Service Suppliers | | (105,511,641) | (58,075,682) |
| 1.1.8 Taxes Paid | | (26,009,879) | (21,023,710) |
| 1.1.9 Other | V-VI | (41,348,358) | (22,429,632) |
| 1.2 Changes in Operating Assets and Liabilities | | 78,690,917 | 355,067,984 |
| 1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss | | (21,379,730) | (3,554,663) |
| 1.2.2 Net (Increase) / Decrease in Due From Banks | | (90,454,554) | (51,891,917) |
| 1.2.3 Net (Increase) / Decrease in Loans | | (471,140,080) | (323,756,757) |
| 1.2.4 Net (Increase) / Decrease in Other Assets | | (58,675,890) | (65,666,161) |
| 1.2.5 Net Increase / (Decrease) in Bank Deposits | | (38,478,707) | 79,303,708 |
| 1.2.6 Net Increase / (Decrease) in Other Deposits | | 393,135,704 | 555,677,084 |
| 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 | | 75,579,093 | 4,137,659 |
| 1.2.9 Net Increase / (Decrease) in Matured Payables | | - | - |
| 1.2.10 Net Increase / (Decrease) in Other Liabilities | V-VI | 290,105,081 | 160,819,031 |
| I. Net Cash Provided From Banking Operations | | 184,180,851 | 441,713,423 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| II. Net Cash Provided from Investing Activities | | (181,967,130) | (171,340,162) |
| 2.1 Cash Paid for the Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | (5,305,606) | (9,252,857) |
| 2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | 804,499 | 147,626 |
| 2.3 Cash Paid for the Purchase of Tangible Asset | | (7,944,733) | (3,738,511) |
| 2.4 Cash Obtained from the Sale of Tangible Asset | | 4,838,348 | 226,747 |
| 2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income | | (242,878,052) | (136,128,560) |
| 2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income | | 111,642,047 | 62,809,311 |
| 2.7 Cash Paid for Purchase of Financial Assets Measured at Amortised Cost | | (125,503,427) | (121,861,350) |
| 2.8 Cash Obtained from Sale of Financial Assets Measured at Amortised Cost (*) | | 89,906,221 | 40,745,444 |
| 2.9 Other | V-VI | (7,526,427) | (4,288,012) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| III. Net cash provided from financing activities | | (6,332,343) | 4,185,113 |
| 3.1 Cash obtained from funds borrowed and securities issued | | 110,530,909 | 60,961,708 |
| 3.2 Cash used for repayment of funds borrowed and securities issued | | (111,205,611) | (43,184,062) |
| 3.3 Equity Instruments | | - | - |
| 3.4 Dividends Paid | | (7,648,806) | (12,402,571) |
| 3.5 Payments for Finance Leases | | (2,078,635) | (1,189,962) |
| 3.6 Other | V-VI | 4,069,800 | - |
| IV. Effect of change in foreign exchange rate on cash and cash equivalents | V-VI | 1,954,703 | 8,591,643 |
| V. Net increase in cash and cash equivalents | | (2,163,919) | 283,150,017 |
| VI. Cash and cash equivalents at beginning of the period | | 397,294,605 | 114,144,588 |
| VII. Cash and cash equivalents at end of the period | | 395,130,686 | 397,294,605 |

(*) It also includes financial assets measured at amortized cost.

TÜRKİYE İŞ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF DECEMBER 31, 2024

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

| TURKIYE IS BANKASI A.S. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION TABLE | | |
|---|--------------------------------|------------------------------|
| | THOUSAND TL | |
| | CURRENT PERIOD (31/12/2024) | PRIOR PERIOD (31/12/2023) |
| I. DISTRIBUTION OF CURRENT YEAR PROFIT (1) | | |
| 1.1 CURRENT PERIOD PROFIT (2) | 38,173,767 | 79,287,460 |
| 1.2 TAXES AND DUES PAYABLE (-) | -7,343,678 | 4,817,703 |
| 1.2.1 Corporate Tax (Income Tax) | 901,131 | 9,929,002 |
| 1.2.2 Income Tax Withholding | 636,915 | 286,855 |
| 1.2.3 Other Taxes and Dues Payable (3) | -8,881,724 | -5,398,154 |
| A. NET PROFIT FOR THE PERIOD (1.1-1.2) | 45,517,445 | 74,469,757 |
| 1.3 PRIOR YEARS' LOSSES (-) | 0 | 0 |
| 1.4 FIRST LEGAL RESERVES (-) | 0 | 4,453,157 |
| 1.5 OTHER STATUTORY RESERVES (-) | 0 | 1,165,806 |
| B. NET PROFIT ATTRIBUTABLE TO [(A)-(1.3+1.4+1.5)] | 45,517,445 | 68,850,794 |
| 1.6 FIRST DIVIDEND TO SHAREHOLDERS (-) | 0 | 1,500,000 |
| 1.6.1 To Owners of Ordinary Shares | 0 | 1,499,998 |
| 1.6.2 To Owners of Preferred Shares | 0 | 2 |
| 1.6.3 To Preferred Shares (Preemptive Rights) | 0 | 0 |
| 1.6.4 To Profit Sharing Bonds | 0 | 0 |
| 1.6.5 To Holders of Profit/Loss Share Certificates | 0 | 0 |
| 1.7 DIVIDENDS TO PERSONNAL (-) | 0 | 1,903,117 |
| 1.8 DIVIDENDS TO THE BOARD OF DIRECTORS (-) | 0 | 0 |
| 1.9 SECOND DIVIDEND TO SHAREHOLDERS (-) | 0 | 5,726,480 |
| 1.9.1 To Owners of Ordinary Shares | 0 | 5,726,449 |
| 1.9.2 To Owners of Privileged Shares | 0 | 21 |
| 1.9.3 To Owners of Preferred Shares | 0 | 10 |
| 1.9.4 To Profit Sharing Bonds | 0 | 0 |
| 1.9.5 To Holders of Profit/Loss Share Certificates | 0 | 0 |
| 1.10 STATUTORY RESERVES (-) | 0 | 0 |
| 1.11 EXTRAORDINARY RESERVES | 0 | 59,721,197 |
| 1.12 OTHER RESERVES | 0 | 0 |
| 1.13 SPECIAL FUNDS | 0 | 0 |
| II. DISTRUBITION FROM RESERVES | | |
| 2.1 DISTRUBITED RESERVES | 0 | 0 |
| 2.2 DIVIDENDS TO SHAREHOLDERS (-) | 0 | 0 |
| 2.2.1 To Owners of Ordinary Shares | 0 | 0 |
| 2.2.2 To Owners of Privileged Shares | 0 | 0 |
| 2.2.3 To Owners of Preferred Shares | 0 | 0 |
| 2.2.4 To Profit Sharing Bonds | 0 | 0 |
| 2.2.5 To Holders of Profit/Loss Share Certificates | 0 | 0 |
| 2.3 DIVIDENDS TO PERSONNAL (-) | 0 | 0 |
| 2.4 DIVIDENDS TO THE BOARD OF DIRECTORS (-) | 0 | 0 |
| III. EARNINGS PERSHARE | | |
| 3.1 TO OWNERS OF ORDINARY SHARES (4) | 1.8207 | 2.8906 |
| 3.2 TO OWNERS OF ORDINARY SHARES (%) | 182 | 289 |
| 3.3 TO OWNERS OF PRIVILEGED SHARES (4) | 0 | 0 |
| 3.4 TO OWNERS OF PRIVILEGED SHARES (%) | 0 | 0 |
| IV. DIVIDEND PER SHARE | | |
| 4.1 TO OWNERS OF ORDINARY SHARES (4) | 0 | 0.2891 |
| 4.2 TO OWNERS OF ORDINARY SHARES (%) | 0 | 28.91 |
| 4.3 TO OWNERS OF PRIVILEGED SHARES (4) | 0 | 6.8493 |
| 4.4 TO OWNERS OF PRIVILEGED SHARES (%) | 0 | 684.93 |

(1) The decision for dividend payment is made at the Annual General Meeting. Annual General Meeting has not been held as of the reporting date.

(2) In accordance with "TAS 19 Employee Benefits" TL 1,905,000 allocated for the profit share to be distributed to the perdonnel in 2023 and added to the profit distribution base of the same year, and TL 299,959 retained earnings added to the profit distribution base of the same year are added to the previous period's profit in the table.

(3) Deffered Tax Expense/Income.

(4) Expressed in exact TL.

SECTION THREE: EXPLANATION ON ACCOUNTING POLICIES

I. Basis of Presentation

The consolidated financial statements, related notes and explanations in this report are prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as "BRSA Accounting and Financial Reporting Legislation") and requirements of Turkish Financial Reporting Standards (TFRS) published the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations.

The format and content of the consolidated financial statements, as well as the explanations and footnotes, have been prepared in accordance with the "Communiqué on Financial Statements to be Disclosed to the Public by Banks and the Explanations and Footnotes Related to Them", published in the Official Gazette No. 28337 on June 28, 2012, and the "Communiqué on Public Disclosure of Risk Management by Banks", published in the Official Gazette No. 29511 on October 23, 2015, as well as the amendments and additions made to these communiqués. The Bank prepares its accounts in Turkish currency in accordance with the provisions of the Banking Law, the Turkish Commercial Code and the Turkish Tax Law. These consolidated financial statements have been subjected to independent audit in accordance with the International Standards on Auditing ("ISA") issued by the International Auditing and Assurance Standards Board ("IAASB"), as required by the Global Depositary Receipt ("GDR") program requirements to which the Bank is subject in the United Kingdom, and are presented as attached. These consolidated financial statements are identical in all respects to the financial statements of the Group that were audited in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and published on 12 February 2025, except for the updated Section Five, Part IX – Explanations and Notes on Subsequent Events.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. With the announcement made on November 23 2023, POA stated that, entities that is applying TFRS on their financial statements for the annual reporting period ending on or after December 31, 2023 should be presented by adjusting for the inflation effect in accordance with the relevant accounting principles in the TAS 29 standard, on the other hand, POA explained that institutions or organizations authorized to regulate and supervise may determine different transition dates in their own fields for the implementation of TMS 29 provisions. In accordance with the BRSA's decision dated December 12, 2023, and numbered 10744, the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated December 31, 2023, will not be subject to the inflation adjustment required within the scope of TMS 29. In accordance with the Decision No. 10825 dated January 11, 2024, it was decided to switch to inflation accounting as of January 1, 2025. In this context, TMS 29 is not applied and and inflation adjustment has not been reflected in the financial statements dated December 31, 2024. However, pursuant to the BRSA's decision dated December 5, 2024 and numbered 11021, it has been decided that banks, as well as financial leasing, factoring, financing, savings financing, and asset management companies, will not apply inflation accounting in 2025.

TFRS 17 "Insurance Contracts" standard, published by POA on 16 February 2019 to be applied for accounting periods starting after 31 December 2022, determines the principles regarding the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the standard. The purpose of TFRS 17 is to ensure that entities display these contracts fairly. POA has decided to apply TFRS 17 on consolidated and individual financial statements of companies as of January 1, 2024. Based on the POA's letter dated 15 February 2024, and numbered 22667, the effective date of TFRS 17 has been postponed to 1 January 2025. On the other hand, the effective date of TFRS 17 was postponed from January 1, 2024, to January 1, 2025, due to an amendment made by the Insurance and Pension Regulation and Supervision Authority (SEDDEK) in Article 13, paragraph (a) of the "Regulation Amending the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies". In this regard, in a letter dated February 15, 2024, sent by POA to the Turkish Banking Association, it was stated that the application of TFRS 17 for insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies and other companies with investments/partnerships in these companies has been postponed to January 1, 2025. As a result, the standard will not be applied in the financial statements for the period ending December 31, 2024. Furthermore, the SEDDEK has changed the effective date of TFRS 17 to January 1, 2026, by a letter published in the Official Gazette No. 32765 on December 27, 2024. Accordingly, in a letter dated January 14, 2025, sent by POA to the Turkish Banking Association, it was stated that the application of TFRS 17 in the consolidated and separate financial statements of insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies and other companies with investments/partnerships in these companies has been postponed to January 1, 2026.

The accounting policies applied in the current period are in line with the prior period consolidated financial statements. The accounting policies and the valuation principles used in the preparation of the consolidated financial statements are presented below in detail.

II. Strategy for Use of Financial Instruments and Foreign Currency Transactions

1. The Group's Strategy on Financial Instruments

The Group's main financial activities comprise a wide range of activities such as banking, insurance and reinsurance services, brokerage services, investment consulting, real estate portfolio and asset management, payment services, financial lease, factoring services, portfolio and asset management. The liabilities on the Group's balance sheet are mainly composed of relatively short-term deposits, parallel to general liability structure of the banking system, which is its main field of activity. As for the non-deposit liabilities, funds are collected through medium and long-term instruments. The liquidity risk that may arise from this liability structure can be easily controlled through deposit continuity, as well as widespread network of the correspondent banks, market maker status (The Parent Bank is one of the market maker banks) and using liquidity facilities of the Central Bank of the Republic of Türkiye (CBRT). As a result, the liquidity of the Group and the banking system can be easily monitored. On the other hand, foreign currency liquidity requirements are met by the money market operations and currency swaps.

Most of the funds collected bear fixed interest, and by closely monitoring the developments in the sector, both fixed and floating rate placements are made based on the yields of alternative investment instruments. Some of the fixed interest liabilities that are issued/used by the Group companies are subject to fair value hedge accounting. The fair value risk of the related fixed interest financial liabilities is protected by interest rate swaps. Explanations on hedge accounting are explained in Section Three, footnote IV.2. The principle of safety is prioritized in placement works, placements are directed to high yield and low risk assets by considering their maturity structures, while taking global and national economic expectations, market conditions, expectations and tendencies of current and potential loan customers, interest rate, liquidity, currency risks and etc, into consideration. In long term placements, a pricing policy aiming at high return is applied in general and attention is paid to maximizing non-interest income generation opportunities. In addition, the Bank and its subsidiaries within the scope of consolidation act in parallel with these strategies and within the legal limits in management of Financial Statements.

The primary objectives related to balance sheet components are set by the long-term plans shaped along with budgeting; and the Parent Bank takes the required positions against the short-term currency, interest rates and price fluctuations in accordance with these plans and the course of the market conditions.

Foreign currency, interest rate and price fluctuations in the markets are monitored instantaneously. While taking positions, in addition to the legal limits, the Parent Bank's own transaction and control limits are also effectively monitored to avoid limit overrides.

The Parent Bank's asset-liability management is executed by the Asset-Liability Management Committee, within the risk limits determined by the Board of Directors, to keep the liquidity risk, interest rate risk, currency risk and credit risk within certain limits depending on the equity adequacy and to maximize profitability.

2. Foreign Currency Transactions

The financial statements of the Parent Bank's branches and financial institutions that have been established abroad are prepared in functional currency prevailing in the economic environment that they operate in; and when they are consolidated, they are presented in TL, which are the functional currency of the Parent Bank and also the currency used in presentation of the financial statements.

Foreign currency monetary assets and liabilities on the balance sheet are converted into Turkish Lira by using the prevailing exchange rates at the balance sheet date. Non-monetary items in foreign currencies carried at fair value are converted into Turkish Lira by the rates at the date of which the fair value is determined. Exchange rate differences arising from the conversions of monetary foreign currency items and the collections of and payments in foreign currency transactions are reflected to the income statement.

While the Parent Bank and Türkiye Sınai Kalkınma Bankası A.Ş. one of the consolidated subsidiaries, use their own foreign currency exchange rates for their foreign currency transactions, other consolidated institutions residing domestically use the CBRT rates for their foreign currency transactions.

Assets and liabilities of the foreign branches of the Parent Bank and financial institutions that have been established abroad are converted into TL by using the prevailing exchange rates at the balance sheet date. Income and expenses of foreign branches are converted by at exchange rates at the dates of the transactions. Incomes and expenses of foreign financial institutions are converted into TL at average foreign currency rates of the balance sheet date as long as there is not a significant fluctuation in currency rates during the period. The exchange rate differences arising from the conversion to TL are recognized in the shareholders' equity.

The Parent Bank has been applying net investment hedge accounting as of November 01, 2023, to the 431 million EURO portion of its net investment in its subsidiary Isbank AG, headquartered in Germany and whose functional currency is Euro, in order to hedge against exchange rate risk. The part of the EURO demand deposit subject to hedge accounting has been determined as a hedging instrument. Exchange rate changes in the portion of foreign currency demand deposits subject to hedge accounting are recognized in equity under "Accumulated Other Comprehensive Income or Expense Reclassified to Profit or Loss".

III. Information on the Consolidated Companies

1. Basis of Consolidation:

The consolidated financial statements have been prepared in accordance with the procedures and principles listed in the “Communiqué Related to Regulation on the Preparation of the Consolidated Financial Statements of Banks” published in the Official Gazette numbered 26340 dated November 8, 2006.

a. Subsidiaries:

A subsidiary is an entity that is controlled by the Parent.

Control; is the power of the Parent Bank to appoint or remove from office the decision-taking majority of members of board of directors through direct or indirect possession of the majority of a legal person’s capital irrespective of the requirement of owning minimum fifty-one per cent of its capital; or by having control over the majority of the voting right as a consequence of holding privileged shares or of agreements with other shareholders although not owning the majority of capital.

As per the “Communiqué Related to the Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette numbered 26340 dated November 8, there is no subsidiary or financial institution that is not included in the scope of consolidation as of the current period. Detailed information about the Bank’s subsidiaries related to credit and financial institution is given in Section Five Note I.i.3

Under full consolidation method, the assets, liabilities, income and expenses, and off-balance sheet items of subsidiaries are combined with the equivalent items of the Parent Bank. The book value of the Parent Bank's investment in each of the subsidiaries and the Group’s portion of equity of each subsidiary are eliminated. All significant transactions and balances between consolidated subsidiaries are eliminated reciprocally. Non-controlling interests in the net period profit/loss and in the equity of consolidated subsidiaries are calculated separately from the Group’s net period profit/loss and the Group’s shareholders' equity. Non-controlling interests are presented separately in the balance sheet and in the period profit/loss statement.

In preparing its consolidated financial statements, the Bank performed necessary corrections to ensure consistency of accounting policies used by consolidated subsidiaries. On the other hand, insurance companies under consolidation are obliged to carry their activities in accordance with the regulations and other legislations issued by Republic of Türkiye Ministry of Treasury and Finance and in the accompanying consolidated financial statements, financial reporting presentations of these companies are maintained in accordance with the insurance legislation.

TFRS 3 “Business Combinations” standard prescribes no depreciation to be recognized for goodwill arising on the acquisitions on or after March 31, 2004, realizing positive goodwill as an asset and application of impairment analysis as of balance sheet dates. In the same standard, it is also required from that date onwards that the negative goodwill, which occurs in the case of the Group’s interest in the fair value of acquired identifiable assets and liabilities exceeds the acquisition cost to be recognized in profit or loss.

In the prior periods, positive consolidation goodwill amounting to TL 27,994 resulting from the acquisition of Moka Ödeme Ve Elektronik Para Kuruluşu A.Ş. is included in the consolidated financial statements.

The structured entity that is established within the Bank’s securitization loan transactions are included in the consolidated financial statement although the bank does not have any subsidiaries.

b. Associates:

An associate is a domestic or foreign entity which the Parent Bank participates in its capital and over which it has a significant influence but no control.

Significant influence is the power to participate in the financial and operating policy of the investee. If the Parent Bank holds qualified shares in the associate, it is presumed that the Parent Bank has significant influence unless otherwise demonstrated. A substantial or majority ownership by another investor does not necessarily preclude the Parent Bank from having significant influence.

Qualified share is the share that directly or indirectly constitutes ten or more than ten percent of an entity’s capital or voting rights and irrespective of this requirement, possession of privileged shares giving right to appoint members of board of directors.

Equity method is a method of accounting whereby the book value of the investor’s share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor’s share from the change in the subsidiary’s or joint venture’s equity within the period. The method also foresees that profit will be deducted from the subsidiaries’ or joint venture’s accordingly recalculated value.

III. Information on the Consolidated Companies (Continued)

Arap-Türk Bankası A.Ş. is a subsidiary of the Bank acting as a credit institution or financial institution, is accounted under the equity method in the consolidated financial statements according to the "Communiqué on the Preparation of Consolidated Financial Statements". Accounting policies of Arap Türk Bankası A.Ş. are not different than the Parent Bank's accounting policies. Detailed information about Arap Türk Bankası A.Ş. is given in Section Five Note I.h.2.

c. Jointly controlled entities:

A joint venture is an agreement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Bank does not have any jointly controlled entities which are credit or financial institutions in nature and to be consolidated in the financial statements by the equity method according to the "Regulation on Preparation of Consolidated Financial Statements of Banks".

d. Principles applied during share transfer, merger and acquisition:

None.

2. Presentation of subsidiaries, associates and jointly controlled entities which are not credit or financial institutions in consolidated financial statements:

The subsidiaries, associates and jointly controlled entities which are not credit or financial institutions owned by the Bank and its subsidiaries are accounted accordingly to the equity method described in TAS 28 "Investments in Associates and Joint Ventures".

IV. Forward, Option Contracts and Derivative Instruments

Derivative transactions of the Group consist of foreign currency and interest rate swaps, forwards, foreign currency options and interest rate options. The Group has no derivative instruments decomposed from the main contract.

The Group classifies derivative products "Derivative Financial Instruments at Fair Value through Profit or Loss" or "Derivative Financial Instruments through Other Comprehensive Income" according to the "IFRS 9-Financial Instruments" principles.

1. Derivative Financial Instruments

Derivative transactions are recorded at their fair value at the date of contract, receivables and payables arising from these transactions are recorded in off-balance sheet accounts. Derivative transactions are measured at fair value at subsequent reporting dates and if the valuation difference is positive, they are classified as "Derivative Financial Assets at Fair Value through Profit or Loss", if it is negative they are classified as "Derivative Financial Liabilities at Fair Value through Profit or Loss". The differences arising from the valuation of derivative transactions are associated with the income statement.

2. Hedging Derivative Financial Instruments

IFRS 9 "Financial Instruments" rules that TAS 39 "Financial Instruments: Recognition and Measurement" value hedge accounting may continue to be implemented to hedge the fair value changes against interest rate risk. In this context, the principles of TAS 39 regarding hedge accounting for fair value hedge accounting continue to be applied in the accompanying financial statements.

Interest rate swaps are performed to hedge the changes in fair value of fixed interest rate financial instruments.

In this context, if the valuation differences of the derivative transactions are positive, they are included in "Derivative financial assets at Fair Value through Profit or Loss" and if the valuation differences are negative, they are included in "Derivative Financial Liabilities at Fair Value through Profit or Loss". Changes in the fair value of the fixed rate financial liabilities subject to hedge accounting and changes in the fair value of interest rate swaps as hedging instruments are recorded under "Trading Profit/Loss" in the income statement.

At the beginning of the hedging transaction and in each reporting period, it is expected that the hedging transaction will offset the changes in the hedged risk arising from the hedged transaction (related to the hedged risk) and effectiveness tests are performed in this context. Efficiency tests are carried out with the "Dollar off-set method" and the hedging accounting is continued if the efficiency is between 80% and 125%.

The hedge accounting is terminated if the hedging instrument is terminated, realized, sold or the effectiveness test is ineffective. In the case of termination of fair value hedge accounting, the valuation effects of the fair value hedge accounting applied on the hedged financial instruments is reflected to the statement of profit or loss on a straight-line basis over the life of the hedged financial instrument.

V. Interest Income and Expenses

Interest income is calculated by using the effective interest rate method (the rate that equals the future cash flows of a financial asset or liability to its present net book value) to gross carrying amount of financial asset in conformity with “TFRS 9 Financial Instruments” except financial asset that is not a purchased or originated credit-impaired financial asset but subsequently has become credit-impaired.

Under the scope of TFRS 9 application, the Group does not reverse the interest accruals and rediscounts of non-performing loans and other receivables and monitors the related amounts under interest income and calculates expected credit loss on these amounts according to the related methodology.

VI. Fees and Commission Income and Expenses

Wages and commissions those that are not an integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted for in accordance with "TFRS 15 - Revenue from Customer Contracts". Fees and commission income and expenses are recognized either on accrual basis or by using the effective interest method. Income earned in return for services rendered contractually or due to operations like sale or purchase of assets on behalf of a third-party real person or corporate body are recognized in income accounts in the period of collection.

VII. Financial Assets

The Bank and its companies within the scope of “TFRS 9 Financial Instruments”, classifies and accounts its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets at Measured at Amortized Cost” by considering their business model and contractual cash flow characteristics. Financial assets are recognized or derecognized according to TFRS 9 “Recognition and Derecognition in Statement of Financial Position” requirements. Financial asset is recognized in the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are measured at their fair value on initial recognition in the financial statements.

The Group has three different business models for classification of financial assets:

- Business model aimed at holding financial assets to collect contractual cash flows: Financial assets held under the mentioned business model are managed to collect contractual cash flows over the life of these assets. The Group manages its assets held under this portfolio to collect certain contractual cash flows.
- Business model aimed at collecting contracted cash flows of financial assets and selling; in this business model, the Group intends both to collect contractual cash flows of financial assets and to sell these assets.
- Other business models: A business model in which financial assets; are not held within the scope of a business model aimed at collection of contractual cash flows and within the scope of a business model aimed at collecting and selling contracted cash flows, are measured by reflecting fair value in profit or loss.

The Group is able to reclassify all affected financial assets in case it changes the business model that is used for the management of financial asset.

In the event of the termination of the rights related to the cash flows from a financial asset, the transfer of all risks and rewards of the financial asset to a significant extent or has no longer control of the financial assets, the financial asset is derecognized.

1. Financial Assets at Fair Value Through Profit or Loss

Financial assets except financial assets measured at amortized cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are financial assets held for the purpose of generating profit from short-term fluctuations in price or similar factors in the market or being part of a portfolio for profitability in the short term, regardless of the acquisition reason or financial assets that are not held in a business model that aims at collecting and/or selling contractual cash flows of financial assets.

Financial assets at fair value through profit or loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. Gains or losses arising from the valuation are related to profit and loss accounts.

VII. Financial Assets (Continued)

In some cases, restructuring, alteration or counterparty changes of contractual cash flows of loans may lead to derecognition of related loans in accordance with TFRS 9. When the change in the financial asset results from derecognizing the existing financial asset from the financial statements and the revised financial asset is recognized in the financial statements, the revised financial asset is considered as a new financial asset in accordance with TFRS 9. When it is determined that there are significant changes between the new conditions of the revised financial asset and the first conditions in related agreements, the Group evaluates the new financial asset according to the current business models. When it is determined that the contractual conditions do not only result in cash flows that include principal and interest payments at certain dates, but the financial asset is also recognized at fair value and is subject to valuation. The differences arising from the valuation are reflected in the nominal accounts.

The Group recognizes loans at fair value through profit or loss, if the contractual terms of the loan, do not result in cash flows including the principal payments and interest payments generated from principal amounts at certain dates. These loans are valued at their fair values after their recognition and the losses or gains arising from the valuation are included in the profit and loss accounts.

2. Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are financial assets that are held under a business model that aims both to collect contractual cash flows and to sell financial assets, and financial assets with contractual terms that lead to cash flows that are solely payments of principal and interest on the principle amount outstanding at specific dates.

Financial assets at fair value through other comprehensive income are initially recognized at their fair value including their transaction costs on the financial statements. The initial recognition and subsequent valuation of such financial assets, including the transaction costs, are carried out on a fair value basis and the difference between amortized cost and the cost of borrowing instruments is recognized in profit or loss by using the effective interest method. Dividend income arising from investments in equity instruments that are classified as at fair value through other comprehensive income is also recognized in income statements.

Gains and losses, except impairment gain or loss and foreign exchange gain or loss, arising from changes in the fair value of financial assets at fair value through other comprehensive income are reflected to other comprehensive income until derecognized or reclassified. When the value of the financial asset is collected or financial asset is disposed, the related fair value differences accumulated in the shareholders' equity are transferred to the profit/loss statement.

During the initial introduction to financial statements, amendments to the fair value of an investment in an equity instrument within the framework of TFRS 9 that are not held for trading or that are not valued in a financial statement of an entity that acquires business combinations under the "TFRS 3 Business Combinations" may be subject to an irreversible preference regarding these amendments being accounted in other comprehensive income. In such case, dividends taken from mentioned investment will be accounted in financial statement as profit or loss.

3. Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are those financial assets that are held within the framework of a business model aimed at collecting contractual cash flows over the life of the asset and which result in cash flows that include principal and interest on the principal amount outstanding at specific dates. Financial assets measured at amortized cost with the initial recognition at fair value including transaction costs are subject to valuation with their discounted cost value by using the effective interest rate method, after eliminating any provision for impairment if there is any. Interest income measured by using the effective interest rate method are recognized in the income statement as an "interest income".

The Bank and subsidiaries evaluate their loans within the framework of current business models and depending on these evaluations, they can be classified as Financial Assets measured at Amortized Cost.

The Parent Bank also holds consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit or loss and financial assets measured at amortised cost. In the valuation of the mentioned securities, the estimated inflation curve created by using the CPI index announced by Turkish Statistical Institute ("TÜİK") and the "Annual CPI Expectation After 12 Months" from the CBRT Market Participants Survey is used. Future cash flows of securities are estimated by using the mentioned inflation data and valuation is made according to the effective interest method within the framework of the reference inflation index formula specified in the Undersecretariat of Treasury's Investor Guide of CPI.

VIII. Impairment of Financial Assets

In accordance with the “IFRS 9- Financial Instruments” and the regulation “Procedures and Principles regarding Classification of Loans and Allowances Allocated for Such Loans” issued by BRSA, the Bank recognizes expected credit loss allowance on financial assets at fair value through other comprehensive income, financial assets measured at amortized cost, impaired credit commitments and financial guarantee contracts.

Within the scope of IFRS 9, the expected credit loss is calculated according to the “three-stage” impairment model based on the change in the loan quality of financial assets after the initial recognition and detailed in the following headings:

Stage 1:

An important determinant for calculating the expected credit loss in accordance with IFRS 9 is to assess whether there is a significant increase in the credit risk of the financial asset. Financial assets that have not experienced a significant increase in credit risk since the initial recognition are monitored in the stage 1. Impairment for credit risk for the Stage 1 financial assets is equal to the 12-month expected credit losses.

Stage 2:

Financial assets that experienced a significant increase in the credit risk since initial recognition, are transferred to Stage 2. The expected credit loss of these financial assets are measured at an amount equal to the instrument’s lifetime expected credit loss. In order to classify a financial asset in the Stage 2, the following criteria is considered:

- Overdue between 30-90 days
- Restructuring of the loan
- Significant deterioration in the probability of default

In case of a significant deterioration in the probability of default, the credit risk is increased significantly, and the financial asset is classified as stage 2. The absolute and gradual thresholds used to increase the probability of default are differentiated based on portfolio and product group. In this manner, for the commercial portfolio, definition of increase in the probability of default is the comparison between the probability of default on loan’s opening date, obtained from the integrated rating/score based on internal rating and probability of default of the same loan on reporting date, obtained from the integrated rating/score based on internal rating. For the individual portfolio, it is accepted that the probability of default is worsened in cases where the behavioral score falls below the thresholds determined based on the product and the probability of default exceeds the thresholds determined on the basis of the product.

Stage 3:

Financial assets with sufficient and fair information for impairment at the reporting date, are classified in the third stage. Expected credit loss of these financial assets is measured at an amount equal to the lifetime expected credit loss. The following basic factors are considered for the classification of a financial asset in the stage 3.

- More than 90 days past due
- Whether the credit rating is weakened, has suffered a significant weakness or cannot be collected or there is a certain opinion on this matter

While estimating the expected credit loss, statistical models, methods and tools are used in accordance with the relevant legislation and accounting standards. Expected credit loss is measured using reasonable and supportable information by taking current and forecasts of future economic information into consideration, including macroeconomic factors. Three scenarios, base scenario, optimistic scenario and the worst scenario, are used in forecasting studies made by macroeconomic models. The variables used in these macroeconomic estimates include Industrial Production Index, Employment Ratio and Credit Default Swap indicators. The validity of the risk parameter estimates used in the calculation of expected credit losses is reviewed and evaluated at least annually within the framework of model validation processes. In 2023, loss at default models were updated in individual and commercial portfolios, and statistical models that estimate the loss at default parameter through decision trees differentiated according to risk variables in the relevant portfolios began to be used in expected credit loss calculations. Macroeconomic forecasts and risk delinquency data used in risk parameter models are re-evaluated every quarter to reflect the changes in economic conjuncture and are updated if needed. In the expected credit loss calculations, macroeconomic information is taken into account under multiple scenarios. Except for demand or revolving loans, the maximum period for which expected credit losses are to be determined is the contractual life of the financial asset. For demand or revolving loans, maturity is determined by taking the future risk mitigation processes into account such as behavioral maturity analyses performed by the Bank and cancellation/revision of the Bank’s credit limit.

VIII. Impairment of Financial Assets (Continued)

While calculating the expected credit loss, aside from assessment of whether there is a significant increase in credit risk or not, basic parameters expressed as probability of default, loss given default and exposure at default are used.

Probability of Default: Represents the probability of default on the loan over a specified time period. In this context, the Bank has developed models to calculate 12-month and life-time default probabilities by using internal rating based credit rating models. As for the Group Companies historical probability of default data has also been observed.

Loss Given Default (LGD): Defined as the damage caused by the default of borrower to the total balance of the exposure at the time of default. The LGD estimates are determined by models in terms of credit risk groups that are detailed in the Bank's data resources and system facilities. The model used for LGD forecasting based on the Bank's historical collection data, statistical models are used to explain the LGD ratios formed in past periods, taking into account the direct cost items in the collection process, using risk variables that differ for each credit risk group.

Exposure at Default: For cash loans, the cash balance at the date of report, for non-cash loans the balance calculated using the Credit Conversion Factor (CCF) is represented by Exposure at Default.

Credit Conversion Factor: It is calculated for non-cash loans (undrawn limit for revolving loans, commitments, non-cash loans etc.) The historical limit usage data of the Bank for revolving loans are analyzed and the limit amount that can be used until the moment of default is estimated. For non-cash loans, the cash conversion ratio of the loan amount is estimated by analyzing the product type and the past compensation amount of the Group.

Credit risks, which require qualitative assessments due to their characteristics and differ followed by grouping in this manner, are considered as individual within the internal policies. Calculations are made by the method of discounted cash flows with the effective interest rate expected from the relevant financial instrument. Discounted cash flows are estimated for 3 different scenarios in which parameters are differentiated, and individual expected credit loss is calculated by taking into consideration the cash deficit amounts weighted according to probabilities.

As mentioned above, the Parent Bank allocated expected credit losses by reflecting additional provisions through individual assessments performed for the customers that operates in sectors where the impact might be high in accordance with the Bank's risk policies.

Expected credit loss is reflected in the income statement. Released provisions in the current year are accounted under "Expected Credit Loss Expenses" and released provision which is carried from the prior year are accounted under "Other Operating Income".

Receivables evidenced through the Legal Process that collection is not possible can be written-off by fulfilling the requirements of the Tax Procedure Law. Besides, loans for which specific provision is allocated and for which there is no reasonable expectation of recovery might be written-off.

IX. Offsetting Financial Instruments

Financial assets and financial liabilities shall be offset, and the net amount shall be presented in the balance sheet only when a party currently has a legally enforceable right to set off the recognized amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

X. Sale and Repurchase Agreements and Securities Lending Transactions

Marketable securities subject to repurchase agreements are classified under "Financial Assets at Fair Value through Profit and Loss", "Financial Assets at Fair Value through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost" in the portfolio and they are valued according to the valuation principles of the related portfolios.

Funds obtained from the repurchase agreements are recognized under "Funds from Repurchase Transactions" account in liabilities. For the difference between the sale and repurchase prices determined by the repo agreements for the period; expense accrual is calculated using the effective interest rate method.

Reverse repo transactions are recognized under the "Receivables from Reverse Repo Transactions" account. For the difference between the purchase and resale prices determined by the reverse repo agreements for the period, income accrual is calculated using the effective interest rate method.

XI. Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities

Assets that meet the criteria to be classified as held for sale within the scope of “TFRS 5 – Non-current Assets Held for Sale and Discontinued Operations” are measured at the lower one of their fair value and their carrying amount which from the costs to sell are deducted and presented separately within the financial statements. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active programme to complete the plan should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year. Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of a group that either has been disposed of or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the income statement.

XII. Goodwill and Other Intangible Assets

The Group’s intangible assets consist of consolidation goodwill, software programs and rights.

Goodwill arising from the acquisition of a subsidiary represents the excess of cost of acquisition over the fair value of Group’s share of the identifiable assets, liabilities, or contingent liabilities of the acquired subsidiary at the date of acquisition of the control. Goodwill is recognized as an asset at cost and then carried at cost less accumulated impairment losses. In impairment-loss test, goodwill is allocated between the Group’s every cash-generating unit that is expected to benefit from the synergies of the business combination. To control whether there is an impairment loss in the cash-generating units that goodwill is allocated, impairment-loss test is applied every year or more often if there are indications of impairment loss. In the cases, recoverable amount of cash-generating unit is smaller than its book value; impairment loss is firstly used in reduction of book value of the cash-generating unit, and then the other assets proportionally. Goodwill which is allocated for the impairment losses could not be reversed. When a subsidiary is to be sold, related goodwill amount is combined with the profit/loss relating to this disposal. Positive goodwill arising from the Group’s investments in its subsidiaries is recognized in “Intangible Assets”. Explanations on consolidation goodwill are given in Section Three, Note III.1.a.

As for other intangible assets, the purchased items are presented with their acquisition costs less the accumulated amortization and impairment provisions. In case there is an indication of impairment, the recoverable amount of the related intangible asset is estimated within the framework of TAS 36 “Impairment of Assets” and impairment provision is set aside in case the recoverable amount is below its acquisition cost. The related assets are amortized by the straight-line method considering their estimated useful life. The amortization method and period are periodically reviewed at the end of each year.

XIII. Tangible Assets

The Bank and Group companies follow their real estates in use, which are recorded under tangible fixed assets, according to the revaluation model within the framework of “TAS 16 – Property, Plant and Equipment”. The positive difference between the net book value of real estate property values and the renewed expertise values which are determined by the licensed valuation companies, are recorded under the shareholders’ equity in current period.

In case there is an indication of impairment, the recoverable amount of the related intangible asset is estimated within the framework of “TAS 36 – Impairment of Assets” and impairment provision is set aside in case the recoverable amount is below its acquisition cost.

Tangible assets other than the land and construction in progress are amortized by the straight-line method, according to their estimated useful lives. The estimated useful life, residual amount and the method of amortization are reviewed every year for the possible effects of the changes that occur in the estimates and if there is any change in the estimates, they are recognized prospectively.

Assets held under finance lease are depreciated over the expected useful life of the related assets. Assets subject to leasing are depreciated according to relevant contract periods.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XIII. Tangible Assets (Continued)

Within the scope of the TFRS 16 standard, development costs related to leases that cannot be added to the cost of the right-of-use asset and are within the scope of exceptions in the mentioned standard are amortized in equal amounts, taking into account the useful-life period. However, in any case the useful life cannot exceed leasing term. When the lease period is not certain or longer than 5 years, the amortization period is recognized as 5 years.

The difference between the sales proceeds arising from the disposal of tangible assets or the inactivation of tangible asset and the book value of the tangible assets are recognized in the profit and loss accounts.

Regular maintenance and repair cost incurred for tangible assets are recognized as expense. There are no pledges, mortgages and similar encumbrances on tangible assets.

The depreciation rates used in amortization of tangible assets and their estimated useful lives are as follows:

| | Estimated Economic Life (Year) | Depreciation Rate |
|----------------|--------------------------------|-------------------|
| Buildings | 50 | 2 % |
| Safe Boxes | 2-50 | 2 % - 50 % |
| Other Movables | 2-25 | 4 % - 50 % |

XIV. Investment Property

Investment properties are kind of properties held by the Group to earn rent income or benefit from valuation surplus. The investment properties of the Group are measured at their fair values in the consolidated financial statements in accordance with "TAS 40 Investment Property". Any gains or losses arising from changes in fair values of investment properties are recognised in "Other Operating Incomes" and "Other Operating Expenses" for the related period.

XV. Leasing Transactions

Banks and companies within the scope of consolidation account for their leases within the scope of TFRS 16 "Leases" standard. For contracts within the scope of TFRS 16, right-of-use assets and lease liabilities are reflected in the financial statements, and these are shown under "Tangible Assets" and "Leasing Transactions Liabilities", respectively.

In accordance with TFRS 16, the right of use asset is first measured at cost. The cost of the right-of-use asset consists of the present value of the lease payments as of the date the lease obligation begins, the amount obtained by deducting all lease incentives received, and the sum of all initial direct costs incurred by the lessee. The right-of-use assets of banks and companies within the scope of consolidation are measured by the cost method. Fixed assets accounted for as right-of-use assets are depreciated taking into account the contract period.

In accordance with TFRS 16, lease liabilities are calculated by discounting future lease payments using the Bank's borrowing rate at the inception or contract date. The interest expense relating to the lease liability for each period is the amount determined by applying a fixed periodic interest rate to the remaining balance of the lease liability. Interest expense on lease liabilities and exchange differences are recognized in the income statement.

Within the scope of consolidation, there is 1 company (İş Finansal Kiralama A.Ş.) that exclusively engages in financial leasing transactions and 1 bank (Türkiye Sınai Gelişim Bankası A.Ş.) that engages in financial leasing activities in accordance with Article 4 of the Banking Law No. 5411, financial leasing activities are carried out within the framework of the Financial Leasing, Factoring, Financing and Saving Financing Companies Law No. 6361.

XVI. Insurance Technical Income and Expense

Claims are recognized as expenses as incurred, and a provision for outstanding claims is recognized for both reported but unpaid claims and incurred but not reported (IBNR) claims at the end of the period. Reinsurer shares of paid claims are netted off accordingly.

Additionally, appropriate actuarial methods are used to estimate the amount of provision required in the current period based on past claim data. The resulting provision amount is either added to or deducted from the outstanding claims provision.

Insurance premium income represents the total amount of policy premiums issued during the period, net of cancellations. Earned premium income is recognized in the financial statements on an accrual basis by allocating an unearned premium reserve over the written premiums.

XVII. Insurance Technical Provisions

TFRS 4 “Insurance Standards” requires that all contracts issued by insurance companies be classified as either insurance contracts or investment contracts. Contracts with significant insurance risk are considered insurance contracts. Insurance risk is defined as risk, other than financial risk, transferred from the holder of a contract to the issuer. Contracts issued by insurance companies without significant insurance risk are considered investment contracts. Investment contracts are accounted for in accordance with TAS 39 “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement”.

Within the framework of the current insurance regulation, insurance technical provisions accounted by insurance companies for unearned premium claims, unexpired risk reserves, outstanding claims and life-mathematical reserves are presented in the consolidated financial statements.

Unearned premium reserve is recognized on accrued premiums without discount or commission which extends to the next period or periods on a daily basis for the current insurance contracts.

Provisions for ongoing risks are allocated if any deficiency is identified based on the assessment of the adequacy of recognized technical provisions, using current estimates of future cash flows.

If the outstanding claim reserve is established and confirmed by approximation and if there are unpaid or unidentified compensation amounts in both prior and current accounting periods; it is separated for estimated yet unreported compensation amounts.

Mathematical reserve is recognized on actuarial bases in order to meet the requirements of policyholders and beneficiaries for life, health and personal accident insurance contracts for a period longer than a year.

On the other hand, actuarial chain ladder method is used to estimate the reserve amount to be set aside in the current period by looking at the data of the past materialized losses. If the reserve amount found as a result of this method exceeds the amount of reserve for the amount of uncertain indemnity, additional reserve must be set aside for the difference.

Reinsurance companies recognize for the outstanding claims that is declared by the companies, accrued and determined on account.

Insurance companies of the Group cede premium and risks in the normal course of business in order to limit the potential for losses arising from risks accepted. Insurance premiums ceded to reinsurers on contracts that are deemed to transfer significant insurance risk are recognized as an expense in a manner that is consistent with the recognition of insurance premium revenue arising from the underlying risks being protected.

Costs which vary and are directly associated with the acquisition of insurance and reinsurance contracts including brokerage, commissions, underwriting expenses and other acquisition costs are deferred and amortized over the period of contract, consistent with the earning of premium.

XVIII. Provisions and Contingent Liabilities

As of the end of the reporting period, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists, the entity recognizes a provision in the financial statements. As of the end of the reporting period where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability on footnotes unless the possibility of an outflow of resources embodying economic benefits is remote.

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

Provisions are calculated based on the reliable estimates of management of the Parent Bank and subsidiaries on the expenses to incur as of the balance sheet date to fulfill the liability by considering the risks and uncertainties related to the liability. In case the provision is measured by using the estimated cash flows required to fulfill the existing liability, the book value of the related liability is equal to the present value of the related cash flows.

If the amount is not reliably estimated and there is no probability of cash outflow from the Group to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

XIX. Contingent Assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Parent Bank and the Group. Since showing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements, but if there is a possibility that an inflow of economic benefits of these assets may occur then it is explained in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and if 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 of the period in which the change occurs.

XX. Liabilities Regarding Employee Benefits

1. Severance Indemnities and Short-Term Employee Benefits

According to the related regulation and the collective bargaining agreements, the Parent Bank and consolidated Group companies (excluding the subsidiaries residing outside Türkiye) are obliged to pay termination benefits for employees who retire, die, quit for their military service obligations, who have been dismissed as defined in the related regulation or (for the female employees) who have voluntarily quit within one year after the date of their marriage. Within the scope of TAS 19 “Employee Benefits”, the Parent Bank allocates severance indemnity provisions for employee benefits by estimating the present value of the probable future liabilities. According to TAS 19, all actuarial gains and losses occurred are recognized under shareholders’ equity. As the legislations of the countries in which the Parent Bank’s non-resident subsidiaries operate do not require retirement pay provision, no provision liability has been recognized for the related companies. In addition, provision is also allocated for the unused paid vacation.

2. Retirement Benefit Obligations

İşbank Pension Fund (Türkiye İş Bankası A.Ş. Emekli Sandığı Vakfı), of which each employee of the Parent Bank is a member, has been established according to the provisional Article 20 of the Social Security Act No 506. As per provisional article numbered 23 of the Banking Law numbered 5411, it is ruled that Bank pension funds, which were established within the framework of Social Security Act, will be transferred to the Social Security Institution, within 3 years after the publication of such law. Methods and principles related to transfer have been determined as per the Cabinet decision dated November 30, 2006 numbered 2006/11345. However, the related article of the act has been cancelled upon the President’s application dated November 2, 2005, by the Supreme Court’s decision dated March 22, 2007. Nr.E.2005/39. K.2007/33, which was published on the Official Gazette dated March 31, 2007 and numbered 26479 and the execution decision was ceased as of the issuance date of the related decision.

After the justified decree related to cancelling the provisional Article 23 of the Banking Law was announced by the Constitutional Court on the Official Gazette dated December 15, 2007 and numbered 26731. Turkish Grand National Assembly started to work on establishing new legal regulations, and after it was approved at the General Assembly of the TGNA, the Law numbered 5754 “Emending Social Security and General Health Insurance Act and Certain Laws and Decree Laws”, which was published on the Official Gazette dated May 8, 2008 and numbered 26870, came into effect. The new law decrees that the contributors of the Bank pension funds, the ones who receive salaries or income from these funds and their rightful beneficiaries will be transferred to the Social Security Institution and will be subject to this Law within 3 years after the release date of the related article, without any need for further operation. The three-year transfer period can be prolonged for maximum 2 years by the Cabinet decision.

However related transfer period has been prolonged for 2 years by the Cabinet decision dated, March 14, 2011. which was published on the Official Gazette dated April 9, 2011 and numbered 27900, In addition, by the Law “Emending Social Security and General Health Insurance Act”, which was published on the Official Gazette dated March 8, 2012 and numbered 28227, this period of 2 years has been raised to 4 years after that related transfer period has been prolonged for one more year by the Cabinet decision dated April 8, 2013, which was published on the Official Gazette dated May 3, 2013 and numbered 28636 also this period has revalidated one more year by the Cabinet decision dated February 24, 2014, which was published on the Official Gazette dated April 30, 2014 and numbered 28987.

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 April 23, 2015, and numbered 29335. This authority was transferred to the President with the delegated legislation No.703 which published in the repetitive Official Gazette No. 30473 dated July 9, 2018.

On the other hand, the application made on June 19, 2008 by the Republican People’s Party to the Constitutional Court for the annulment and motion for stay of some articles, including the first paragraph of the provisional article 20 of the Law, which covers provisions on transfers, was rejected in accordance with the decision taken at the meeting of the afore-mentioned court on March 30, 2011.

The aforementioned Law also states that:

- Through a commission constituted by the attendance of one representative separately from the Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization. Banking Regulation and Supervision Agency. Savings Deposit Insurance Fund, one from each pension fund, and one representative from the organization employing pension fund contributors, related to the transferred persons, the cash value of the liabilities of the pension fund as of the transfer date will be calculated by considering their income and expenses in terms of the lines of insurance within the context of the related Law, and technical interest rate of 9.8% will be used in the actuarial calculation of the value in cash
- And that after the transfer of the pension fund contributors, the ones who receive salaries or income from these funds and their rightful beneficiaries to the Social Security Institution, these persons’ uncovered social rights and payments, despite being included in the trust indenture that they are subject to, will be continued to be covered by the pension funds and the employers of pension fund contributors.

XX. Liabilities Regarding Employee Benefits (Continued)

In line with the new law, the Parent Bank obtained a technical actuarial valuation report from a licensed actuary for the year ended December 31, 2024. In related period's financial statements, Bank provided full provision for the total amount of technical and actual deficit stated in the actuarial report of the aforementioned period. The actuarial assumptions used in the related actuarial report are given in Section Five Note II-h-4-1. Besides the Parent Bank; Anadolu Anonim Türk Sigorta Şirketi, Milli Reasürans T.A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. also had actuarial valuations as of December 31, 2024 for their pension funds. The provision amount of actuarial and technical deficit, which was measured according to actuarial report of Milli Reasürans T.A.Ş., is added in the financial statements for the current period. According to actuarial report of Anadolu Anonim Türk Sigorta Şirketi and Türkiye Sınai Kalkınma Bankası, there is not any additional operational or actuarial liability.

On the other hand, within the scope of the temporary article added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510, with the Law No. 7438 published in the Official Gazette dated March 1, 2023 and numbered 32121, among those who request pension after the effective date of the relevant article, those who will be granted an old-age or retirement pension according to the relevant regulations, are provided with the opportunity to benefit from old-age and retirement pensions if they meet the conditions other than age in the said provisions.

İşbank Members' Supplementary Pension Fund has been founded by the Parent Bank to provide beneficiaries with additional social security and solidarity rights to compulsory social security benefits as per the provisions of the Turkish Commercial Code and Turkish Civil Code. Those are also valid for the supplementary pension funds of the employees of Anadolu Anonim Türk Sigorta Şirketi, Milli Reasürans T.A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. which are among the other financial institutions of the Group.

XXI. Taxation

1. Corporate Tax:

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Pursuant to the amendment made in Article 32 of the Corporate Tax Law with the Law No. 7394, the corporate tax rate has been determined as 25%, starting from the declarations that must be submitted as of January 1, 2022 and being valid for the corporate earnings for the taxation period starting from 01.01.2022. On the other hand, the Law No. 7456 published in the Official Gazette No. 32249 dated July 15, 2023 and the Corporate Tax Law No. 32. in accordance with the amendment made to the article, the corporate tax rate has been determined as 30% starting from the returns that must be submitted as of October 1, 2023 and applying to corporate earnings of institutions for the year 2023 and subsequent taxation periods. The corporate tax rate valid for the period December 31, 2024 is 30%.

As per the Corporate Tax law, temporary tax is calculated and in the first nine months of the year, paid quarterly in line with the principles of the Income Tax Law and at the corporate tax rate. The temporary tax payments are deducted from the current period's corporate tax.

Tax provision consists of current tax provision and deferred tax income/expense. The current tax liability is calculated over the portion of the period subject to taxation. The taxable profit differs from the profit involved in the statement of profit and loss, as the income and expense items that can be taxable or deductible at other periods, and items that are not taxable or deductible are excluded. The current tax amounts payable is netted off with prepaid tax amounts and presented on the financial statements.

Within the framework of the Corporate Tax Law numbered 5520, 75% of the gains on the sale of the participation shares, which were held in the assets for a minimum of 2 whole years and 75% of the gains on the sale of immovable are exempt from tax provided that they are added to the capital as set forth by the Law or that they are kept in a special fund under liabilities for a period of 5 years. However, in accordance with Article 89 / a of the Law No. 7061 and Article 5.1.e and Article 5.1.f of the Corporate Tax Law, which were published in the Official Gazette dated December 5, 2017, and numbered 30261, the 75% applied in terms of immovable sales mentioned above has been reduced to 50% which is effective from the date of publication of the Law.

XXI. Taxation (Continued)

On the other hand, with the Law No. 7456 published in the Official Gazette dated July 15, 2023 and numbered 32249, the exception for 50% of the income arising from the sale of immovables in Article 5.1.e of the Corporate Tax Law has been abolished. However, pursuant to the temporary article 16 added to the Corporate Tax Law with the 22nd article of the Law No. 7456, the pre-amendment provisions will be taken into consideration for the immovables included in the assets of the institutions before July 15, 2023. The 50% rate will be applied as 25% for the real estate sales earnings to be made after July 15, 2023.

Additionally, with Presidential Decree No. 9160 published in the Official Gazette dated November 27, 2024, and numbered 32735, the exemption rate for gains arising from the sale of participation shares, founder's shares, usufruct shares, and pre-emptive rights has been reduced to 50%.

In accordance with the provision of Article 298 / A of the Tax Procedure Law (TPL), the necessary conditions for inflation adjustment in the calculation of corporate tax as of the end of the 2021 calendar year have been met. However, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023 with the regulation made with the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" numbered 7352 published in the Official Gazette dated January 29, 2022 and numbered 31734. Accordingly, the TPL financial statements were not subjected to inflation correction in the 2021, 2022 and 2023 accounting periods and the provisional tax periods of the 2023 accounting period, including the provisional tax periods, and the TPL financial statements dated December 31, 2023 were subject to inflation correction, regardless of whether the inflation adjustment conditions were met or not. In accordance with TPL Provisional Article 33, profit/loss differences arising from the inflation adjustment made on December 31, 2023 and required to be shown in previous years' profit/loss accounts do not affect the corporate tax base. However, with the regulation made by the Law No. 7491 on Amendments to Certain Laws and Decree Laws, the profit/loss difference arising from the inflation adjustment to be made by banks and financial institutions in the 2024 and 2025 accounting periods, including the provisional tax periods, will be taken into account in determining the earnings. It is regulated that it will not be taken.

With the regulations in paragraph (Ç) of Article 298 of the TPL and Provisional Article 32, taxpayers have been given the opportunity to optionally revalue within the scope of the TPL General Communiqué No. 537. However, these revaluation opportunities cannot be used in periods where inflation adjustment is applied in accordance with Article 298 bis of the TPL. 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.

On July 16, 2024, Türkiye began adopting the OECD's Global Minimum Tax (Pillar 2) regulations through a Bill submitted to the Grand National Assembly of Türkiye. These regulations entered into force with Law No. 7524, published in the Official Gazette No. 32620 on August 2, 2024. The implementation in Türkiye is largely aligned with the OECD's Pillar 2 Model Rules, showing similarities in terms of scope, exemptions, consolidation, tax calculations, and reporting deadlines. However, secondary legislation detailing the calculation methods and implementation approach has not yet been published, and specific issues such as Türkiye's unique circumstances and existing incentives are expected to be clarified through the Ministry's secondary regulations. These changes have not had a significant impact on the Group's financial position or performance.

Additionally, Article 36 of Law No. 7524 has introduced Article 32/C, titled "Domestic Minimum Corporate Tax," into the Corporate Tax Law. According to this regulation, the corporate tax calculated under Articles 32 and 32/A cannot be less than 10% of the corporate income before applying deductions and exemptions. This regulation entered into force upon publication and will apply to corporate income for the 2025 tax period. Furthermore, Communiqué No. 23 on Corporate Tax was published in the Official Gazette No. 32676 on September 28, 2024, regarding this matter.

2. Deferred Tax:

Deferred tax asset or liability is determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts considered in the legal tax base account, by taking the legal tax rates into account. Deferred tax debts are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Free provisions that are allocated for possible future risks and they are not subject to deferred tax calculation. No tax assets or liabilities are recognized for the temporary timing difference that affects neither the taxable profit nor the accounting profit and that arises from the initial recognition in the balance sheet, of assets and liabilities, other than the goodwill and mergers. The Bank calculates deferred tax for the provisions allocated for Stage 1 and Stage 2 expected credit loss.

XXI. Taxation (Continued)

The carrying values of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated over the tax rates that are valid or nearly effective in the period when the assets are realized, or the liabilities are fulfilled and are recorded as expense or income in the income statement. However, deferred tax is recognized directly in equity accounts if it relates to assets directly associated with equity in the same or a different period.

According to the amendment to Article 32 of the Corporate Tax Law made by Law No. 7394, the corporate tax rate was set at 25% for tax periods starting from 1 January 2022 and for tax returns due from 1 July 2022 onwards. Furthermore, as per the amendment to Article 32 of the Corporate Tax Law introduced by Law No. 7456, published in the Official Gazette No. 32249 on 15 July 2023, the corporate tax rate has been adjusted to 30% for tax periods beginning on or after 1 October 2023, applicable to corporate earnings for 2023 and subsequent tax periods. The bank has used the 30% rate for its deferred tax calculations.

According to the temporary Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax have been included in the deferred tax calculation in the financial statements.

Deferred tax assets and liability of the Bank and consolidated companies are shown by way of offsetting in separate financial statements of each entity. In the consolidated financial statements, on the other hand, the deferred tax assets and liabilities that come from the companies as offset are separately involved in the assets and liabilities.

3. Tax Practices in the Countries that Foreign Branches Operate:

Turkish Republic of Northern Cyprus (TRNC)

In accordance with TRNC tax legislation, 15% income tax is accrued on the remaining tax base after 10% corporate tax is deducted from corporate income. The tax bases for companies are determined by adding the expenses that cannot be deducted according to TRNC regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. Income tax is paid in June, and corporate tax payment is made in two equal installments, in May and in October. On the other hand, withholding tax is paid in TRNC over interest income and similar gains of the companies. The related withholding tax payments and provisional tax paid every quarter during the year are deducted from corporate tax payable and the difference between withholding and provisional tax amounts and corporate tax payable is discounted from income tax provided that the withholding tax and paid provisional tax amounts are higher than corporate tax amount.

England

Corporate earnings are subject to 25% corporate tax in England. The relevant rate is applied to the tax base that is determined by adding the expenses that cannot be deducted due to the regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. Respect to the current year, if the tax base calculated in accordance with the country legislation is within a certain range, the corporate tax is paid in July, October of the relevant year and in January and April of the following year; If it is over a certain amount, it is paid in 4 installments in March, June, September, and December of the relevant year. The corporate tax amount must be finalized and paid by the end of September of the year following the year of profit. In case the corporate tax payable as a result of the calculation is below the temporary taxes paid, the difference amount is deducted later or paid back to the Branch by the authority.

Bahrain

Banks in Bahrain are not subject to tax according to the regulations of the country.

The Republic of Iraq (Iraq)

The corporate tax rate in Iraq is 15%, and the corporate tax is paid on a consolidated basis to the tax office of the foreign bank's central branch. The first branch established in Iraq is considered as the central branch. Foreign bank branches whose central branch is within the boundaries of the Central Government must present their consolidated financial statements and pay accrued tax to the relevant tax office by the end of May of the following year, and branches of foreign banks whose central branch is within the boundaries of the Northern Iraq Regional Government must present their financial statements and pay accrued tax by the end of June of the following year at the latest. Northern Iraq Regional Government tax offices can accrue fixed taxes other than the specified rate and can postpone the due date.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XXI. Taxation (Continued)

Kosovo

Corporate earnings are subject to income tax rate of 10% according to the Kosovo legislation. This ratio is applied to the tax base that will be calculated as a result of the implementation of exemptions, deductions, addition of disallowable expenses, to the corporate income and that are calculated in accordance with the tax laws. Tax has to be paid in advance until April, July, October and the 15th day of January of the following year by four installments. If those prepaid taxes are lower than the final corporate tax, the difference is paid until the end of March of the following year, in case of a claim made by company, if it is higher, then the difference is returned to the institution by the tax authorities after the inspection conducted by those institution.

Georgia

Corporate earnings are subject to income tax rate of 20% according to the Georgian legislation. This ratio is applied to the tax base that will be calculated as a result of the implementation of exemptions, deductions, addition of disallowable expenses, to the income of corporations and that are calculated in accordance with the tax laws. In addition, in accordance with the legislation of Georgia, each year during May, July, September and December the amount of tax, that calculated according to the previous year income tax, is paid to the tax office by four equal installments of the probable income that is likely to be obtained the current year. If those prepaid taxes are lower than the final corporate tax, the difference is paid until the beginning of April of the following year, if it is higher, then the difference is returned to the institution by the tax authorities.

Germany

According to the tax regulations in Germany, corporate gains are subject to 15% corporate tax, 16.7% income and industrial tax. In addition to this, a solidarity tax of 5.5% is calculated over this corporate tax. The tax bases for corporate, income and industrial services are determined by adding the expenses that cannot be deducted according to Germany regulations, to interest, commissions and other operating gains and by subtracting exemptions and deductions from these. The corporate tax payments are made as temporary tax payments in four installments and are deducted from the corporate tax that is finalized at the end of the current year.

Russia

According to the Russian regulations, corporate gains are subject to 25% corporate tax. The taxable amount is determined on an accrual basis and calculated by adding non-deductible expenses to the corporate profit generated during the period. In Russia, corporations file tax returns on a quarterly basis and make provisional tax payments by offsetting the prepayments made during the period. The final taxation period for corporate income tax is one year, and the final tax payment, considering the provisional taxes paid during the year, must be made by March 28 of the following year. Coupon income derived from government bonds issued by the Russian Federation and Belarus, as well as Ruble-denominated and certain other specific bonds issued by Russian companies on or after January 1, 2017, and traded on the stock exchange, is subject to corporate income tax at a rate of 20%. The tax on income from these securities, similar to the taxation of other securities, is paid within a unified monthly tax payment framework.

Transfer Pricing:

Transfer pricing is regulated through Article 13 of Corporate Tax Law titled “Transfer Pricing through Camouflage of Earnings”. Detailed information for the practice regarding the subject is found in the “General Communiqué Regarding Camouflage of Earnings through Transfer Pricing”.

According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against “arm’s length principle”, the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions according to article 11 of Corporate Tax Law in means of corporate tax.

XXII. Additional Information on Borrowings

The Parent Bank and its consolidated companies, whenever required, generates funds from individuals and institutions residing domestically and abroad by approaching the borrowing instruments in the form of syndication, securitization, collateralized borrowing and issue of bonds/bills. Such transactions are at first carried at acquisition cost, and in the following periods they are valued at amortized cost measured by using the effective interest rate method.

Part of the bills issued by the Group with fixed interest and a part of its liabilities with fixed interest are subject to fair value hedge accounting. While the rediscounted credit risk and accumulated interest amount subject to hedging liability are recognized in “Interest Expenses” under profit/loss statement; net amount resulted of the hedge accounting other than the credit risk and accumulated interest amount are recognized in “Derivative Financial Transactions Gains/Losses” under profit/loss statement by using fair value model. In the balance sheet, these valuations are presented with the related liabilities.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XXIII. Information on Equity Shares and Their Issuance

Transaction costs related to the issuance of shares are accounted for as expenses. Dividend income related with the equity shares are determined by the Parent Bank's General Assembly of the Shareholders. Dividends to be distributed are calculated independently of earnings/loss per share.

According to the "TAS 33 Earnings per Share" standard, the calculation of earnings per share considers the weighted average number of shares. In cases where the number of shares increases due to bonus issues resulting from capital increases via internal sources, earnings per share calculations for comparative periods are adjusted by recalculating the previously determined weighted average number of shares. This adjustment assumes that the bonus issue occurred at the beginning of the comparative period. If such changes in the number of shares occur after the balance sheet date but before the financial statements are approved for publication, earnings per share calculations are also based on the new number of shares.

The Bank's paid-in capital is 25,000,000 TL, which corresponds to a total of 625,002,250 shares divided into A, B, and C groups. This consists of 1 TL in A group shares, each with a nominal value of 1 Kuruş, 29,000 TL in B group shares, each valued at 1 Kuruş, and 24,999,970 TL in C group shares, each with a nominal value of 4 Kuruş. For comparability with the previous period's calculations, which was based on 625,002,250 shares, the earnings per share, calculated per 1 nominal TL using a total of 25,000,000 shares that make up the paid-in capital, is presented below in its updated version.

| | Current Period | Prior Period |
|---|----------------|--------------|
| Group's net profit | 45,536,879 | 72,253,773 |
| Number of shares in nominal TL equivalent (thousands) | 25,000,000 | 25,000,000 |
| Earnings per share – (in exact TL) | 1.8215 | 2.8902 |

XXIV. Bank Acceptances and Bills of Guarantee

Bill guarantees and acceptances are realized simultaneously with the customer payments, and they are presented as possible liabilities and commitments in the off-balance sheet accounts.

XXV. Government Incentives

There are no government incentives utilized by the Bank or the companies included in consolidation, during the current or prior accounting periods.

XXVI. Segment Reporting

Business segment is the part of an enterprise.

- which conducts business operations where it can gain revenues and make expenditures (including the revenues and expenses related to the transactions made with the other parts of the enterprise).
- whose operating results are regularly monitored by the authorities with the power to make decisions related to the operations of the enterprise in order to make decisions related to the funds to be allocated to the segment and to evaluate the performance of the segment and
- which has its separate financial information.

Information on business segmentation and related information is explained in Section IV Footnote VII.

XXVII. Other Disclosures

None.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR: INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. Explanations on Shareholders' Equity:

1. Explanations on Consolidated Shareholders' Equity

The Bank's consolidated capital adequacy standard ratio is 18.15%. (December 31,2023: 19.86%). The capital adequacy standard ratio has been calculated based on the Regulation on Banks' Own Funds, the Regulation on the Measurement and Assessment of Capital Adequacy of Banks, the Banking Regulation and Supervision Agency (BRSA) decision dated December 12, 2023 and numbered 10747, as well as other relevant legal regulations. In accordance with the aforementioned Board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Türkiye as of June 26, 2023, while the equity component has been determined without considering the negative net valuation differences of securities classified under the "Financial Assets at Fair Value Through Other Comprehensive Income" portfolio that were acquired on or before January 1,2024.

| | Current Period | Prior Period |
|---|--------------------|--------------------|
| COMMON EQUITY TIER I CAPITAL | | |
| Paid-in Capital to be Entitled for Compensation after All Creditors | 26,615,938 | 11,615,938 |
| Share Premium | 121,391 | 138,553 |
| Legal Reserves | 155,363,002 | 109,809,482 |
| Other Comprehensive Income According to TAS | 120,761,699 | 87,512,538 |
| Profit | 51,120,944 | 72,625,319 |
| Net Current Period Profit | 45,536,879 | 72,253,773 |
| Prior Period Profit | 5,584,065 | 371,546 |
| Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit | (1,070) | (1,070) |
| Minority Shares | 7,066,791 | 4,542,611 |
| Common Equity Tier I Capital Before Deductions | 361,048,695 | 286,243,371 |
| Deductions From Common Equity Tier I Capital | | |
| Valuation adjustments calculated as per the article 9, (i) of the Regulation on Bank Capital | | |
| Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS | 11,989,792 | 7,950,753 |
| Leasehold improvements on operational leases | 524,607 | 271,232 |
| Goodwill Netted with Deferred Tax Liabilities | 27,994 | 27,994 |
| Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights | 11,553,162 | 6,858,049 |
| Remaining after deducting from the related deferred tax liability with the deferred tax asset based on future taxable income, except for deferred tax assets based on temporary differences | 3,861,893 | |
| Differences Arise When Assets and Liabilities Not Held at Fair Value, are Subjected to Cash Flow Hedge Accounting | | |
| Total Credit Losses That Exceed Total Expected Loss Calculated According to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach | | |
| Securitization Gains | | |
| Unrealized Gains and Losses from Changes in Bank's Liabilities' Fair Values due to Changes in Creditworthiness | | |
| Net Amount of Defined Benefit Plans | | |
| Direct and Indirect Investments of the Bank on its own Tier I Capital | 489,198 | 799,140 |
| Shares Obtained against Article 56, Paragraph 4 of the Banking Law | | |
| Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital | | |
| Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital | | |
| Mortgage Servicing Rights (amount above 10% threshold of above Tier I capital) | | |
| Deferred Tax Assets Arising from Temporary Differences (amount above 10% threshold of above Tier I Capital) | | |
| Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks | | |
| The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital | | |
| Excess Amount arising from Mortgage Servicing Rights | | |
| Excess Amount arising from Deferred Tax Assets from Temporary Differences | | |
| Other Items to be Defined by the BRSA | | |
| Deductions from Tier I Capital in Cases where there are no Adequate Additional Tier I or Tier II Capitals | | |
| Total Deductions from Common Equity Tier 1 | 28,446,646 | 15,907,168 |
| Total Common Equity Tier I capital | 332,602,049 | 270,336,203 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

| | | |
|--|--------------------|--------------------|
| ADDITIONAL TIER I CAPITAL | | |
| Privileged stocks not included in common equity and share premiums | | |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA | 10,519,950 | |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4) | | |
| Shares of Third Parties in Additional Tier I Capital | 8,628,444 | 5,348,088 |
| Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3) | | |
| Additional Tier I Capital before Deductions | 19,148,394 | 5,348,088 |
| Deductions from Additional Tier I Capital | | |
| Direct and Indirect Investments of the Bank on its own Additional Core Capital | | |
| Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in 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 above Tier I Capital | | |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital | | |
| Other items to be defined by the BRSA | | |
| Items to be Deducted from Tier I Capital during the Transition Period | | |
| Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-) | | |
| Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-) | | |
| Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-) | | |
| Total Deductions from Additional Tier I Capital | | |
| Total Additional Tier I Capital | 19,148,394 | 5,348,088 |
| Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital) | 351,750,443 | 275,684,291 |
| TIER II CAPITAL | | |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA | 38,110,000 | 35,660,250 |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4) | | |
| Shares of Third Parties in Additional Tier I Capital | 3,606,241 | 2,262,711 |
| Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3) | | |
| Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital) | 25,171,023 | 18,868,119 |
| Tier II Capital before Regulatory Adjustments | 66,887,264 | 56,791,080 |
| Deductions from Tier II Capital | | |
| Direct and Indirect Investments of the Bank on its own Tier II Capital (-) | | |
| Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the 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 above Tier I Capital (-) | | |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II 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 I Capital | | |
| Other items to be Defined by the BRSA (-) | | |
| Total Deductions from Tier II Capital | | |
| Total Tier II Capital | 66,887,264 | 56,791,080 |
| Total Equity (Total Tier I and Tier II Capital) | 418,637,707 | 332,475,371 |
| Deductions from Total Equity | 6,269 | 3,230 |
| Loans Granted against the Articles 50 and 51 of the Banking Law | 6,269 | 3,230 |
| Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years | | |
| Other items to be Defined by the BRSA | | |
| Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) during the Transition Period | | |
| The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

| | | |
|---|---------------|---------------|
| The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation | | |
| The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation | | |
| CAPITAL | | |
| Total Capital (Total of Tier I Capital and Tier II Capital) | 418,631,438 | 332,472,141 |
| Total Risk Weighted Assets | 2,306,082,780 | 1,673,761,385 |
| CAPITAL ADEQUACY RATIOS | | |
| Consolidated CET1 Capital Ratio (%) | 14.42 | 16.15 |
| Consolidated Tier I Capital Ratio (%) | 15.25 | 16.47 |
| Consolidated Capital Adequacy Ratio (%) | 18.15 | 19.86 |
| BUFFERS | | |
| Total Additional Common Equity Requirement Ratio (a+b+c) | 4.080 | 4.070 |
| a) Capital Conservation Buffer Ratio (%) | 2.500 | 2.500 |
| b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%) | 0.080 | 0.070 |
| c) Systemic Bank Buffer Ratio (%) | 1.500 | 1.500 |
| Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%) | 9.25 | 10.47 |
| Amounts Lower Than Excesses as per Deduction Rules | | |
| Remaining 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 | | |
| Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital | 554,844 | 453,026 |
| Remaining Mortgage Servicing Rights | | |
| Net Deferred Tax Assets arising from Temporary Differences | 30,811,538 | 14,637,453 |
| Limits for Provisions Used in Tier II Capital Calculation | | |
| General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand) | 34,382,763 | 26,712,369 |
| General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets | 25,171,023 | 18,868,119 |
| Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach | | |
| Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets | | |
| Debt Instruments Covered by Temporary Article 4 (effective between January 1, 2018 - January 1, 2022) | | |
| Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4 | | |
| Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit | | |
| Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4 | | |
| Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

2. Information on instruments to be included in the consolidated capital calculation:

| Issuer | Türkiye İş Bankası A.Ş. | |
|---|--|--|
| Unique identifier (CUSIP, ISIN etc.) | US90016BAF58-XS1623796072 | XS2106022754 |
| Governing law(s) of the instrument | It is subject to English Law except for certain articles that will be subject to Turkish Law. Issued within the scope of BRSA Regulation on Banks' Equity. | It is subject to English Law except for certain articles that will be subject to Turkish Law. Issued within the scope of BRSA Regulation on Banks' Equity. |
| Subject to 10% deduction as of January 1, 2015 | No | No |
| Eligible at unconsolidated / consolidated | Unconsolidated -Consolidated | Unconsolidated -Consolidated |
| Instrument type (types to be specified by each jurisdiction) | Bond | Bond |
| Amount recognized in regulatory capital (Currency in mil. as of most recent reporting date) | 10,500 | 26,250 |
| Par value of instrument (Expressed in million TL) | 17,500 | 26,250 |
| Accounting classification | Subordinated Liabilities | Subordinated Liabilities |
| Original date of issuance | 29.06.2017 | 22.01.2020 |
| Perpetual or dated | Dated | Dated |
| Original maturity date | 11 Years | 10 Years |
| Issuer call subject to prior supervisory approval | Yes | Yes |
| Optional call date, contingent call dates and redemption amount | The Bank; (1) provided that subject to having obtained the prior approval of the related legislation, can purchase or otherwise acquire treasury stock (2) provided that subject to having obtained the prior approval of the BRSA, (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity. | Upon obtaining the approval of the Banking Regulation and Supervision Agency (BRSA), the Bank exercised its redemption option on January 22, 2025, and accordingly, all bonds were fully redeemed as of the said date. |
| Subsequent call dates, if applicable | None | None |
| Coupons / dividends | | |
| Fixed or floating dividend/coupon | Fixed | Fixed |
| Coupon rate and any related index | 9.192 % | 7.75 % |
| Existence of a dividend stopper | None | None |
| Fully discretionary, partially discretionary or mandatory | None | None |
| Existence of step up or other incentive to redeem | None | None |
| Noncumulative or cumulative | Noncumulative | Noncumulative |
| Convertible or non-convertible | None | None |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

| | | |
|---|--|--|
| | | |
| 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 | In accordance with Regulations on Equities of Banks. Article 8.2.ğ bonds have deleted option from records. | In accordance with Regulations on Equities of Banks. Article 8.2.ğ. bonds have deleted option from records. |
| If write-down, write-down trigger(s) | In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (TMSF), provided that the losses are deducted from the existing shareholders' equity, or if there is a possibility of such circumstances, the related amounts may be derecognized from the records based on a decision to be taken by the Banking Regulation and Supervision Agency (BRSA). | In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (TMSF), provided that the losses are deducted from the existing shareholders' equity, or if there is a possibility of such circumstances, the related amounts may be derecognized from the records based on a decision to be taken by the Banking Regulation and Supervision Agency (BRSA). |
| If write-down, full or partial | Partially or completely | Partially or completely |
| If write-down, permanent or temporary | Permanent | Permanent |
| If temporary write-down, description of write-up mechanism | | |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Paid before shares and the primary of subordinated debt and after all the other debts. | Paid before shares and the primary of subordinated debt and after all the other debts. |
| Incompliance with article number 7 and 8 of "Own fund regulation" | Yes. | Yes. |
| Details of incompliances with article number 7 and 8 of "Own fund regulation" | To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7. | To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7. |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

| | | | |
|--|--|--|--|
| Issuer | Türkiye İş Bankası A.Ş. | Türkiye İş Bankası A.Ş. | Türkiye İş Bankası A.Ş. |
| Unique identifier (CUSIP, ISIN etc.) | TRSTISB72712 | TRSTISB62911 | TRSTISB92918 |
| Governing law(s) of the instrument | Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks. | Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks. | Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks. |
| Taking into account in equity calculation | | | |
| Subject to 10% deduction as of January 1, 2015 | No | No. | No. |
| Eligible at unconsolidated / consolidated | Unconsolidated – Consolidated | Unconsolidated - Consolidated | Unconsolidated - Consolidated |
| Instrument type (types to be specified by each jurisdiction) | Bond | Bond | Bond |
| Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting data) | 440 | 640 | 280 |
| Nominal value of instrument (TL Million) | 1,100 | 800 | 350 |
| Accounting classification | Subordinated Liabilities | Subordinated Liabilities | Subordinated Liabilities |
| Original date of issuance | 08.08.2017 | 19.06.2019 | 26.09.2019 |
| Perpetual or dated | Dated | Dated | Dated |
| Original maturity date | 10 Years | 10 Years | 10 Years |
| Issuer call subject to prior supervisory approval | Yes | Yes | Yes |
| Optional call date, contingent call dates and redemption amount | No earlier than 5 years after issuance. | No earlier than 5 years after issuance. | No earlier than 5 years after issuance. |
| | No earlier than 5 years after issuance. | No earlier than 5 years after issuance. | No earlier than 5 years after issuance. |
| Subsequent call dates, if applicable | | | |
| Interest/Dividend Payment | | | |
| Fixed or floating coupon/dividend payments | Floating | Floating | Floating |
| Coupon rate and any related index | Government Debt Security for 5 years+350 base points | Turkish Lira Overnight Reference Interest Rate (TLREF) + 193 base points | Government Debt Security for 5 years + 350 base points |
| Existence of a dividend stopper | None. | None. | None. |
| Fully discretionary, partially discretionary or mandatory | None. | None. | None. |
| Existence of step up or other incentive to redeem | None. | None. | None. |
| Noncumulative or cumulative | Non-cumulative | Non-cumulative | Non-cumulative |
| Convertible into equity shares | None. | None. | None. |
| 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 | In accordance with Regulations on Equities of Banks, Article 8.2.ğ, bonds have deleted option from records. | In accordance with Regulations on Equities of Banks, Article 8.2.ğ, bonds have deleted option from records. | In accordance with Regulations on Equities of Banks, Article 8.2.ğ, bonds have deleted option from records. |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

| | | | |
|---|---|---|---|
| If write-down, write-down trigger(s) | In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (SDIF), provided that the losses are deducted from the existing shareholders' capital, or if there is a possibility of such circumstances, the relevant amounts may be derecognized from the records based on a decision to be made by the Banking Regulation and Supervision Agency (BRSA). | In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (SDIF), provided that the losses are deducted from the existing shareholders' capital, or if there is a possibility of such circumstances, the relevant amounts may be derecognized from the records based on a decision to be made by the Banking Regulation and Supervision Agency (BRSA). | In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (SDIF), provided that the losses are deducted from the existing shareholders' capital, or if there is a possibility of such circumstances, the relevant amounts may be derecognized from the records based on a decision to be made by the Banking Regulation and Supervision Agency (BRSA). |
| If bond can be written-down, full or partially | Partially or Completely | Partially or Completely | Partially or Completely |
| If bond can be written-down, permanent or temporary | Permanent | Permanent | Permanent |
| If temporary write-down, description of write-up mechanism | | | |
| Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument) | Paid before shares and the primary of subordinated debt and after all the other debts. | Paid before shares and the primary of subordinated debt and after all the other debts. | Paid before shares and the primary of subordinated debt and after all the other debts. |
| Incompliance with article number 7 and 8 of Regulation on Bank Capital | Yes. | Yes. | Yes. |
| Details of incompliance with article number 7 and 8 of Regulation on Bank Capital | To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7. | To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7. | To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7. |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Explanations on Shareholders' Equity: (Continued)

| | |
|---|---|
| Issuer | Türkiye Sınai Kalkınma Bankası A.Ş. |
| Unique identifier (CUSIP, ISIN etc.) | XS2778918834 US90015YAF60 |
| Governing law(s) of the instrument | Regulation on Equity of Banks (Official Gazette Date: 05 September 2013 Official Gazette Number: 28756) Capital Markets Board Communiqué on Debt Instruments VII-128.8 (Official Gazette Date: 07 June 2013 Official Gazette Number: 28670) |
| Taking into account in equity calculation | |
| Subject to 10% deduction as of January 1, 2015 | No |
| Eligible at unconsolidated / consolidated | Applicable on consolidated and unconsolidated basis |
| Instrument type (types to be specified by each jurisdiction) | Bond issuance to be included in the calculation of Additional Tier I Capital |
| Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting data) | 300 |
| Nominal value of instrument (TL Million) | 300 |
| Accounting classification | 347001 (Passive Account) - Subordinated Bonds |
| Original date of issuance | 21 March 2024 |
| Perpetual or dated | Perpetual |
| Original maturity date | 21 March 2024 |
| Issuer call subject to prior supervisory approval | Yes |
| Optional call date, contingent call dates and redemption amount | On 21 March 2029, there is an option to repay for the first 5 years (after the 5th year). |
| Subsequent call dates, if applicable | After the 5th year, the option can be exercised, if not exercised after the 5th year, it can be exercised on each 5th anniversary. |
| Interest/Dividend Payment | |
| Fixed or floating coupon/dividend payments | Pay fixed interest every 6 months |
| Coupon rate and any related index | 9.75% |
| Existence of a dividend stopper | Yes |
| Fully discretionary, partially discretionary or mandatory | Partially discretionary |
| Existence of step up or other incentive to redeem | No |
| Noncumulative or cumulative | Noncumulative |
| Convertible into equity shares | |
| If convertible, conversion trigger (s) | None. |
| If convertible, fully or partially | None. |
| If convertible, conversion rate | None. |
| If convertible, mandatory or optional conversion | None. |
| If convertible, specify instrument type convertible into | None. |
| If convertible, specify issuer of instrument it converts into | None. |
| Write-down feature | |
| If write-down, write-down trigger(s) | None. |
| If bond can be written-down, full or partially | Partially or Completely |
| If bond can be written-down, permanent or temporary | Permanent and temporary |
| If temporary write-down, description of write-up mechanism | None. |
| Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument) | After contributed capital |
| Meets the conditions in Article 7. Does not meet the conditions in Article 8. | Meets the conditions in Article 7. Does not meet the conditions in Article 8. |
| Details of incompliances with article number 7 and 8 of Regulation on Bank Capital | Meets the conditions in Article 7. Does not meet the conditions in Article 8. |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

I. Explanations on Shareholders' Equity: (Continued)

3. Explanations on Reconciliations of Amounts in the Consolidated Capital Items Table and Carrying Amounts in the Consolidated Financial Statements

| | Carrying Amount | Amounts in Equity Calculation (1) |
|--|-----------------|-----------------------------------|
| Shareholders' Equity | 372,712,114 | 360,987,975 |
| Group Share | 318,168,886 | 341,686,499 |
| Minority Interest | 54,543,228 | 19,301,476 |
| Leasehold improvements on operational leases | 524,607 | (524,607) |
| Goodwill and intangible assets | 12,314,368 | (11,581,156) |
| Provisions | 34,382,763 | 25,171,023 |
| Subordinated debt | 57,786,197 | 48,629,950 |
| Deductions from shareholders' equity | 4,051,747 | (4,051,747) |
| Capital | | 418,631,438 |

(1) These values are calculated in accordance with the provisions of the Regulation on Banks' Own Funds. Within this framework, up to 1.25% of Stage 1 and Stage 2 expected credit loss provisions relative to the credit risk exposure amount, as well as the amount of subordinated debt instruments determined in accordance with the Regulation, have been considered in the own funds calculation. Furthermore, the own funds amount and credit risk exposure amount calculated pursuant to the Banking Regulation and Supervision Agency's regulation dated December 12, 2023, and numbered 10747 have been used in the calculation.

II. Explanations on Credit Risk

1. Credit risk is defined as the possibility of incurring loss where the counterparty in a transaction, partially or completely fails to meet its contractual obligations in due time in an agreement with the Bank and its consolidated financial subsidiaries.

Banks and financial institutions subject to consolidation, carry out their placement activities in accordance with the credit limitations stipulated by legal regulations of the countries in which they operate.

The Parent Bank's position against the credit risk limits defined by the current legislation is monitored by the Board. Within this framework, loans extended to Risk Groups and the Parent Bank's Risk Group, including the Parent Bank; loans in high amounts and limitations regarding the shares in participations are monitored according to the limits determined in connection with the size of the shareholders' equity calculated on a bank-only and consolidated basis.

Credit risk limits of customers are determined depending on the financial situation and loan requirements of the borrowers, in strict compliance with the relevant banking legislation, within the framework of loan authorization limits of Branches, Regional Offices, Loan Divisions, and the Deputy Chief Executives responsible for loans, the CEO, the Credit Committee and the Board of Directors. These limits may be changed as may be deemed necessary by the Bank. Moreover, all commercial credit limits are revised periodically, provided that each period does not exceed a year. Furthermore, the borrowers and borrower groups forming a large proportion of the overall placement are subject to risk limits in order to provide further minimization of potential risk.

The geographical distribution of borrowers is consistent with the concentration of industrial and commercial activities in Türkiye.

The distribution of borrowers by sector is monitored closely for each period and sectoral risk limits have been determined to prevent concentration of risk in sectoral sense.

The creditworthiness of customers is monitored on a consistent basis by using company rating and scoring models specially developed for this purpose, and the audit of statements of account received is assured to have been made in accordance with the provisions as stipulated by the relevant legislation.

The Parent Bank and its financial affiliates give utmost importance to ensure that loans are furnished with collaterals. In accordance with the credit risk policy, the allocation decision is not based on the assumption that the collateral can be collected by redeeming it in principle. However, to minimize the credit risk, an appropriate level of collateral is obtained by accurately analyzing the credit worthiness and credit need of the customer. Legal recourse of collaterals in case of default, their redemption period, and their ability to maintain their expected value are taken into account from the beginning of the loan allocation process. Most of the loans extended are collateralized by taking real estate, movable or commercial enterprise under pledge, promissory notes and other liquid assets as collateral, or by acceptance of bank letters of guarantee and individual or corporate guarantees. The absence of concentration in terms of collateral is an important element of the credit policy.

II. Explanations on Credit Risk (Continued)

Non-performing and impaired loans have been classified in accordance with the “TFRS 9-Financial Instruments” and BRSA’s “Regulation on Procedures and Principles for Classification of Loans and Provisions to be set aside”. The detailed descriptions of these methods correspond with accounting practices, are included in Section Three Note VIII.

Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period.

| Amount subject to credit risk ⁽¹⁾ | Current Period Risk Amount | Average Risk Amount ⁽²⁾ |
|--|-----------------------------------|---|
| Risk Classifications | | |
| Conditional and Unconditional Exposures to Central Governments or Central Banks | 1,210,315,637 | 1,109,051,031 |
| Conditional and Unconditional Exposures to Regional Governments or Local Authorities | 1,989,815 | 688,780 |
| Conditional and Unconditional Exposures to Administrative Bodies and Non-Commercial Undertakings | 1,021,542 | 654,641 |
| Conditional and Unconditional Exposures to Multilateral Development Banks | 1,227,766 | 1,273,311 |
| Conditional and Unconditional Exposures to International Organizations | | |
| Conditional and Unconditional Exposures to Banks and Brokerage Houses | 226,821,908 | 213,026,848 |
| Conditional and Unconditional Exposures to Corporate | 1,184,950,160 | 1,064,196,274 |
| Conditional and Unconditional Retail Exposures | 651,562,744 | 499,027,034 |
| Exposures Secured by Residential Real Estate Property | 87,070,702 | 70,750,018 |
| Exposures Secured by Commercial Real Estate Property | 77,913,658 | 55,692,435 |
| Past Due Loans | 10,721,451 | 8,828,459 |
| Items in Regulatory High-risk Categories | 2,589,407 | 140,613,779 |
| Exposures in the Form of Bonds Secured by Mortgages | | |
| Short Term Exposures to Banks, Brokerage Houses and Corporates | | |
| Exposures in the Form of Collective Investment Undertakings | 35,564,124 | 31,078,050 |
| Stock Investments | 200,199,976 | 186,876,043 |
| Other Items | 115,142,874 | 101,333,440 |

(1) The figures represent total risk amounts after credit risk mitigation and after credit conversion factor.

(2) Average risk amount is identified by using arithmetical averages of risk amounts calculated quarterly in the current period reports.

- There are certain control limits on forward transactions in terms of counter parties, and the risks taken for derivative instruments are evaluated along with other potential risks resulting from the market fluctuations.
- As a result of the current level of customers’ needs and the progress in the domestic derivatives market in this particular area, the Parent Bank uses derivative transactions either for hedging or for commercial purposes. Derivative instruments are monitored with consideration that they can always be liquidated in case of need.
- Indemnified non-cash loans are considered as having the same risk weights as unpaid cash loans.

The rating and scoring systems applied by the Parent Bank, includes detailed company analysis and enables rating of all companies and loans without any restrictions regarding credibility. Loans and companies, which have been renewed, restructured or rescheduled, are rated within the scope of this system. Specialized loans are evaluated by a special rating system, which is based on the credibility of the counterparty as well as the feasibility and risk analysis of the cash flows created mainly by the projects undertaken or the asset financed.

- Determining the country risks of the countries concerned in the context of the current rating system credit transactions carried out abroad, market conditions, legal constraints and risks related to the country on this issue into account. In addition, banks and other financial institutions credit worthiness abroad, foreign rating agencies by based on credit ratings that are determined and CDS-IR (based on credit default swaps) a supported developed degree approach is allocated and monitored.

II. Explanations on Credit Risk (Continued)

6. (i) The share of the Group's receivables from the top 100 and 200 cash loan customers in the overall cash loan portfolio stands at 23% and 31% respectively (December 31, 2023: 27%, 35%).
- (ii) The share of the Group's receivables from the top 100 and 200 non-cash loan customers in the overall non-cash portfolio stands at 41% and 52% respectively (December 31, 2023: 43%, 55%).
- (iii) The share of the Group's cash and non-cash receivables from the top 100 and 200 credit customers in the overall assets and non-cash loans stands at 12% and 17% (December 31, 2023: 13%, 17%).

Companies that are among the top loan customers ranked according to cash, non-cash and total risks are leaders in their own sectors, the loans advanced to them are in line with their volume of industrial and commercial activity. A significant part of such loans is extended on a project basis, with their repayment sources being analyzed in accordance with the banking principles to be considered as satisfactory, and associated risks are determined and duly covered by obtaining appropriate guarantees when deemed necessary.

7. Total value of the Stage 1 and Stage 2 expected credit loss allocated for the credit risk carried by Parent Bank and consolidated companies is TL 31,794,826 (December 31, 2023: TL 24,851,338).
8. The Parent Bank measures the quality of its loan portfolio by applying different rating/scoring models on cash commercial/corporate loans, retail loans and credit cards. The breakdown of the rating/scoring results, which are classified as "Strong", "Standard" and "Below Standard" by considering their default features, is shown below.

The loans whose borrowers' capacity to fulfill their obligations is very good, are defined as "Strong", whose borrowers' capacity to fulfill its obligations in due time is reasonable, are defined as "Standard" and whose borrowers' capacity to fulfill their obligations is poor, are defined as "Below Standard".

| | Current Period | Prior Period |
|----------------|----------------|--------------|
| Strong | 56.02 % | 54.21 % |
| Standard | 33.70 % | 38.36 % |
| Below Standard | 10.28 % | 7.43 % |

Table shows rating/scoring results.

9. The net values of the collaterals of the Group's closely monitored loans are given below in terms of collateral types and risk matches.

| Type of Collateral | Current Period | | | Prior Period | | |
|---|-------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
| | Personal | Commercial and Corporate | Credit Cards | Personal | Commercial and Corporate | Credit Cards |
| Real Estate Mortgage (1) | 3,858,013 | 15,091,156 | | 1,880,399 | 14,321,198 | |
| Cash Collateral (Cash, securities pledge, etc.) | 171,032 | 534,432 | | 62,125 | 989,423 | |
| Pledge on Wages and Vehicles | 9,209,580 | 2,185,368 | | 4,716,955 | 543,210 | |
| Cheques & Notes | | 81,763 | | | 91,078 | |
| Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.) | 815,937 | 53,993,155 | | 387,931 | 59,642,176 | |
| Non-collateralized | 20,363,162 | 13,827,811 | 42,206,705 | 11,258,893 | 9,398,114 | 14,807,864 |
| Total | 34,417,724 | 85,713,685 | 42,206,705 | 18,306,303 | 84,985,199 | 14,807,864 |

⁽¹⁾ The mortgage and/or pledge amounts on which third parties have priorities are deducted from the fair values of collaterals in expertise reports; and after comparing the results to the mortgage/pledge amounts and loan balances, the smallest figures are considered to be the net value of collaterals.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. Explanations on Credit Risk (Continued)

- 10.** The net values of the collaterals of the Group's non-performing loans are given below in terms of collateral types and risk matches.

| Type of Collateral | Current Period | | Prior Period | |
|---|-----------------------------|--------------|-----------------------------|--------------|
| | Net Value of the Collateral | Loan Balance | Net Value of the Collateral | Loan Balance |
| Real Estate Mortgage (1) | 6,188,174 | 6,188,174 | 7,969,997 | 7,969,997 |
| Cash Collateral | 45,666 | 45,666 | 15,633 | 15,633 |
| Vehicle Pledge | 1,025,250 | 1,025,250 | 267,687 | 267,687 |
| Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.) | 12,184,853 | 12,184,853 | 12,045,105 | 12,045,105 |

(1) The mortgage and/or pledge amounts on which third parties have priorities are deducted from the fair values of collaterals in expertise reports; and after comparing the results to the mortgage/pledge amounts and loan balances, the smallest figures are considered to be the net value of collaterals.

- 11.** The aging analysis of the receivables past due but not impaired in terms of financial asset classes, is as follows:

| Current Period | 31-60 Days (2) | 61-90 Days (2) | Total |
|----------------------------------|------------------|------------------|-------------------|
| Loans (1) | 9,155,753 | 4,093,867 | 13,249,620 |
| Corporate / Commercial Loans (3) | 628,836 | 765,539 | 1,394,375 |
| Consumer Loans | 1,956,899 | 890,325 | 2,847,224 |
| Credit Cards | 6,570,018 | 2,438,003 | 9,008,021 |
| Lease Receivables (1) | 26,991 | 730,635 | 757,626 |
| Insurance Receivables | 351,671 | 186,155 | 537,826 |
| Total | 9,534,415 | 5,010,657 | 14,545,072 |

(1) The loans classified under close monitoring that are not past due or past due for less than 31 days is TL 141,634,297.

(2) Related figures show only overdue amounts of installment based commercial loans and installment-based consumer loans; the principal amounts of the loans which are not due as of the balance sheet date are equal to TL 2,882,670 and TL 3,813,901 respectively.

(3) Includes factoring receivables.

| Prior Period | 31-60 Days (2) | 61-90 Days (2) | Total |
|----------------------------------|------------------|------------------|------------------|
| Loans (1) | 3,101,335 | 1,220,796 | 4,322,131 |
| Corporate / Commercial Loans (3) | 298,188 | 236,952 | 535,140 |
| Consumer Loans | 633,703 | 260,241 | 893,944 |
| Credit Cards | 2,169,444 | 723,603 | 2,893,047 |
| Lease Receivables (1) | 193,453 | 78,396 | 271,849 |
| Insurance Receivables | 84,518 | 52,713 | 137,231 |
| Total | 3,379,306 | 1,351,905 | 4,731,211 |

(1) The balance of loans classified under close monitoring, which are either not past due or past due for less than 31 days, amounts to TL 109,134,062.

(2) The related figures include only the overdue amounts of scheduled commercial loans and installment-based consumer loans. The outstanding principal amounts of these loans, which have not yet reached their due dates, are TL 1,412,908 and TL 2,958,416, respectively.

(3) Includes factoring receivables.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

II. Explanations on Credit Risk (Continued)

12. Profile of Significant Risk Exposures in Major Regions

| Current Period | Domestic | European Union | OECD Countries (2) | Off-Shore Banking Regions | USA, Canada | Other Countries | Investments in Associates, Subsidiaries and Jointly Controlled Entities | Unallocated Assets/Liabilities (3) | Total |
|---|----------------------|-----------------------|-------------------------------|----------------------------------|--------------------|------------------------|--|---|----------------------|
| Risk Groups (1) | | | | | | | | | |
| Receivables from Central Governments or Central Banks | 1,169,245,680 | 8,227,202 | | | 494,693 | 32,348,062 | | | 1,210,315,637 |
| Receivables from Regional Government or Domestic Government | 1,989,784 | | | | | 31 | | | 1,989,815 |
| Receivables from Administrative Units and Non-Commercial Enterprises | 1,021,387 | | | | | 155 | | | 1,021,542 |
| Receivables from Multilateral Development Banks | | 215,541 | 1,012,225 | | | | | | 1,227,766 |
| Receivables from International Organizations | | | | | | | | | |
| Receivables from Banks and Intermediaries | 135,602,327 | 33,136,706 | 42,534,070 | 665,780 | 8,949,441 | 5,933,584 | | | 226,821,908 |
| Corporate Receivables | 1,125,058,779 | 11,325,177 | 20,531,966 | 2,119,571 | 176,561 | 25,738,106 | | | 1,184,950,160 |
| Retail Receivables | 641,842,936 | 1,499,087 | 564,626 | 5,810 | 207,318 | 7,442,967 | | | 651,562,744 |
| Receivables Secured by Residential Property | 163,787,121 | 353,651 | 211,133 | 2,983 | 82,649 | 546,823 | | | 164,984,360 |
| Non-Performing Receivables | 10,521,522 | 120,438 | 25,871 | 66 | 10,702 | 42,852 | | | 10,721,451 |
| Receivables are identified as high risk by the Board | 2,529,230 | 60,156 | 9 | | | 12 | | | 2,589,407 |
| Secured Marketable Securities | | | | | | | | | |
| Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries | | | | | | | | | |
| Investments as Collective Investment Institutions | 35,564,124 | | | | | | | | 35,564,124 |
| Other Receivables | 199,875,557 | | 324,419 | | | | | | 200,199,976 |
| Stock Investments | | | | | | | 115,142,874 | | 115,142,874 |
| Total | 3,487,038,447 | 54,937,958 | 65,204,319 | 2,794,210 | 9,921,364 | 72,052,592 | 115,142,874 | | 3,807,091,764 |

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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

(3) Assets and liabilities that are not consistently allocated.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. Explanations on Credit Risk (Continued)

| Prior Period | Domestic | European Union | OECD Countries ⁽²⁾ | Off-Shore Banking Regions | USA, Canada | Other Countries | Investments in Associates, Subsidiaries and Jointly Controlled Entities | Unallocated Assets/Liabilities ⁽³⁾ | Total |
|---|----------------------|-------------------|-------------------------------|---------------------------|------------------|-------------------|---|---|----------------------|
| Risk Groups⁽¹⁾ | | | | | | | | | |
| Receivables from Central Governments or Central Banks | 855,947,086 | 8,932,753 | | | 672,528 | 18,687,876 | | | 884,240,243 |
| Receivables from Regional Government or Domestic Government | 232,751 | | | | | 25 | | | 232,776 |
| Receivables from Administrative Units and Non-Commercial Enterprises | 384,156 | | | | | 304 | | | 384,460 |
| Receivables from Multilateral Development Banks | | 742,659 | 200,057 | | | | | | 942,716 |
| Receivables from International Organizations | | | | | | | | | |
| Receivables from Banks and Intermediaries | 74,731,384 | 31,875,000 | 15,487,399 | 674,774 | 3,967,009 | 5,374,439 | | | 132,110,005 |
| Corporate Receivables | 687,220,492 | 8,672,421 | 13,969,797 | 3,160,755 | 212,127 | 19,557,119 | | | 732,792,711 |
| Retail Receivables | 437,015,865 | 979,944 | 433,864 | 4,980 | 155,037 | 3,385,318 | | | 441,975,008 |
| Receivables Secured by Residential Property | 89,038,500 | 235,894 | 199,472 | 3,122 | 60,984 | 601,140 | | | 90,139,112 |
| Non-Performing Receivables | 7,083,494 | 85,326 | 5,451 | 8 | 9,102 | 24,990 | | | 7,208,371 |
| Receivables are identified as high risk by the Board | 174,621,066 | 141,508 | 11,922 | 82 | 18,811 | 1,469,733 | | | 176,263,122 |
| Secured Marketable Securities | | | | | | | | | |
| Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries | | | | | | | | | |
| Investments as Collective Investment Institutions | 17,506,880 | | | | | | | | 17,506,880 |
| Other Receivables | 141,117,600 | 403,516 | 374,125 | | | | | | 141,895,241 |
| Stock Investments | | | | | | | 84,462,150 | | 84,462,150 |
| Total | 2,484,899,274 | 52,069,021 | 30,682,087 | 3,843,721 | 5,095,598 | 49,100,944 | 84,462,150 | | 2,710,152,795 |

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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

(3) Assets and liabilities that are not consistently allocated.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. Explanations on Credit Risk (Continued)

13. Risk Profile by Sectors or Counterparties:

| Current Period Consolidated | | | | | | | | | | | | | | | | | |
|--------------------------------------|----------------------|------------------|------------------|------------------|-----|--------------------|----------------------|--------------------|--------------------|-------------------|------------------|-------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| | (1) ^(*) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | TL | FC | Total |
| Sectors/Counterparty ^(*) | | | | | | | | | | | | | | | | | |
| Agriculture | 77,010 | | 38 | | | | 13,757,348 | 35,313,991 | 2,284,153 | 163,683 | 553 | | | | 46,127,463 | 5,469,313 | 51,596,776 |
| Farming and Stockbreeding | 75,074 | | 38 | | | | 9,812,637 | 35,094,922 | 2,240,461 | 162,083 | 549 | | | | 45,701,166 | 1,684,598 | 47,385,764 |
| Forestry | 1,768 | | | | | | 111,348 | 115,070 | 16,527 | 1,593 | 1 | | | | 226,614 | 19,693 | 246,307 |
| Fishing | 168 | | | | | | 3,833,363 | 103,999 | 27,165 | 7 | 3 | | | | 199,683 | 3,765,022 | 3,964,705 |
| Industry | 5,193,866 | | 1,686 | | | | 542,884,130 | 38,740,713 | 30,309,454 | 1,307,103 | 395,781 | | | 80,680,556 | 319,683,430 | 379,829,859 | 699,513,289 |
| Mining | 127,592 | | | | | | 9,984,341 | 649,597 | 771,985 | 3,195 | 11,921 | | | | 5,841,193 | 5,707,438 | 11,548,631 |
| Production | 5,043,690 | | | | | | 422,146,243 | 37,549,802 | 28,242,855 | 934,880 | 376,095 | | | 80,680,556 | 288,819,788 | 286,154,333 | 574,974,121 |
| Electricity, gas, and water | 22,584 | | 1,686 | | | | 110,753,546 | 541,314 | 1,294,614 | 369,028 | 7,765 | | | | 25,022,449 | 87,968,088 | 112,990,537 |
| Construction | 532,632 | | 8,614 | | | | 96,233,302 | 19,631,994 | 13,501,034 | 1,356,781 | 1,135,627 | | | | 73,787,971 | 58,612,013 | 132,399,984 |
| Services | 529,213,290 | | 930,754 | 1,221,610 | | 206,569,824 | 425,416,562 | 175,218,167 | 66,114,375 | 2,195,991 | 339,756 | 12,817,629 | 391,601 | 31,828,636 | 878,741,425 | 573,516,770 | 1,452,258,195 |
| Wholesale and Retail Trade | 1,993,024 | | | | | | 176,172,935 | 100,345,388 | 32,936,005 | 1,483,743 | 74,893 | | | 345,567 | 251,458,811 | 61,892,744 | 313,351,555 |
| Hotel, Food and Beverage Services | 139,882 | | | | | | 20,683,737 | 12,410,937 | 10,201,296 | 141,055 | 78,127 | | | | 22,599,856 | 21,055,178 | 43,655,034 |
| Transportation and Telecommunication | 137,279 | | | | | | 91,591,415 | 39,897,431 | 6,733,956 | 316,330 | 170,486 | | | 187,231 | 70,619,740 | 68,414,388 | 139,034,128 |
| Financial Institutions | 526,651,993 | | 15 | 1,221,610 | | 206,569,824 | 66,990,705 | 3,737,579 | 1,524,886 | 5,630 | 78 | 12,817,629 | 391,601 | 31,295,838 | 480,963,095 | 370,244,293 | 851,207,388 |
| Real Estate and Renting Services | 33,136 | | 603,350 | | | | 33,389,458 | 6,522,492 | 11,680,844 | 108,226 | 7,433 | | | | 27,920,107 | 24,424,832 | 52,344,939 |
| Self-Employment Services | 55,775 | | 323,635 | | | | 3,838,284 | 5,004,899 | 1,018,933 | 103,972 | 6,081 | | | | 7,704,063 | 2,647,516 | 10,351,579 |
| Education Services | 50,122 | | 2,326 | | | | 3,325,364 | 1,674,955 | 407,072 | 11,659 | 59 | | | | 3,324,428 | 2,147,129 | 5,471,557 |
| Health and Social Services | 152,079 | | 1,428 | | | | 29,424,664 | 5,624,486 | 1,611,383 | 25,376 | 2,599 | | | | 14,151,325 | 22,690,690 | 36,842,015 |
| Other | 675,298,839 | 1,989,815 | 80,450 | 6,156 | | 20,252,084 | 106,658,818 | 382,657,879 | 52,775,344 | 5,697,893 | 717,690 | 22,746,495 | 199,808,375 | 2,633,682 | 1,179,175,829 | 292,147,691 | 1,471,323,520 |
| Total | 1,210,315,637 | 1,989,815 | 1,021,542 | 1,227,766 | | 226,821,908 | 1,184,950,160 | 651,562,744 | 164,984,360 | 10,721,451 | 2,589,407 | 35,564,124 | 200,199,976 | 115,142,874 | 2,497,516,118 | 1,309,575,646 | 3,807,091,764 |

(1) Receivables from Central Governments or Central Banks (2) Receivables from Regional Governments or Local Authorities (3) Receivables from Administrative Bodies and Non-commercial Undertakings (4) Receivables from Multilateral Development Banks (5) Receivables from International Organizations (6) Receivables from Banks and Brokerage Houses (7) Receivables from Corporate Receivables (8) Receivables from Retail Receivables (9) Receivables from Secured by Real Estate Property (10) Past due receivables (11) Receivables in regulatory high-risk categories (12) Investments in the nature of collective investment enterprise (13) Other Receivables.(14)Stock Investments.

(*) Risk amounts after the credit conversions and the effects of credit risk mitigation (**) Credit Guarantee Fund guaranteed by the undersecretariat of treasury are included in the receivables from central governments.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

II. Explanations on Credit Risk (Continued)

14. Analysis of maturity-bearing exposures according to remaining maturities:

| Risk Groups ⁽¹⁾ | Current Period | | | | | |
|--|----------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| | Remaining Maturities | | | | | |
| | 1 Month | 1-3 Months | 3-6 Months | 6-12 Months | Over 1 Year | Total |
| Receivables from Central Governments or Central Banks | 39,166,081 | 14,378,573 | 43,102,720 | 33,785,656 | 556,527,943 | 686,960,973 |
| Receivables from Regional Governments or Domestic Governments | 18,666 | 8,419 | 54,176 | 125,176 | 365,131 | 571,568 |
| Receivables from Administrative Units and Non-Commercial Enterprises | 155,002 | 1,059 | 2,029 | 572,089 | 100,196 | 830,375 |
| The multilateral development banks and non-contingent receivables | 6,156 | 116,462 | 175,676 | 99,848 | 829,624 | 1,227,766 |
| Receivables from Banks and Intermediaries | 99,431,328 | 20,768,750 | 24,681,149 | 16,760,030 | 18,658,218 | 180,299,475 |
| Corporate Receivables | 75,375,780 | 145,088,495 | 141,160,743 | 300,007,709 | 455,068,291 | 1,116,701,018 |
| Retail Receivables | 12,513,079 | 14,695,507 | 32,160,870 | 103,169,196 | 122,763,301 | 285,301,953 |
| Collateralized Receivables with Real Estate Mortgages | 4,438,161 | 5,856,955 | 16,049,597 | 31,728,503 | 90,253,503 | 148,326,719 |
| Receivables are identified as High Risk by the Board | 206,392 | 192,681 | 100,482 | 198,407 | 993,925 | 1,691,887 |
| Total | 231,310,645 | 201,106,901 | 257,487,442 | 486,446,614 | 1,245,560,132 | 2,421,911,734 |

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

15. Information on Risk Classes:

In the calculation of the amount subject to credit risk, determining the risk weights related to risk classes stated on the article “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”, is based on the Fitch Ratings’ and JCR Avrasya Derecelendirme A.Ş. international rating.

“Receivables from Banks and Intermediaries” are receivables from related parties residing in foreign countries against the risk evaluated in class with “Receivables from Central Governments or Central Banks” are receivables that are evaluated in the class will be the subject of risk weights determined in accordance with Fitch Ratings issued by the rating of the risk. “Receivables from Banks and Intermediaries” in the class with resident banks and brokerage firms in the dorm evaluated risk “Corporate Receivables” in the class evaluated dorm resident companies and financial institutions in the TL-denominated receivables, the risk weights that will be the subject of JCR Avrasya Derecelendirme A.Ş. international rating grades assigned by it are used.

If a specific rating has been assigned to the receivable, the relevant credit rating is used to determine the risk weight to be applied to that receivable.

The table related to mapping the ratings used in the calculations and credit quality grades, which is stated in the Annex of Regulation on Measurement and Evaluation of Capital Adequacy of Banks, is given below:

| Credit Quality Grades | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------|-------------|-----------|---------------|-------------|-----------|----------------|
| Risk Rating | AAA via AA- | A+ via A- | BBB+ via BBB- | BB+ via BB- | B+ via B- | CCC+ and lower |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. Explanations on Credit Risk (Continued)

Risk Amounts according to Risk Weights

| Risk Weight | 0% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | Other | Mitigation in Shareholders' Equity |
|---|---------------|-------------|------------|-------------|-------------|---------------|-----------|---------|------------|------------------------------------|
| Amount Before Credit Risk Mitigation ⁽¹⁾ | 1,227,595,657 | 239,309,546 | 87,161,033 | 269,037,870 | 642,327,972 | 1,337,285,394 | 6,049,386 | 554,844 | 35,635,223 | 15,967,654 |
| Amount After Credit Risk Mitigation | 1,236,114,070 | 239,260,617 | 87,070,702 | 265,603,994 | 632,749,100 | 1,304,455,431 | 5,647,782 | 554,844 | 35,635,224 | 15,967,654 |

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

16. Miscellaneous Information According to Type of Counterparty of Major Sectors

| | Significant Sectors/Counterparty Current Period | Loans | | Provisions |
|-----|--|---|--------------------------|-------------------------------|
| | | Depreciated (TFRS 9) | | Expected Credit Loss (TFRS 9) |
| | | Significant Increase in Credit Risk (Stage 2) | Non-Performing (Stage 3) | |
| 1 | Agricultural | 3,493,398 | 271,500 | 405,793 |
| 1.1 | Farming and Raising Livestock | 3,482,891 | 269,037 | 402,997 |
| 1.2 | Forestry | 8,653 | 1,197 | 1,268 |
| 1.3 | Fishing | 1,854 | 1,266 | 1,528 |
| 2 | Industry | 35,448,498 | 8,908,118 | 17,101,843 |
| 2.1 | Mining | 146,621 | 83,723 | 103,947 |
| 2.2 | Production | 14,117,609 | 3,291,261 | 4,981,573 |
| 2.3 | Electricity, gas, and water | 21,184,268 | 5,533,134 | 12,016,323 |
| 3 | Construction | 12,623,445 | 8,430,056 | 11,044,806 |
| 4 | Services | 36,021,382 | 6,635,105 | 9,593,131 |
| 4.1 | Wholesale and Retail Trade | 8,327,717 | 3,045,410 | 2,965,602 |
| 4.2 | Hotel, Food and Beverage Services | 6,202,532 | 189,238 | 1,048,661 |
| 4.3 | Transportation and Telecommunication | 9,551,062 | 1,306,230 | 2,318,975 |
| 4.4 | Financial Institutions | 60,197 | 154,132 | 75,983 |
| 4.5 | Real Estate and Renting Services | 9,288,188 | 1,654,852 | 2,503,500 |
| 4.6 | Self-Employment Services | 2,195,774 | 189,027 | 602,071 |
| 4.7 | Education Services | 131,664 | 17,448 | 20,128 |
| 4.8 | Health and Social Services | 264,248 | 78,768 | 58,211 |
| 5 | Other | 74,751,391 | 16,589,553 | 15,482,347 |
| 6 | Total | 162,338,114 | 40,834,332 | 53,627,920 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. Explanations on Credit Risk (Continued)

17. Information on Value Adjustments and Change in Credit Provisions

| | Beginning Balance | Provisions | Reversal of Provisions | Other Value Adjustments | Ending Balance |
|--------------------------------|-------------------|------------|------------------------|-------------------------|----------------|
| Stage 3 Provisions | 23,447,175 | 15,100,554 | (8,851,491) | | 29,696,238 |
| Stage 1 and Stage 2 Provisions | 24,851,338 | 29,321,827 | (22,378,339) | | 31,794,826 |

18. Exposures Subject to Countercyclical Capital Buffer

Explanations about exposures subject to consolidated private sector receivables:

| Country | RWA Calculations for Private Sector Loans in Banking Book | RWA calculations for Trading Book | Total |
|----------------|---|-----------------------------------|---------------|
| Türkiye | 1,242,678,308 | 9,020,615 | 1,251,698,923 |
| England | 13,444,089 | 2,707 | 13,446,796 |
| TRNC | 12,314,419 | | 12,314,419 |
| Germany | 5,872,759 | 3,000 | 5,875,759 |
| Georgia | 3,632,580 | | 3,632,580 |
| Russia | 2,795,146 | | 2,795,146 |
| Iraq | 2,257,109 | | 2,257,109 |
| Kosovo | 2,023,822 | | 2,023,822 |
| Malta | 1,866,839 | | 1,866,839 |
| Cayman Islands | 1,863,121 | | 1,863,121 |
| Other | 11,488,571 | 289,562 | 11,778,133 |

III. Explanations on Currency Risk

The exposed currency risk of the Group is result of the difference between the assets denominated in and indexed to foreign currencies and liabilities denominated in foreign currencies. Furthermore, parity fluctuations of different foreign currencies are another element of the currency risk.

The currency risk of the Parent Bank is managed by the internal currency risk limits which are established as a part of the Parent Bank's risk policies. The Assets and Liabilities Committee and the Assets and Liabilities Management Unit meet regularly to take the necessary decisions for hedging exchange rate and parity risks, within the framework of the determined by the "Net Foreign Currency Overall Position/ Shareholders' Equity" ratio, which is a part of the legal limits requirement and the internal currency risk limits specified by the Board of Directors. Foreign exchange risk management decisions are strictly applied.

In measuring the exposed currency risk of the Group, the Standard Method, the Value at Risk Model (VAR) and Expected Shortfall Model are used as applied in the statutory reporting.

Measurements made for the Parent Bank within the scope of the Standard Method are carried out on a monthly basis and form the basis of determining the capital requirement for hedging currency risk.

Risk measurements made within the context of the VAR are practiced on a daily basis using the historical and Monte Carlo simulation methods. Scenario analyses are conducted to support the calculations made within the VAR context. Expected loss calculations are also carried out daily.

The results of the measurements made on currency risk are reported to the Key Management and the risks are closely monitored by taking into account the market and the economic conditions.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. Explanations on Currency Risk (Continued)

The Parent Bank's foreign currency purchase rates at the date of balance sheet and for the last five working days of the period announced by the Parent Bank in TL are as follows:

| Date | USD | EUR |
|----------------|---------|---------|
| 31.12.2024 (1) | 35.0000 | 36.4956 |
| 30.12.2024 | 34.9527 | 36.2809 |
| 27.12.2024 | 34.7621 | 36.2638 |
| 26.12.2024 | 34.7021 | 36.2116 |
| 25.12.2024 | 34.7619 | 36.1975 |
| 24.12.2024 | 34.8353 | 36.3854 |

(1) Balance sheet valuation exchange rate.

The Parent Bank's last 30-days arithmetical average foreign currency purchase rates:

USD: 34.5962 TL

EURO: 36.2401 TL

Sensitivity to currency risk:

The Group's sensitivity to any potential change in foreign currency rates has been analyzed. Within this framework, 10% change is anticipated in USD, EUR, IQD and GEL currencies and the possible impact of the related change is presented below. 10% is the ratio that is used in the internal reporting of the Parent Bank.

| | % Change in Foreign Currency | Effects on Profit/Loss (1) | |
|-----|------------------------------|----------------------------|--------------|
| | | Current Period | Priod Period |
| USD | 10 % increase | (2,607,656) | 431,900 |
| | 10 % decrease | 2,607,656 | (431,900) |
| EUR | 10 % increase | (221,685) | 262,337 |
| | 10 % decrease | 221,685 | (262,337) |
| IQD | 10 % increase | 368,406 | 48,550 |
| | 10 % decrease | (368,406) | (48,550) |
| GEL | 10 % increase | 326,761 | 201,857 |
| | 10 % decrease | (326,761) | (201,857) |

⁽¹⁾ Indicates the values before tax.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

III. Explanations on Currency Risk (Continued)

Information on currency risk:

| | EUR | USD | Other FC | Total |
|--|----------------------|----------------------|----------------------|----------------------|
| Current Period | | | | |
| Assets | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Türkiye (1) | 125,162,871 | 144,178,168 | 84,755,436 | 354,096,475 |
| Banks | 16,619,693 | 20,776,314 | 30,112,676 | 67,508,683 |
| Financial Assets at Fair Value through Profit/Loss (2) | 2,282,306 | 8,791,287 | 25,486,293 | 36,559,886 |
| Money Market Placements | | | | |
| Financial Assets at Fair Value through Other Comprehensive Income | 25,895,777 | 145,884,613 | 21,245 | 171,801,635 |
| Loans (3) | 448,347,900 | 352,172,973 | 21,399,492 | 821,920,365 |
| Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | | | |
| Financial Assets measured at Amortized Cost | 4,294,687 | 26,791,596 | 9,982,062 | 41,068,345 |
| Derivative Financial Assets Held for Risk Management (2) | | 255,963 | | 255,963 |
| Tangible Assets (4) | 268,113 | 3,127 | 295,201 | 566,441 |
| Intangible Assets | 158,227 | 2,831 | 77,346 | 238,404 |
| Other Assets (2) | 3,204,409 | 16,473,646 | 3,855,454 | 23,533,509 |
| Total Assets | 626,233,983 | 715,330,518 | 175,985,205 | 1,517,549,706 |
| Liabilities | | | | |
| Bank Deposits | 7,438,811 | 5,844,012 | 739,170 | 14,021,993 |
| Foreign Currency Deposits (5) | 316,772,218 | 368,379,118 | 276,743,357 | 961,894,693 |
| Money Market Funds | 10,296,643 | 87,208,035 | 352,376 | 97,857,054 |
| Funds Provided from Other Financial Inst, | 97,914,411 | 154,550,288 | 248,426 | 252,713,125 |
| Marketable Securities Issued (6) | 6,642,627 | 199,169,404 | 7,561,674 | 213,373,705 |
| Miscellaneous Payables | 10,857,642 | 20,014,960 | 3,375,806 | 34,248,408 |
| Derivative Financial Liabilities Held for Risk Management (2) | | 417,848 | | 417,848 |
| Other Liabilities (2) (7) | 19,923,874 | 43,666,899 | 4,014,196 | 67,604,969 |
| Total Liabilities | 469,846,226 | 879,250,564 | 293,035,005 | 1,642,131,795 |
| Net Balance Sheet Position | 156,387,757 | (163,920,046) | (117,049,800) | (124,582,089) |
| Net Off Balance Sheet Position | (160,129,109) | 139,942,871 | 131,539,459 | 111,353,221 |
| Derivative Financial Assets (8) | 46,809,632 | 282,813,126 | 143,579,842 | 473,202,600 |
| Derivative Financial Liabilities (8) | 206,938,741 | 142,870,255 | 12,040,383 | 361,849,379 |
| Non-Cash Loans | 131,807,664 | 161,153,596 | 14,848,485 | 307,809,745 |
| Prior Period | | | | |
| Total Assets | 461,399,881 | 626,612,674 | 116,947,681 | 1,204,960,236 |
| Total Liabilities | 389,998,509 | 730,178,117 | 205,384,179 | 1,325,560,805 |
| Net Balance Sheet Position | 71,401,372 | (103,565,443) | (88,436,498) | (120,600,569) |
| Net Off Balance Sheet Position | (68,776,043) | 105,983,618 | 93,949,880 | 131,157,455 |
| Derivative Financial Assets | 59,994,933 | 218,727,216 | 109,864,634 | 388,586,783 |
| Derivative Financial Liabilities | 128,770,976 | 112,743,598 | 15,914,754 | 257,429,328 |
| Non-Cash Loans | 116,352,751 | 134,232,514 | 12,145,414 | 262,730,679 |

(1) This item includes precious metal accounts amounting to TL 80,804,970.

(2) In accordance with the provisions of the Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio on a Consolidated and Non-Consolidated Basis by Banks, the following items have been excluded from the exchange rate risk calculation: TL 9,619,040 of Derivative Financial Asset Discounts from assets, TL 698,377 of Prepaid Expenses, TL 6,372,829 of Derivative Financial Liability Discounts from liabilities, and TL 5,079,120 from Equity. Other Assets and Other Liabilities include Expected Credit Loss Provisions, with the expected loss provision balance for foreign currency-indexed loans amounting to TL 6,792.

(3) This item includes balances from leasing receivables and factoring receivables, as well as foreign currency-indexed loans tracked in Turkish Lira accounts. Of the total TL 724,376 in foreign currency-indexed loans and receivables, TL 363,763 is indexed to USD, and TL 360,613 is indexed to EUR.

(4) Includes Non-Current Assets Held for Sale and Assets Related to Discontinued Operations (Net).

(5) This item includes precious metal deposit accounts amounting to TL 194,465,898.

(6) Includes subordinated debt instruments classified under subordinated borrowings in the balance sheet.

(7) Borrower funds are reported under the Other Liabilities line item based on the relevant foreign currency.

(8) Derivative transactions within the scope of forward foreign currency purchase and forward foreign currency sale commitments as defined in the aforementioned Regulation have been considered.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

IV. Explanations on Interest Rate Risk

Interest rate risk is defined as the impairment in the value of the interest sensitive assets, liabilities and off-balance sheet items due to interest rate fluctuations. A method which takes into consideration the effect of standard interest shocks on the economic values of the Parent Bank's on, and off-balance sheet interest sensitive accounts is used for measuring the interest rate risk arising from the banking accounts, whereas the interest rate risk related to interest sensitive financial instruments followed under trading accounts is assessed within the scope of market risk.

Potential effects of interest rate risk on the Parent Bank's assets and liabilities, market developments, the general economic environment and expectations are regularly followed in meetings of the Asset-Liability Management Committee, where further measures to reduce risk are taken when necessary.

The Parent Bank's on and off-balance sheet interest sensitive accounts other than the assets and liabilities exposed to market risk are monitored and controlled by the limits on the ratio of structural interest rate risk to equity and tier 1 capital determined by the Board within the scope of "Asset-Liability Management Risk Policy". Moreover, scenario analyses formed in line with the average maturity gaps and the historical data and expectations are also used in the management of the related risk.

In addition, the effect of the change in interest rates on the Parent Bank's net interest income is analyzed regularly. Within this scope, the ratio of the change expected to occur in net interest income under various scenarios to the limit on Tier I capital is monitored and regularly reported to the top management.

Interest rate sensitivity:

In this part, the sensitivity of the Bank's assets and liabilities to the interest rates has been analyzed assuming that the yearend balance figures were the same throughout the year. Mentioned analysis shows how the FC and TL changes in interest rates by one point during the one-year period affect the Group's income accounts and shareholders' equity under the assumption maturity structure and balances are remain the same all year round at the end of the year.

During the measurement of the Group's interest rate sensitivity, the profit/loss on the asset and liability items that are evaluated with market value are determined by adding to/deducting from the difference between the expectancy value of the portfolio after one year in case there is no change in interest rates and the value of the portfolio one year later, which is measured after the interest shock, the interest income to be additionally earned/to be deprived of during the one year period due to the renewal or repricing of the related portfolio at the interest rates formed after the interest shock.

On the other hand, in the profit/loss calculation of assets and liabilities that are not evaluated by the current market prices, it is assumed that assets and liabilities with fixed interest rates will be renewed at maturity date and the assets and liabilities having variable interest rates will be renewed at the end of repricing period with the market interest rates generated after the interest shock.

Within this context, ceteris paribus, the possible changes that may occur in the Bank's profit and shareholders' equity in case of 100 base point increase/decrease in TL and FC interest rates on the reporting day are given below:

| % Change in the Interest Rate ⁽¹⁾ | | Effect On Profit/Loss | | Effect on Equity ⁽²⁾ | |
|--|------------------|-----------------------|--------------|---------------------------------|--------------|
| TL | FC | Current Period | Prior Period | Current Period | Prior Period |
| 100 bps increase | 100 bps increase | (1,277,484) | 1,022,934 | (10,780,052) | (7,317,460) |
| 100 bps decrease | 100 bps decrease | 1,971,423 | (538,116) | 11,653,854 | 7,931,980 |

⁽¹⁾ Changes in interest rates is calculated assuming that the expectations reflected in inflation. The effects on the profit/loss and shareholders' equity are stated with their before tax values.

⁽²⁾ The effect on the shareholders' equity is arising from the change of the fair value of securities followed under Financial Assets at Fair Value through other comprehensive income.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

IV. Explanations on Interest Rate Risk (Continued)

a. Interest sensitivity of assets, liabilities and off-balance sheet items (Based on time remaining to repricing date):

| Current Period | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Non-interest Bearing | Total |
|--|----------------------|---------------------|--------------------|--------------------|---------------------|-------------------------|----------------------|
| Assets | | | | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Türkiye | 229,509,781 | | | | | 403,036,755 | 632,546,536 |
| Banks | 43,295,948 | 6,860,187 | 1,401,892 | | | 38,865,584 | 90,423,611 |
| Financial Assets at Fair Value through Profit/Loss (1) | 11,780,978 | 8,070,626 | 9,876,301 | 17,525,666 | 319,289 | 48,189,697 | 95,762,557 |
| Money Market Placements | 7,338,988 | 1,395,838 | 2,078,539 | | | | 10,813,365 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 75,904,055 | 38,513,176 | 66,692,411 | 124,465,558 | 116,104,915 | 4,468,913 | 426,149,028 |
| Loans (2) | 661,102,497 | 196,417,042 | 589,741,531 | 403,715,600 | 98,161,334 | 1,494,182 | 1,950,632,186 |
| Financial Assets Measured at Cost | 39,237,150 | 61,045,791 | 76,904,323 | 68,853,324 | 35,316,591 | | 281,357,179 |
| Other Assets (3) | 30,290,901 | 3,425,217 | 2,512,596 | 216,697 | | 336,568,448 | 373,013,859 |
| Total Assets | 1,098,460,298 | 315,727,877 | 749,207,593 | 614,776,845 | 249,902,129 | 832,623,579 | 3,860,698,321 |
| Liabilities | | | | | | | |
| Bank Deposits | 50,809,208 | 1,517,783 | 3,867,624 | | | 3,346,709 | 59,541,324 |
| Other Deposits | 936,917,204 | 245,819,977 | 72,412,685 | 12,356,651 | 2,802,934 | 849,566,755 | 2,119,876,206 |
| Money Market Funds | 325,652,696 | 25,678,929 | 6,301,572 | 21,096 | | | 357,654,293 |
| Miscellaneous Payables | 14,902,807 | 78,320 | 124,403 | (52,198) | | 168,650,943 | 183,704,275 |
| Marketable Securities Issued (4) | 18,500,946 | 63,872,751 | 33,382,948 | 87,081,081 | 27,485,311 | | 230,323,037 |
| Funds Provided from Other Financial Institutions | 154,579,278 | 86,720,421 | 45,482,364 | 13,942,611 | 976,458 | | 301,701,132 |
| Other Liabilities (5) (6) | 6,258,851 | 4,373,767 | 4,650,977 | 1,052,458 | 3,018,288 | 588,543,713 | 607,898,054 |
| Total Liabilities | 1,507,620,990 | 428,061,948 | 166,222,573 | 114,401,699 | 34,282,991 | 1,610,108,120 | 3,860,698,321 |
| Balance Sheet Long Position | | | 582,985,020 | 500,375,146 | 215,619,138 | | 1,298,979,304 |
| Balance Sheet Short Position | (409,160,692) | (112,334,071) | | | | (777,484,541) | (1,298,979,304) |
| Off Balance Sheet Long Position | 26,900,051 | 31,720,515 | | 19,704,446 | | | 78,325,012 |
| Off Balance Sheet Short Position | | | (72,110,785) | | (446,141) | | (72,556,926) |
| Total Position | (382,260,641) | (80,613,556) | 510,874,235 | 520,079,592 | 215,172,997 | (777,484,541) | 5,768,086 |

(1) Includes derivative financial assets.

(2) Includes balances from leasing receivables and factoring receivables.

(3) Expected credit loss provisions are presented under the non-interest-bearing column.

(4) Includes subordinated debt instruments classified under subordinated borrowings in the balance sheet.

(5) Total equity is presented under the non-interest-bearing column.

(6) Borrower funds are presented within the maturity bracket of up to one month.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

IV. Explanations on Interest Rate Risk (Continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on time remaining to repricing date):

| Prior Period | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Non-interest Bearing | Total |
|--|----------------------|---------------------|--------------------|--------------------|---------------------|-------------------------|----------------------|
| Assets | | | | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Türkiye | 47,430,849 | | | | | 479,203,797 | 526,634,646 |
| Banks | 35,040,005 | 10,202,924 | 5,489,746 | | | 34,535,062 | 85,267,737 |
| Financial Assets at Fair Value through Profit/Loss (1) | 9,021,412 | 15,332,513 | 9,202,119 | 7,356,540 | 193,094 | 24,491,003 | 65,596,681 |
| Money Market Placements | 7,405,094 | 143,119 | 391,472 | | | | 7,939,685 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 65,425,625 | 21,305,094 | 46,825,512 | 81,239,472 | 79,055,466 | 3,174,057 | 297,025,226 |
| Loans (2) | 461,701,076 | 139,393,899 | 449,042,649 | 251,250,349 | 77,436,403 | 2,687,876 | 1,381,512,252 |
| Financial Assets Measured at Cost | 32,564,200 | 43,764,605 | 45,682,673 | 59,012,432 | 35,154,138 | | 216,178,048 |
| Other Assets (3) | 17,827,639 | 253,789 | 445,939 | 1,357,660 | | 354,703,269 | 374,588,296 |
| Total Assets | 676,415,900 | 230,395,943 | 557,080,110 | 400,216,453 | 191,839,101 | 898,795,064 | 2,954,742,571 |
| | | | | | | | |
| Liabilities | | | | | | | |
| Bank Deposits | 80,815,367 | 5,838,509 | 3,533,544 | 4,194,566 | | 1,419,938 | 95,801,924 |
| Other Deposits | 625,167,023 | 228,570,623 | 95,197,055 | 12,346,736 | 2,278,958 | 650,689,501 | 1,614,249,896 |
| Money Market Funds | 116,606,655 | 13,983,896 | 7,103,764 | 18,723 | | | 137,713,038 |
| Miscellaneous Payables | 13,139,721 | 69,098 | 65,023 | 102 | | 242,299,472 | 255,573,416 |
| Marketable Securities Issued (4) | 3,978,242 | 8,192,421 | 59,377,440 | 52,000,787 | 25,465,659 | | 149,014,549 |
| Funds Provided from Other Financial Institutions | 101,803,299 | 86,796,765 | 43,509,198 | 7,613,448 | 1,517,883 | | 241,240,593 |
| Other Liabilities (5) (6) | 5,583,705 | 2,400,610 | 3,519,439 | 692,455 | 1,896,529 | 447,056,417 | 461,149,155 |
| Total Liabilities | 947,094,012 | 345,851,922 | 212,305,463 | 76,866,817 | 31,159,029 | 1,341,465,328 | 2,954,742,571 |
| | | | | | | | |
| Balance Sheet Long Position | | | 344,774,647 | 323,349,636 | 160,680,072 | | 828,804,355 |
| Balance Sheet Short Position | (270,678,112) | (115,455,979) | | | | (442,670,264) | (828,804,355) |
| Off Balance Sheet Long Position | 6,331,470 | 30,152,790 | | 21,282,389 | | | 57,766,649 |
| Off Balance Sheet Short Position | | | (39,966,224) | | (12,466,143) | | (52,432,367) |
| Total Position | (264,346,642) | (85,303,189) | 304,808,423 | 344,632,025 | 148,213,929 | (442,670,264) | 5,334,282 |

(1) Includes derivative financial assets.

(2) Includes balances from leasing receivables and factoring receivables.

(3) Expected credit loss provisions are presented under the non-interest-bearing column.

(4) Includes subordinated debt instruments classified under subordinated borrowings in the balance sheet.

(5) Total equity is presented under the non-interest-bearing column.

(6) Borrower funds are presented within the maturity bracket of up to one month.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

IV. Explanations on Interest Rate Risk (Continued)

b. Average interest rates applied to monetary financial instruments:

| Current Period | EUR | USD | JPY | TL |
|--|------------|------------|------------|-----------|
| | % | % | % | % |
| Assets | | | | |
| Cash (Cash in Vault. Foreign Currency Cash. Money in Transit. Cheques Purchased) and Balances with the Central Bank of Türkiye | 3.50 | 3.50 | | 35.11 |
| Banks | 2.77 | 4.31 | | 52.53 |
| Financial Assets at Fair Value through Profit/Loss | 2.31 | 4.70 | | 50.21 |
| Money Market Placements | | | | 48.32 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 4.81 | 6.75 | | 34.87 |
| Loans (1) | 6.62 | 8.25 | | 49.21 |
| Financial Assets Measured at Cost | 3.71 | 7.11 | | 34.18 |
| Liabilities | | | | |
| Bank Deposits | 3.62 | 6.99 | | 48.09 |
| Other Deposits | 0.31 | 0.25 | | 37.27 |
| Money Market Funds | 3.33 | 6.00 | | 48.68 |
| Miscellaneous Payables | | | | |
| Debt Securities Issued (2) | 5.51 | 7.25 | | 47.39 |
| Funds | | | | |
| Funds Provided from Other Financial Institutions | 4.73 | 6.28 | | 46.14 |

(1) Includes leasing receivables and factoring receivables.

(2) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

| Prior Period | EUR | USD | JPY | TL |
|--|------------|------------|------------|-----------|
| | % | % | % | % |
| Assets | | | | |
| Cash (Cash in Vault. Foreign Currency Cash. Money in Transit. Cheques Purchased) and Balances with the Central Bank of Türkiye | 4.75 | 4.75 | | |
| Banks | 3.80 | 4.46 | | 43.80 |
| Financial Assets at Fair Value through Profit/Loss | 2.64 | 5.76 | | 31.13 |
| Money Market Placements | | | | 42.79 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 4.19 | 6.94 | | 36.34 |
| Loans (1) | 7.95 | 9.58 | 7.10 | 38.83 |
| Financial Assets Measured at Amortized Cost | 3.31 | 7.29 | | 29.35 |
| Liabilities | | | | |
| Bank Deposits | 4.19 | 7.83 | | 43.88 |
| Other Deposits | 0.33 | 0.55 | | 30.84 |
| Money Market Funds | 4.81 | 7.04 | | 43.13 |
| Miscellaneous Payables | | | | |
| Debt Securities Issued (2) | 6.74 | 7.22 | | 43.83 |
| Funds | 0.25 | 0.50 | | 37.00 |
| Funds Provided from Other Financial Institutions | 6.02 | 7.56 | 6.60 | 38.30 |

(1) Includes leasing receivables and factoring receivables.

(2) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

V. Explanations on Equity Shares Risk Arising from Banking Book

- a. Accounting policies related to equity investments in associates and subsidiaries can be seen in the Section Three Note III.2.
- b. Balance sheet value of equity investment, fair value and for publicly traded, if the market value is different from the fair value comparison to the market price:

| Investment in Shares | Comparison | | |
|-------------------------------------|------------|------------|--------------|
| | Book Value | Fair Value | Market Value |
| Quoted | | | |
| Investment in Shares Group A | | | |
| Subsidiaries | | | |
| Financial Subsidiaries | | | |
| Non-Financial Subsidiaries (1) | 80,739,136 | | 128,694,810 |
| Non-Quoted | | | |
| Associate and Subsidiaries | | | |
| Financial Subsidiaries (2) | 554,844 | | |
| Non-Financial Subsidiaries | 96,438 | | |
| Subsidiaries | | | |
| Financial Subsidiaries | | | |
| Non-Financial Subsidiaries | 29,876,922 | | |

(1) Türkiye Şişe ve Cam Fabrikaları A.Ş.

(2) Accounted under the equity method in the consolidated financial statements according to TAS 28 and 1st clause of Article 5 of the "Communiqué on the Preparation of Consolidated Financial Statements".

(3) Refers to the total market value of the company.

- c. Information on revaluation surpluses and unrealised gains/losses on equity securities and results included in Common Equity and Tier II Capital:

| Portfolio | Realised Gains/losses During the period | Revaluation Increases | | Unrealized Gains and Losses | | |
|-----------------------------------|---|-----------------------|-------------------------------|-----------------------------|-------------------------------|-------|
| | | Total | Including into Tier I Capital | Total | Including into Tier I Capital | Total |
| Private Equity Investments | | | | | | |
| Shares Traded on a Stock Exchange | | 77,827,216 | 77,827,216 | | | |
| Other Stocks | | 11,399,795 | 11,399,795 | | | |
| Total | | 89,227,011 | 89,227,011 | | | |

- d. Capital requirement as per equity shares:

| Portfolio | Carrying Value | Total RWA | Minimum Capital Requirement |
|----------------------------------|--------------------|--------------------|-----------------------------|
| Private Equity Investments | | | |
| Share Traded on a Stock Exchange | 80,739,136 | 80,739,136 | 6,459,131 |
| Other Stocks | 30,528,204 | 31,360,470 | 2,508,838 |
| Total | 111,267,340 | 112,099,606 | 8,967,969 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio

Liquidity risk may occur as a result of funding long-term assets with short-term liabilities; The Bank's liquidity is managed by the Asset-Liability Management Committee in accordance with the business strategies, legal requirements, current market conditions and expectations regarding the economic and financial conjuncture.

The Bank's principal source of funding is deposits. Although the average maturity of deposits is shorter than that assets as a result of the market conditions, the Bank's wide network of branches and stable core deposit base are its most important safeguards of funding. Additionally, the Bank borrows medium and long-term funds from institutions abroad. In order to prevent potential concentrations on the funding side from adversely affecting the Bank's liquidity risk profile, concentration limits on deposits and non-deposit borrowings are actively utilized.

In order to meet the liquidity requirements that may arise from market fluctuations, considerable attention is paid to the need to preserve liquidity and efforts in this respect are supported by projections of Turkish Lira and Foreign Currency (FC) cash flows. The term structure of TL and FC deposits, their costs and amounts are monitored on a daily basis. During these studies historical events and future expectations are taken into account as well, based upon cash flow projections, prices are differentiated for different maturities and measures are taken accordingly to meet liquidity requirements. Moreover, potential alternative sources of liquidity are determined to be used in case of extraordinary circumstances.

The liquidity risk exposure of the Group has to be within the risk capacity limits which are prescribed by the legislation and the Group's risk appetite defined in its business strategy. It is essential for the Bank to have an adequate level of unencumbered liquid asset stock which can be sold or pledged, in case a large amount of reduction in liquidity sources occurs. The level of liquid asset buffer is determined in accordance with the liquidity risk tolerance which is set by the Board of Directors. The Bank's Asset Liability Management Committee (ALCO) is responsible for reviewing the liquidity situation and determining the appropriate liquidity level, determining the required funding source and maturity structure within the limits approved by the Board of Directors.

The Treasury Division is responsible for monitoring the liquidity risk, in accordance with the Asset and Liability Management Risk Policy limits, objectives set out in the business plan and the decisions taken at the meetings of Asset-Liability Management Committee. The Treasury Division is also responsible for making liquidity projections and taking necessary precautions to reduce liquidity risk, by using the results of stress testing and scenario analysis. Within this scope, Treasury Division is monitoring the Turkish Lira (TL) and foreign currency (FC) liquidity position instantly and prospectively based on the information provided from the branches, business units and IT infrastructure of the Bank. In order to balance cash flows and thus reduce liquidity risk exposure, in addition to managing the portfolio of free securities that may be subject to repurchase agreements and collateralized borrowing, the Bank also evaluates liquidity generation and long-term borrowing opportunities through transactions based on remittance flows, mortgage-backed securities based on asset pools created from relatively small amounts of mortgage loans distributed over a large number of borrowers, or other structured financing products.

The Bank applies liquidity stress tests to measure liquidity risk. In this approach, in liquidity stress scenarios in which parameters are determined by the Board of Directors, the ability of the Bank's liquid assets' in covering cash outflows within a one-month horizon has been described. Liquidity adequacy limits for TL and FC are determined by Board of Directors, based on the liquidity requirements and risk tolerance of the Bank. The liquidity risk is measured by the Risk Management Division and results are reported to the related executive functions, senior management and Board of Directors.

It is essential for the Bank to monitor the liquidity position and funding strategy continuously. In case of a liquidity crisis that may arise from unfavorable market conditions, extraordinary macroeconomic situations and other reasons which are beyond the control of the Bank. "Emergency Action and Funding Plan" is expected to be commissioned. In that case, related committees have to report the precautions taken and their results to the Board of Directors through Audit Committee.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

The Group's Foreign Currency (FC) and total (TL+FC) liquidity coverage ratio (LCR) averaged for the last three months are given below.

| | Current Period | |
|-------------------|----------------|--------|
| | TL+FC | FC |
| October 31, 2024 | 158.05 | 362.72 |
| November 30, 2024 | 151.87 | 323.27 |
| December 31, 2024 | 148.26 | 313.79 |

| | Prior Period | |
|-------------------|--------------|--------|
| | TL+FC | FC |
| October 31, 2023 | 212.88 | 352.66 |
| November 30, 2023 | 191.60 | 394.01 |
| December 31, 2023 | 202.58 | 501.50 |

The Bank's Foreign Currency (FC) and total (TL+FC) liquidity coverage ratio (LCR) averaged for the last three months are given below.

Liquidity Coverage Ratio:

| Current Period | Total Unweighted Value (1) | | Total Weighted Value (1) | |
|---|----------------------------|--------------------|--|--------------------|
| | TL+FC | FC | TL+FC | FC |
| High Quality Liquid Assets | | | | |
| High Quality Liquid Assets | | | 710,111,189 | 379,980,700 |
| Cash Outflows | | | | |
| Retail and Small Business Customers, of which; | 1,471,169,035 | 717,639,244 | 132,261,179 | 71,763,924 |
| Stable deposits | 297,114,489 | | 14,855,724 | |
| Less stable deposits | 1,174,054,546 | 717,639,244 | 117,405,455 | 71,763,924 |
| Unsecured wholesale funding, of which; | 836,196,014 | 302,745,626 | 466,450,993 | 177,214,286 |
| Operational deposits | 8,561,676 | 39,011 | 2,117,409 | 9,753 |
| Non-operational deposits | 583,362,197 | 231,062,831 | 302,016,961 | 110,542,139 |
| Other unsecured funding | 244,272,141 | 71,643,784 | 162,316,623 | 66,662,394 |
| Secured funding | | | 9,895,838 | 10,187,890 |
| Other cash outflows, of which; | 9,192,000 | 19,836,349 | 9,192,000 | 19,836,349 |
| Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions | 5,114,852 | 15,759,201 | 5,114,852 | 15,759,201 |
| Obligations related to structured financial products | | | | |
| Commitments related to debts to financial markets and other off-balance sheet obligations | 4,077,148 | 4,077,148 | 4,077,148 | 4,077,148 |
| Other revocable off-balance sheet commitments and contractual obligations | 12,734,928 | 8,936,712 | 636,746 | 446,836 |
| Other irrevocable or conditionally revocable off-balance sheet obligations | 1,562,026,387 | 328,725,435 | 120,924,977 | 29,638,556 |
| Total Cash Outflows | | | 739,361,733 | 309,087,841 |
| Cash Inflows | | | | |
| Secured lending | 430,480 | | | |
| Unsecured lending | 378,287,833 | 158,104,116 | 265,922,362 | 138,158,271 |
| Other cash inflows | 6,620,240 | 54,304,775 | 6,620,240 | 54,304,775 |
| Total Cash Inflows | 385,338,553 | 212,408,891 | 272,542,602 | 192,463,046 |
| | | | Values with Upper Limit Applied | |
| Total HQLA Stock | | | 710,111,189 | 379,980,700 |
| Total Net Cash Outflows | | | 466,819,131 | 116,624,795 |
| Liquidity Coverage Ratio (%) | | | 152.73 | 333.26 |

(1) The simple arithmetic average calculated for the last three months of weekly simple arithmetic average.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

| Prior Period | Total Unweighted Value (1) | | Total Weighted Value (1) | |
|--|----------------------------|--------------------|-----------------------------------|--------------------|
| | TL+FC | FC | TL+FC | FC |
| High Quality Liquid Assets | | | | |
| High Quality Liquid Assets | | | 629,451,586 | 305,341,901 |
| Cash Outflows | | | | |
| Retail and Small Business Customers, of which; | 1,043,188,451 | 553,893,702 | 95,408,917 | 55,389,370 |
| Stable deposits | 178,198,560 | | 8,909,928 | |
| Less stable deposits | 864,989,891 | 553,893,702 | 86,498,989 | 55,389,370 |
| Unsecured funding, of which; | 552,128,377 | 251,509,630 | 290,141,600 | 135,475,949 |
| Operational deposits | 4,444,101 | 53,207 | 1,100,025 | 13,302 |
| Non-operational deposits | 390,693,283 | 202,785,152 | 183,740,186 | 89,549,695 |
| Other unsecured funding | 156,990,993 | 48,671,271 | 105,301,389 | 45,912,952 |
| Secured funding | | | 5,536,385 | 5,541,822 |
| Other cash outflows, of which; | 9,240,532 | 19,406,460 | 9,240,532 | 19,406,460 |
| Derivatives cash outflow and liquidity needs related to market valuation changes on derivative or other transactions | 3,497,237 | 13,663,165 | 3,497,237 | 13,663,165 |
| Obligations related to structured financial products | | | | |
| Commitments related to debts to financial markets and other off-balance sheet obligations | 5,743,295 | 5,743,295 | 5,743,295 | 5,743,295 |
| Other revocable off-balance sheet commitments and contractual obligations | 12,342,442 | 8,965,706 | 617,122 | 448,285 |
| Other irrevocable or conditionally revocable off-balance sheet obligations | 915,854,600 | 265,476,403 | 76,722,865 | 24,381,089 |
| Total Cash Outflows | | | 477,667,421 | 240,642,975 |
| Cash Inflows | | | | |
| Secured lending | 72,424 | | | |
| Unsecured lending | 230,996,122 | 100,951,313 | 157,815,084 | 82,299,151 |
| Other cash inflows | 7,783,394 | 90,748,874 | 7,783,394 | 90,748,874 |
| Total Cash Inflows | 238,851,940 | 191,700,187 | 165,598,478 | 173,048,025 |
| | | | Upper Limit Applied Values | |
| Total HQLA Stock | | | 629,451,586 | 305,341,901 |
| Total Net Cash Outflows | | | 312,068,943 | 76,680,102 |
| Liquidity Coverage Ratio (%) | | | 202.35 | 416.06 |

(1) The simple arithmetic average calculated for the last three months of the monthly simple arithmetic average.

Compared to the prior period, it is observed that in the last quarter of 2024, the FX liquidity coverage ratio declined due to the increase in net cash outflows, while the total liquidity coverage ratio decreased despite the rise in the stock of high-quality liquid assets, also driven by the increase in net cash outflows. Nevertheless, both the total and FX liquidity coverage ratios continue to remain well above the minimum regulatory thresholds of 100% and 80%, respectively.

The Liquidity Coverage Ratio which has been introduced to ensure banks to preserve sufficient stock of high-quality assets to meet their net cash outflows that may occur in the short term is calculated as per the Communiqué on “Measurement and Assessment of the Liquidity Coverage Ratio of Banks” published by BRSA. The ratio is directly affected by the level of unencumbered high-quality assets which can be liquidated at any time and net cash inflows and outflows arising from the Group’s assets, liabilities and off-balance sheet transactions.

The Group’s high quality liquid asset stock primarily consists of cash and the accounts held at CBRT and unencumbered government bonds which are issued by Turkish Treasury.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

The Bank's principal source of funding is deposits. In terms of non-deposit borrowing, funds received from repurchase agreements, marketable securities issued, and funds borrowed from financial institutions are among the most significant funding sources of the Bank.

Cash flows of derivatives that will take place within 30 days are considered in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

The consolidated total results of the net stable funding ratio, which is complementary to the liquidity coverage ratio and another indicator used in the measurement of liquidity risk, are presented below for the current and prior periods.

Net Stable Funding Ratio:

| Current Period | | a | b | c | d | e |
|---------------------------------|---|--|----------------|--------------------|-----------------------------|----------------------|
| | | Unweighted amount by residual maturity | | | | Weighted Amount |
| | | Undated / No Maturity | Up to 6 months | 6 months to 1 year | 1 year and more than 1 year | |
| Available Stable Funding | | | | | | |
| 1 | Capital Instruments | | | | 408,930,520 | 408,930,520 |
| 2 | Regulatory capital | | | | 401,034,251 | 401,034,251 |
| 3 | Other capital instruments | | | | 7,896,269 | 7,896,269 |
| 4 | Deposits (from retail and small business customers) | 627,121,374 | 822,400,771 | 21,564,815 | 10,425,683 | 1,348,530,957 |
| 5 | Stable Deposits (from retail and small business customers) | 104,005,713 | 198,548,581 | 812,538 | 24,732 | 288,221,986 |
| 6 | Less Stable Deposits (from retail and small business customers) | 523,115,661 | 623,852,190 | 20,752,277 | 10,400,951 | 1,060,308,971 |
| 7 | Wholesale funding | 186,385,981 | 1,081,921,469 | 110,374,128 | 270,665,130 | 653,322,756 |
| 8 | Operational deposits | 8,637,980 | 26,703,601 | | | 17,670,791 |
| 9 | Other wholesale funding | 177,748,001 | 1,055,217,868 | 110,374,128 | 270,665,130 | 635,651,965 |
| 10 | Liabilities with matching interdependent assets | | | | | |
| 11 | Other liabilities | | 267,364,415 | 10,182,173 | 88,453,059 | 201,309,720 |
| 12 | Net Derivatives Liabilities | | | | | |
| 13 | All other liabilities and equity not included in the above categories | | 267,364,415 | 10,182,173 | 88,453,059 | 201,309,720 |
| 14 | TOTAL AVAILABLE STABLE FUNDING | | | | | 2,612,093,953 |
| Required Stable Funding | | | | | | |
| 15 | High Quality Liquid Assets (HQLA) | | | | | 31,248,863 |
| 16 | Deposits held at other financial institutions for operational purposes | | | | | |
| 17 | Performing loans and securities: | 270,506,164 | 904,213,943 | 278,337,558 | 692,607,590 | 1,451,692,414 |
| 18 | Performing loans to financial institutions secured by Level 1 HQLA | | 2,482,757 | | | 248,276 |
| 19 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 29,499,724 | 90,644,890 | 23,765,880 | 4,584,905 | 36,629,405 |
| 20 | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs | 241,006,440 | 799,100,378 | 244,706,675 | 551,961,230 | 1,287,033,414 |
| 21 | 35% or Lower Risk Weight | 4,093,739 | 5,541,319 | 3,752,204 | 3,995,011 | 9,904,449 |
| 22 | Residential Mortgage Secured Loans | | 6,450,836 | 5,000,655 | 55,128,520 | 43,641,951 |
| 23 | 35% or Lower Risk Weight | | 4,472,933 | 3,982,598 | 44,715,183 | 33,292,635 |
| 24 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | | 5,535,082 | 4,864,348 | 80,932,935 | 84,139,368 |
| 25 | Assets with matching interdependent liabilities | | | | | |
| 26 | Other assets | | 227,192,470 | 1,621,648 | 368,864,514 | 549,214,950 |
| 27 | Physical traded commodities (including gold) | 2,451,535 | | | | 2,083,804 |
| 28 | Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty | | | 34,689,641 | | 29,486,195 |
| 29 | Net Derivative Assets | | | 11,499,936 | | 11,499,936 |
| 30 | Derivatives Liabilities Before Deducting Variation Margin Posted | | | 516,240 | | 516,240 |
| 31 | All other assets not included in the above categories | | 222,573,377 | 1,621,648 | 322,158,698 | 505,628,775 |
| 32 | Off Balance Sheet Liabilities | | 605,505,290 | 3,373,181 | 1,028,717,412 | 81,879,794 |
| 33 | TOTAL REQUIRED STABLE FUNDING | | | | | 2,114,036,021 |
| 34 | NET STABLE FUNDING RATIO (%) | | | | | 123.56 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

As of December 31, 2024, the consolidated total net stable funding rate was 123.56%. (Previous Period: 127.92%)

Compared to the previous quarter, it is observed that in the final quarter of 2024, a slight decline in the consolidated Net Stable Funding Ratio. This decrease was driven by the increase in assets requiring stable funding outpacing the marginal rise in the amount of available stable funding.

Net stable funding rate, which was created to make the liability-structure of banks more stable and reliable by directing banks to medium and long-term funding sources, is the minimum stable funding required by the bank's funding structure and activities, with a maturity perspective longer than one month, unlike liquidity coverage ratio, it is based on comparing the requirements. The rate is calculated by dividing the "current stable funding amount" by the "required stable funding amount". While the current stable funding amount is determined according to the maturity and counterparties of the items in the liabilities, including equity; the required stable funding amount is calculated by taking into account varying rates depending on the maturity and liquidity quality of the items in assets.

The development of the relevant ratio in October, November, and December 2024, along with the three-month average, is presented in the table below.

| Period | Ratio |
|----------------------------|----------------|
| October 31, 2024 | 126.34% |
| November 31, 2024 | 127.23% |
| December 31, 2024 | 123.56% |
| Average of 3-months | 125.71% |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

| Prior Period | a | b | c | d | e |
|--|--|----------------|--------------------|-----------------------------|----------------------|
| | Unweighted amount by residual maturity | | | | Weighted Amount |
| | Undated / No Maturity | Up to 6 months | 6 months to 1 year | 1 year and more than 1 year | |
| Available Stable Funding | | | | | |
| 1 Capital Instruments | | | | 337,621,118 | 337,621,118 |
| 2 Regulatory capital | | | | 334,234,388 | 334,234,388 |
| 3 Other capital instruments | | | | 3,386,730 | 3,386,730 |
| 4 Deposits (from retail and small business customers) | 471,038,273 | 617,536,020 | 24,986,019 | 7,603,428 | 1,018,215,643 |
| 5 Stable Deposits (from retail and small business customers) | 72,283,991 | 109,978,655 | 1,082,893 | 20,018 | 174,197,279 |
| 6 Less Stable Deposits (from retail and small business customers) | 398,754,282 | 507,557,365 | 23,903,126 | 7,583,410 | 844,018,364 |
| 7 Wholesale funding | 170,449,999 | 679,841,960 | 106,465,380 | 202,406,093 | 492,457,094 |
| 8 Operational deposits | 2,005,597 | 9,747,132 | | | 5,876,365 |
| 9 Other wholesale funding | 168,444,402 | 670,094,828 | 106,465,380 | 202,406,093 | 486,580,729 |
| 10 Liabilities with matching interdependent assets | | | | | |
| 11 Other liabilities | | 175,510,065 | 6,384,898 | 194,605,195 | 264,980,437 |
| 12 Net Derivatives Liabilities | | | 179,672 | | |
| 13 All other liabilities and equity not included in the above categories | | 175,510,065 | 6,384,898 | 194,425,522 | 264,980,437 |
| 14 TOTAL AVAILABLE STABLE FUNDING | | | | | 2,113,274,292 |
| Required Stable Funding | | | | | |
| 15 High Quality Liquid Assets (HQLA) | | | | | 19,105,827 |
| 16 Deposits held at other financial institutions for operational purposes | | | | | |
| 17 Performing loans and securities: | 158,192,503 | 693,912,196 | 228,062,060 | 576,499,937 | 1,116,034,302 |
| 18 Performing loans to financial institutions secured by Level 1 HQLA | | 374,552 | | | 37,455 |
| 19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 28,357,736 | 92,179,100 | 16,045,651 | 7,747,342 | 34,113,233 |
| 20 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs | 129,834,767 | 591,323,432 | 203,999,743 | 372,101,151 | 885,117,197 |
| 21 35% or Lower Risk Weight | 2,156,532 | 3,620,365 | 1,890,722 | 1,879,768 | 5,379,138 |
| 22 Residential Mortgage Secured Loans | | 3,639,358 | 3,178,131 | 35,014,584 | 28,189,935 |
| 23 35% or Lower Risk Weight | | 2,183,397 | 2,188,946 | 24,906,029 | 18,375,090 |
| 24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | | 6,395,754 | 4,838,535 | 161,636,860 | 168,576,482 |
| 25 Assets with matching interdependent liabilities | | | | | |
| 26 Other assets | | 146,321,485 | 1,090,154 | 357,248,361 | 465,920,658 |
| 27 Physical traded commodities (including gold) | 921,730 | | | | 783,471 |
| 28 Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty | | | 12,589,195 | | 10,700,815 |
| 29 Net Derivative Assets | | | 9,019,002 | | 9,019,002 |
| 30 Derivatives Liabilities Before Deducting Variation Margin Posted | | | 721,338 | | 721,338 |
| 31 All other assets not included in the above categories | | 145,399,754 | 1,090,154 | 334,918,827 | 444,696,032 |
| 32 Off Balance Sheet Liabilities | | 445,893,461 | 4,741,284 | 569,665,480 | 51,015,011 |
| 33 TOTAL REQUIRED STABLE FUNDING | | | | | 1,652,075,798 |
| 34 NET STABLE FUNDING RATIO (%) | | | | | 127.92 |

The progress of the relevant rate in October, November and December 2023 and its 3-month averages are shown in the table below.

| Period | Ratio |
|----------------------------|----------------|
| October 31, 2023 | 126.24% |
| November 31, 2023 | 126.04% |
| December 31, 2023 | 127.92% |
| Average of 3-months | 126.73% |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities:

| | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Unallocated (1) | Total |
|--|----------------------|----------------------|---------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| Current Period | | | | | | | | |
| Assets | | | | | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Türkiye | 319,995,453 | 312,551,083 | | | | | | 632,546,536 |
| Banks | 45,546,105 | 36,615,427 | 6,860,187 | 1,401,892 | | | | 90,423,611 |
| Financial Assets at Fair Value through Profit/Loss (2) | 47,590,883 | 12,041,272 | 7,951,669 | 10,405,900 | 17,347,442 | 425,391 | | 95,762,557 |
| Money Market Placements | | 7,338,988 | 1,395,838 | 2,078,539 | | | | 10,813,365 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 4,468,913 | 758,715 | 9,337,044 | 50,139,241 | 229,058,088 | 132,387,027 | | 426,149,028 |
| Loans (3)(4) | 84,687,561 | 421,150,114 | 244,196,761 | 556,770,523 | 506,077,002 | 96,915,893 | 40,834,332 | 1,950,632,186 |
| Financial Assets Measured at Amortized Cost | | 6,002,269 | 10,907,462 | 32,145,938 | 157,110,584 | 75,190,926 | | 281,357,179 |
| Other Assets | 22,052,855 | 52,841,542 | 4,100,860 | 2,512,596 | 2,835,660 | | 288,670,346 | 373,013,859 |
| Total Assets | 524,341,770 | 849,299,410 | 284,749,821 | 655,454,629 | 912,428,776 | 304,919,237 | 329,504,678 | 3,860,698,321 |
| Liabilities | | | | | | | | |
| Bank Deposits | 3,346,709 | 50,809,208 | 1,517,783 | 3,867,624 | | | | 59,541,324 |
| Other Deposits | 849,566,755 | 936,916,625 | 245,819,791 | 72,407,959 | 12,362,142 | 2,802,934 | | 2,119,876,206 |
| Funds Provided from Other Financial Institutions | | 45,877,892 | 13,196,499 | 131,772,942 | 54,912,894 | 55,940,905 | | 301,701,132 |
| Money Market Funds | | 317,233,064 | 5,733,880 | 19,485,123 | 15,202,226 | | | 357,654,293 |
| Marketable Securities Issued (5) | | 16,517,637 | 7,869,348 | 40,431,661 | 119,188,240 | 46,316,151 | | 230,323,037 |
| Miscellaneous Payables | 42,936,588 | 138,979,504 | 1,392,657 | 138,293 | 257,233 | | | 183,704,275 |
| Other Liabilities (6) | 3,002,227 | 41,330,012 | 5,230,177 | 5,694,551 | 2,061,475 | 638,706 | 549,940,906 | 607,898,054 |
| Total Liabilities | 898,852,279 | 1,547,663,942 | 280,760,135 | 273,798,153 | 203,984,210 | 105,698,696 | 549,940,906 | 3,860,698,321 |
| Liquidity Gap | (374,510,509) | (698,364,532) | 3,989,686 | 381,656,476 | 708,444,566 | 199,220,541 | (220,436,228) | |
| Net Off Balance Sheet Position | | (5,183,657) | 1,707,949 | 901,201 | 2,637,323 | 1,371,114 | | 1,433,930 |
| Derivative Financial Assets | | 292,008,626 | 125,567,146 | 105,964,486 | 229,357,818 | 83,528,607 | | 836,426,683 |
| Derivative Financial Liabilities | | 297,192,283 | 123,859,197 | 105,063,285 | 226,720,495 | 82,157,493 | | 834,992,753 |
| Non-cash Loans | 295,328,604 | 22,044,332 | 54,420,882 | 155,804,663 | 51,712,653 | 13,905,817 | | 593,216,951 |
| Prior Period | | | | | | | | |
| Total Assets | 533,734,830 | 569,167,387 | 224,376,207 | 503,715,671 | 620,236,212 | 236,727,303 | 266,784,961 | 2,954,742,571 |
| Total Liabilities | 808,916,742 | 958,917,699 | 269,318,713 | 273,627,845 | 148,835,233 | 73,352,209 | 421,774,130 | 2,954,742,571 |
| Liquidity Gap | (275,181,912) | (389,750,312) | (44,942,506) | 230,087,826 | 471,400,979 | 163,375,094 | (154,989,169) | |
| Net Off Balance Sheet Position | | (6,881,365) | (2,992,561) | 4,265,848 | 2,325,839 | 1,095,278 | | (2,186,961) |
| Derivative Financial Assets | | 163,018,487 | 146,493,730 | 126,246,164 | 177,671,662 | 100,876,791 | | 714,306,834 |
| Derivative Financial Liabilities | | 169,899,852 | 149,486,291 | 121,980,316 | 175,345,823 | 99,781,513 | | 716,493,795 |
| Non-cash Loans | 213,191,409 | 15,934,004 | 36,067,080 | 122,388,467 | 32,475,508 | 11,438,878 | | 431,495,346 |

(1) Assets, such as Tangible Assets, Subsidiaries and Associates, Office Supply Inventory, Prepaid Expenses and Non-Performing Loans, which are required for banking operations and which cannot be converted into cash in short-term, other liabilities such as Provisions which are not considered as payables and Shareholders' Equity, are shown in "Unallocated" column.

(2) The balances include financial derivative assets.

(3) Includes leasing and factoring receivables.

(4) Stage 3 Non performing loans are included in "Unallocated" column.

(5) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

(6) The borrower funds are presented in "Up to 1 month" column in other liabilities.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

In compliance with the “TFRS 7”, the following table indicates the maturities of the Group’s major financial liabilities which are not qualified as derivatives. The following tables have been prepared in accordance with the provisions of TFRS 7 “Financial Instruments: Disclosures.” and by referencing the earliest dates of payments without discounting the liabilities. The interest to be paid to the related liabilities is included in the following table. Adjustments column shows the items that may cause possible cash flows in the following periods. The values of the related liabilities registered in balance sheet do not include these amounts.

| Current Period | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Total | Adjustments (-) | Balance Sheet Value |
|--|-------------|---------------|-------------|-------------|-------------|------------------|---------------|-----------------|---------------------|
| Liabilities | | | | | | | | | |
| Deposits | 852,913,464 | 1,000,274,340 | 258,091,809 | 80,925,106 | 13,735,314 | 3,019,060 | 2,208,959,093 | 29,541,563 | 2,179,417,530 |
| Funds Provided from Other Financial Institutions | | 46,937,943 | 16,588,901 | 141,826,211 | 74,814,246 | 73,798,638 | 353,965,939 | 52,264,807 | 301,701,132 |
| Money Market Funds | | 317,716,335 | 6,135,345 | 20,948,147 | 17,360,542 | | 362,160,369 | 4,506,076 | 357,654,293 |
| Marketable Securities Issued (Net) (1) | | 18,966,367 | 9,236,491 | 53,465,415 | 159,112,360 | 49,164,846 | 289,945,479 | 59,622,442 | 230,323,037 |
| Leasing Liabilities | | 142,765 | 329,679 | 1,261,439 | 3,251,266 | 1,287,855 | 6,273,004 | 2,400,594 | 3,872,410 |

(1) Includes bonds that have the nature of issued secondary subordinated loans, which are classified as subordinated loans on the balance sheet.

| Prior Period | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Total | Adjustments (-) | “Balance Sheet Value |
|--|-------------|---------------|-------------|-------------|------------|------------------|---------------|-----------------|----------------------|
| Liabilities | | | | | | | | | |
| Deposits | 652,109,439 | 711,303,915 | 245,480,407 | 107,405,571 | 17,888,472 | 2,504,652 | 1,736,692,456 | 26,640,636 | 1,710,051,820 |
| Funds Provided from Other Financial Institutions | | 14,211,043 | 12,739,417 | 108,772,694 | 97,742,756 | 60,572,209 | 294,038,119 | 52,797,526 | 241,240,593 |
| Money Market Funds | | 113,921,928 | 7,595,285 | 14,670,141 | 2,983,048 | | 139,170,402 | 1,457,364 | 137,713,038 |
| Marketable Securities Issued (Net) (1) | | 4,902,231 | 8,220,987 | 65,675,975 | 73,728,751 | 27,605,588 | 180,133,532 | 31,118,983 | 149,014,549 |
| Leasing Liabilities | | 73,767 | 143,186 | 692,052 | 1,763,747 | 802,328 | 3,475,080 | 1,177,566 | 2,297,514 |

(1) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

The following table shows the remaining maturities of non-cash loans of the Group.

| Current Period | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Total |
|----------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Letters of Credit | 27,327,705 | 10,883,869 | 23,330,516 | 38,053,213 | 3,728,549 | 3,121,073 | 106,444,925 |
| Letters of Guarantee | 266,384,126 | 8,629,822 | 27,215,758 | 98,060,946 | 46,420,026 | 8,142,530 | 454,853,208 |
| Acceptances | 48,936 | 2,530,641 | 3,874,608 | 19,269,082 | 358,720 | 131,339 | 26,213,326 |
| Other | 1,567,837 | | | 421,422 | 1,205,358 | 2,510,875 | 5,705,492 |
| Total | 295,328,604 | 22,044,332 | 54,420,882 | 155,804,663 | 51,712,653 | 13,905,817 | 593,216,951 |

| Prior Period | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Total |
|----------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Letters of Credit | 31,144,756 | 9,012,915 | 17,823,437 | 31,375,441 | 1,435,456 | 271,522 | 91,063,527 |
| Letters of Guarantee | 180,438,843 | 5,857,787 | 16,429,069 | 79,711,026 | 29,844,537 | 7,519,194 | 319,800,456 |
| Acceptances | 112,735 | 1,063,302 | 1,801,074 | 11,230,350 | 187,849 | | 14,395,310 |
| Other | 1,495,075 | | 13,500 | 71,650 | 1,007,666 | 3,648,162 | 6,236,053 |
| Total | 213,191,409 | 15,934,004 | 36,067,080 | 122,388,467 | 32,475,508 | 11,438,878 | 431,495,346 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

The following table shows the remaining maturities of derivative financial assets and liabilities of the Group.

| Current Period | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Total |
|---------------------------|----------------------|--------------------|--------------------|--------------------|-------------------------|----------------------|
| Forwards Contracts- Buy | 14,177,988 | 21,768,374 | 26,014,118 | 1,763,598 | | 63,724,078 |
| Forwards Contracts- Sell | 13,560,864 | 21,985,747 | 26,064,482 | 1,778,362 | | 63,389,455 |
| Swaps Contracts -Buy | 219,738,255 | 69,352,819 | 69,263,013 | 227,119,220 | 77,699,095 | 663,172,402 |
| Swaps Contracts -Sell | 267,633,559 | 96,719,026 | 68,552,775 | 224,592,133 | 76,327,979 | 733,825,472 |
| Futures Transactions-Buy | 763,000 | 1,016,462 | 24,132 | | | 1,803,594 |
| Futures Transactions-Sell | 814,806 | 436,394 | 13,140 | | | 1,264,340 |
| Options-Call | 8,420,419 | 3,475,392 | 9,684,486 | 475,000 | 5,829,513 | 27,884,810 |
| Options-Put | 7,774,674 | 3,852,060 | 9,443,091 | 350,000 | 5,829,513 | 27,249,338 |
| Other | 56,317,344 | 30,820,069 | 1,968,534 | | | 89,105,947 |
| Total | 589,200,909 | 249,426,343 | 211,027,771 | 456,078,313 | 165,686,100 | 1,671,419,436 |

| Prior Period | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Total |
|-----------------------------|----------------------|--------------------|--------------------|--------------------|-------------------------|----------------------|
| Forwards Contracts - Buy | 16,047,685 | 34,583,371 | 40,622,766 | 7,139,832 | | 98,393,654 |
| Forwards Contracts - Sell | 15,715,974 | 34,167,820 | 39,850,046 | 7,180,993 | | 96,914,833 |
| Swaps Contracts - Buy | 109,610,250 | 73,575,295 | 55,906,804 | 169,859,750 | 95,117,782 | 504,069,881 |
| Swaps Contracts - Sell | 129,456,287 | 97,973,935 | 53,570,734 | 167,492,749 | 94,022,506 | 542,516,211 |
| Futures Transactions - Buy | 1,680,418 | 686,464 | 29 | | | 2,366,911 |
| Futures Transactions - Sell | 1,632,380 | 117,093 | 34 | | | 1,749,507 |
| Options - Call | 9,881,648 | 15,411,675 | 26,011,557 | | 5,759,008 | 57,063,888 |
| Options – Put | 10,288,507 | 14,962,342 | 25,723,820 | | 5,759,008 | 56,733,677 |
| Other | 38,605,190 | 24,502,026 | 6,540,690 | 1,344,161 | | 70,992,067 |
| Total | 332,918,339 | 295,980,021 | 248,226,480 | 353,017,485 | 200,658,304 | 1,430,800,629 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VII. Explanations on Leverage Ratio

a. Explanations on Differences Between Current and Prior Years' Leverage Ratios

The Bank's consolidated leverage ratio is calculated in accordance with the principles of the "Regulation on Measurement and Evaluation of Banks' Leverage Level". The Bank's consolidated Leverage ratio is 5.65% (December 31, 2023: 6.44%). According to Regulation the minimum leverage ratio is 3%. The changes in the leverage ratio are mostly due to the increase in the total risk amount.

b. Summary Comparison Table Related to Total Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS:

| | Current Period | Prior Period |
|---|----------------|---------------|
| Summary Comparison Table Related to Total Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS (1) | 3,592,484,116 | 3,012,024,797 |
| The difference between Total Amount of Asset in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks | 244,475,743 | 57,282,226 |
| The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2) | (8,069,522) | (12,761,335) |
| The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2) | 268,232,366 | 60,610,743 |
| The difference between total amount and total risk amount of off-balance sheet transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2) | 27,205,080 | 20,464,892 |
| The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2) | (13,140,307) | 772,547 |
| Total Exposures (2) | 5,469,097,900 | 3,793,088,619 |

(1) Since the consolidated financial statements dated 31.12.2024, prepared in accordance with Article 5, Paragraph 6 of the "Communiqué on the Preparation of Consolidated Financial Statements of Banks," have not yet been published as of the reporting date in compliance with legal regulations, the balances from the consolidated financial statements dated 30.06.2024 have been presented.

(2) The amounts presented in the table represent three-month averages.

c. Explanations on consolidated leverage ratio

| | Current Period (1) | Prior Period (1) |
|--|--------------------|------------------|
| On-Balance Sheet Items | | |
| On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 3,764,909,286 | 2,748,990,955 |
| Asset amounts deducted in determining Basel III Tier 1 capital | (16,735,219) | (6,698,908) |
| The total amount of risk on-balance sheet exposures | 3,748,174,067 | 2,742,292,047 |
| Derivative exposures and credit derivatives | | |
| Replacement cost associated with derivative financial instruments and credit derivatives | 20,301,107 | 26,558,286 |
| The potential amount of credit risk with derivative financial instruments and credit derivatives | 8,069,522 | 12,761,335 |
| The total amount of risk on derivative financial instruments with credit derivatives | 28,370,629 | 39,319,621 |
| Investment securities or commodity collateral financing transactions | | |
| The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items) | 70,153,325 | 27,687,784 |
| Risk amount of exchange brokerage operations | | |
| The total amount of risk investment securities or commodity collateral financial transactions | 70,153,325 | 27,687,784 |
| Off -Balance Sheet Items | | |
| Gross notional amount for off-balance sheet items | 1,647,026,584 | 1,001,650,208 |
| Adjustments for conversion to credit equivalent amounts | (24,626,705) | (17,861,041) |
| The total amount of risk for off-balance sheet items | 1,622,399,879 | 983,789,167 |
| Capital and Total Exposures | | |
| Tier 1 Capital | 309,019,533 | 244,442,367 |
| Total Exposures | 5,469,097,900 | 3,793,088,619 |
| Leverage Ratio | | |
| Leverage Ratio | 5.65 | 6.44 |

(1) Three-month average of the amounts in Leverage Ratio table.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VIII. Explanations on Other Price Risk

The Group is exposed to equity price risk arising from investments in companies listed on Borsa İstanbul A.Ş. and foreign stock exchanges.

The Group's sensitivity to stock price risk at the reporting date was measured with an analysis. In the analysis, with the assumption of all other variables were held constant and the data (stock prices) used in the valuation method are 10 % higher or lower. According to this assumption in shares traded in Borsa Istanbul and followed under Financial Assets at Fair Value through Profit or Loss account, expected to have an effect amounting to TL 640,742 increase/decrease.

IX. Explanations on Presentation of Assets and Liabilities at Fair Value

1. Information on fair values of financial assets and liabilities

| | Book Value | | Fair Value | |
|---|----------------|---------------|----------------|---------------|
| | Current Period | Prior Period | Current Period | Prior Period |
| Financial Assets | | | | |
| Money Market Placements | 10,813,365 | 7,939,685 | 10,813,365 | 7,939,685 |
| Banks | 90,423,611 | 85,267,737 | 90,407,299 | 85,232,825 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 426,149,028 | 297,025,226 | 426,149,028 | 297,025,226 |
| Financial Assets Measured at Amortized Cost | 281,357,179 | 216,178,048 | 254,977,157 | 203,858,397 |
| Loans (1) | 1,909,797,854 | 1,350,352,203 | 1,961,143,197 | 1,280,192,453 |
| Financial Liabilities | | | | |
| Banks Deposits | 59,541,324 | 95,801,924 | 59,742,083 | 95,803,711 |
| Other Deposits | 2,119,876,206 | 1,614,249,896 | 2,121,434,607 | 1,613,688,089 |
| Funds Provided from Other Financial Institutions | 301,701,132 | 241,240,593 | 301,114,434 | 240,033,197 |
| Marketable Securities Issued (2) | 230,323,037 | 149,014,549 | 234,697,796 | 148,491,671 |
| Miscellaneous Payables and funds borrowed | 184,388,174 | 257,055,896 | 184,388,174 | 257,055,896 |

(1) Factoring and Leasing Receivables are included.

(2) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

Strike prices, quotations, market prices determined by the CBRT and published in the Official Gazette and the values calculated by using alternative models, are taken as the basis in the fair value determination of financial assets at fair value through other comprehensive income.

When the prices of the financial assets measured at amortized cost cannot be measured in an active market, fair values are not deemed to be reliably determined and amortized cost, calculated by the internal rate of return method, are taken into account as the fair values.

Fair values of banks, loans granted, deposits and funds borrowed from other financial institutions are calculated by discounting the amounts in each maturity bracket formed according to repricing periods, using the rate corresponding to relevant maturity bracket in the discount curves based on current market conditions.

2. Information on fair value measurements recognized in the financial statements

TFRS 13 – “Fair Value Measurement” standard requires the items, which are recognized in the balance sheet at their fair values to be shown in the notes by being classified within a range. According to this, the related financial instruments are classified into three levels in such a way that they will express the significance of the data used in fair value measurements. At the first level, there are financial instruments, whose fair values are determined according to quoted prices in active markets for identical assets or liabilities, at the second level, there are financial instruments, whose fair values are determined by directly or indirectly observable market data, and at the third level, there are financial instruments, whose fair values are determined by the data, which are not based on observable market data. The financial assets, which are recognized in the balance sheet at their values, are shown below as classified according to the aforementioned principles of ranking.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

IX. Explanations on Presentation of Assets and Liabilities at Fair Value (Continued)

| Current Period | Level 1 | Level 2 | Level 3 |
|--|----------------|-------------------|----------------|
| Financial Assets at Fair Value Through Profit and Loss | | | |
| Debt Securities | 25,905,825 | 1,768,437 | 534,261 |
| Equity Securities | 6,407,420 | 467,439 | |
| Derivative Financial Assets at Fair Value through Profit and Loss | | 19,988,226 | |
| Other | 27,665,623 | 13,025,326 | |
| Financial Assets at Fair Value Through Other Comprehensive Income⁽¹⁾ | | | |
| Debt Securities | 137,580,273 | 278,844,416 | 5,255,426 |
| Equity Securities | 206,640 | 4,081,354 | |
| Other | 27,945 | | |
| Derivative Financial Liabilities | | 11,797,973 | |

⁽¹⁾ Securities classified under financial assets at fair value through other comprehensive income (TL 152,974) have been recognized in the financial statements at acquisition cost due to the absence of an active market. Accordingly, these securities are not included in this table.

| Prior Period | Level 1 | Level 2 | Level 3 |
|---|----------------|------------------|----------------|
| Financial Assets at Fair Value Through Profit and Loss | | | |
| Debt Securities | 16,227,541 | 3,891,717 | 204,633 |
| Equity Securities | 3,551,151 | 658,024 | |
| Derivative Financial Assets Held for Trading | | 21,100,639 | |
| Other | 12,247,618 | 7,715,358 | |
| Financial Assets Available-for-Sale⁽¹⁾ | | | |
| Debt Securities | 161,990,146 | 126,836,219 | 5,024,806 |
| Equity Securities | 294,567 | 2,660,248 | |
| Other | 69,861 | | |
| Derivative Financial Liabilities | | 8,364,356 | |

⁽¹⁾ Securities classified under financial assets at fair value through other comprehensive income (TL 149,379) have been recognized in the financial statements at acquisition cost due to the absence of an active market. Accordingly, these securities are not included in this table.

The movement table of financial assets at level 3 is given below:

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Balance at the Beginning of the Period | 5,229,439 | 3,850,525 |
| Purchases | 5,890,974 | 2,077,141 |
| Redemption or Sales | (6,039,514) | (2,181,515) |
| Valuation Difference | 674,341 | 1,369,873 |
| Transfers | | |
| Foreign Currency Difference | 34,447 | 113,415 |
| Balance at the end of the Period | 5,789,687 | 5,229,439 |

Properties that are recorded under tangible assets at fair value by the Bank and consolidated companies are classified in the 3rd level, whereas investment properties are classified both in the 2nd and 3rd level.

X. Explanations on Transactions Carried Out on Behalf of Third Parties and Fiduciary Transactions

The Group gives trading, custody, fund management services in the name and on the account of its customers. The Group has no fiduciary transactions.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on Risk Management Objectives and Policies

Explanations according to “Communiqué on Public Disclosures about Risk Management” published on the Official Gazette No.29511 dated 23 October 2015, are included below. Parent Bank uses standardised approach for calculation of capital adequacy, therefore other explanations within internal ratings-based approach are not included.

a. General Information on Risk Management and Risk Weighted Amounts

a.1 Risk Management Approach of the Group

The Group is exposed to financial and non-financial risks which are required to be analyzed, monitored and reported within specific risk management principles and with the perspective of Group risk management. This is not merely a legal reporting requirement but has become an industry standard for corporate governance today. The risk management process is organized within the framework of risk management and serves the creation of a common risk culture in corporate level; which brings “corporate governance” to forefront, the independence of the internal audit and monitoring units from the business units that undertake risks is established risk is defined in accordance with international regulations and in this context measurement, analysis, monitoring, reporting and control functions are carried.

Risk management process and the functions involved in the process is one of the primary responsibilities of the Board of Directors. The Risk Committee operates to prepare the Group's risk management strategies and policies, submit them to the Board of Directors for approval and monitor the implementations. Evaluating the capital adequacy and observing the active use of results in planning and decision-making processes, establishing and monitoring limits related to main risks, monitoring the activities of risk management (determining, defining, measuring, evaluating and managing risk) and monitoring results and methods in measuring risk are also under their authority and responsibility of the Committee. Committee reports activity results to the Board of Directors through Audit Committee.

The Operational Risk Committee operates to determine strategies and policies for managing operational risks that the Bank may be exposed to, to develop an operational risk management framework and to strengthen the governance model for operational risks. The Committee reports the results of the activity to the Board of Directors through the Audit Committee.

The Risk Management Department, which reports to the Board of Directors of the Parent Bank through the Internal Systems Manager; organized as Asset-Liability Management Unit, Credit Risk Management Unit, Credit Risk Analytics and Control Unit, Operational Risk and Affiliate Risk Unit, Model Risk and Validation Unit, Internal Capital Assessment Process and Economic Capital Unit.

The Group's risk management process is carried out within the framework of risk policies which are issued by the Board of the Directors by taking the recommendations of the Risk Management Department into account and which include the written standards that are implemented by the business units. These policies which are entered into force in line with the international practices are general standards which contain organization and scope of the risk management function, risk measurement policies, duties and responsibilities of the risk management group, procedures for determining risk limits, ways to eliminate limit violations, compulsory approvals and confirmations to be given in a variety of events and situations.

In the aforementioned risk policies, the Group's risk appetite framework is defined as a set of approaches that determine the risk capacity, the risk appetite, the risk tolerance and that include the policies, procedures, controls and systems for reporting and monitoring of the limits set for the Group's risk profile and the indicators in the framework. The Group's risk appetite framework, which is formed in accordance with the above-mentioned factors and entered into force with the Board of Directors approval, includes indicators that are aligned with the business plan, the strategic programme, capital and remuneration planning and comparable on a business unit level to the extent possible. The compliance to the limits within the framework is periodically monitored and the realization of the risk appetite indicators are reported to the Risk Committee and the Boards on a monthly basis.

In order to build a strong corporate culture that has a risk management perspective, the Group has policies, processes, systems and a control system that is integrated with the risk management system. All employees of the Group essentially perform their duties in a responsible manner that aims to develop controls to reduce or eliminate the probability of the Group to incur losses related to the operational risks. In the process risk analysis studies, risks and the related controls are evaluated together with employees performing the relevant process in a holistic approach. Procedures to be followed in case of a risk threshold breach and risk definitions are given in the risk politics. Code of conducts, operation manuals, the sharing of duties between business units and risk units are announced to staff.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on Risk Management Objectives and Policies (Continued)

The risk reports that analyse the results reached by the Parent Bank and the comprehensive risk assessment and comparison of these results with a risk management perspective are periodically submitted to the Risk Committee and to the Board through the Audit Committee. The content of the above-mentioned reports could be summarised as follows:

- Capital adequacy ratio, the progression of the components of this ratio and the issues that affect the aforementioned ratio,
- Monitoring the compliance status of the limits set by the Board of Directors as a part of the risk appetite framework and based on the components of the main risk types,
- In addition to the assessment of the loan portfolio on the basis of counterparties and loan types, monitoring of the portfolio as a whole according to parameters such as maturity, sector, geography, risk ratings, arrears, defaults,
- Measuring the assets and liabilities management risk, and reporting of measurement results,
- Monitoring all risks assessed within the scope of non-financial risks, including operational risk, reputational risk and climate change risk, and operational risk qualified loss events and risk indicators occurring at the Bank,
- Testing measurement results for their integrity and reliability,
- Analysing the level of risk indicators under various stress scenarios,
- Examining various concentration indicators and the course followed by these indicators.

In addition, analyzes and evaluations regarding the risk level of the companies included in the consolidated risk policies are also included in the mentioned report.

As per the communique on “Bank’s Internal Systems and Internal Capital Adequacy and Assessment Process” and “Guidelines for Stress Testing of Banks to Use in Capital and Liquidity Planning”, stress tests are conducted for the entire risks that the Group is exposed to and on the basis of significant risk categories. As a part of the holistic stress tests, risk appetite, capital planning, strategic plan and budget, action plans for emergencies and unexpected situations related to miscellaneous risks and other issues considered as significant are taken into consideration. In the above-mentioned stress tests, the methods that form the basis of regulatory reporting (standard method for credit and market risk, basic indicator method for operational risk) are used. On the other hand, in the stress tests for individual risk types the most advanced approaches used for risk measurement in the Parent Bank are leveraged.

In the stress tests, both the first pillar risks (credit risk, market risk, operational risk) in scope of the regulatory framework and all the other risks that the Group is exposed to independent of the regulatory framework are taken into account in a holistic perspective. In determining the course of capital adequacy under various scenarios during the planning horizon, the actions that the Group will take in case of stress conditions and the impact of the diversified growth strategies of business units on the capital adequacy and the balance sheet are considered.

The levels at which the capital adequacy ratio of the Bank will reach are estimated and monitored with stress tests. In addition, reverse stress tests are carried out regularly, by determining the problematic loan growth rate and increase in exchange rates, which will cause the Bank's capital adequacy to fall within the legal limits.

The scope and content of the Parent Bank's risk management system in terms of the main risk types are listed below. Risk mitigation strategies and processes for the assessment of their effectiveness are given in Fourth Section II No. "Explanations on Credit Risk" under the Fourth Chapter XI-e.1 notes. No. "The Public Disclosure of Qualitative Information Related to the Market Risk" mentioned in the section.

Credit Risk

Credit risk is defined as the risk of the failure to comply with the requirements or failing to fulfill its obligations partially or totally of the counter side of the transaction contract with the Parent Bank. The methodology and responsibilities of the credit risk management, controlling and monitoring and the framework of credit risk limitations specified with the credit risk policy.

The Bank defines measures and manages credit risk of the all products and activities. Board of Directors review the Parent Bank’s credit risk policies and credit risk strategy on an annual basis as a minimum. Key Management is responsible for the implementation of credit risk policies which are approved by Board of Directors.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on Risk Management Objectives and Policies (Continued)

As a result of loans and credit risks analysis all findings are reported to Board of Directors and Key Management on a regular basis. In addition to transaction and company based credit risk assessment process, monitoring of credit risk also refers to an approach with monitoring and managing the credit as a whole maturity, sector, security, geography, currency, credit type and credit rating.

In the management of credit risk, the Bank employs risk limits mandated by regulatory requirements, as well as those established by the Board of Directors, which define the maximum credit risk exposure permissible across various risk groups and sectors. These limits are structured to prevent risk concentration. In the event of a breach, the exceedance and its underlying causes are promptly reported to the Risk Committee and the Board of Directors. The Board of Directors holds the authority to determine the necessary remedial actions and the timeframe for resolution. The results of limit breach assessments, along with comprehensive evaluations, are submitted to Senior Management and the Board of Directors by the Internal Audit and Risk Management Group.

The Bank uses credit decision support systems which are created for the purpose of credit risk management, lending decisions, controlling the credit process and credit provisioning. The consistency of the credit decision support systems with the structure of the Parent Bank's activities, size and complexity is examined continuously by internal systems. Credit decision support systems contain the Risk Committee assessment and approval of Board of Directors.

Asset and Liability Management Risk

Asset-liability management risk defined as the risk of Group's incurring loss due to managing all financial risks that are inflicted from the assets, liabilities and off-balance sheet transactions, ineffectively. Trading book portfolio's market risk, structural interest rate risk and liquidity risk of the banking portfolio; are considered within the scope of the asset liability management.

Complying the established risk limits and being at the limits that stipulated by the legislation are the primary priority of Asset-liability management risk. Risk limits are determined by the Board of Directors by taking into consideration of the Group's liquidity, target income level and general expectations about changes in risk factors

Board of Directors and the Audit Committee are responsible for following the Group's capital is used optimally; for this purpose, checking the status against risk limits and providing the necessary actions are taken.

Asset and Liability Management Committee is responsible for managing the Asset and Liability risk within the framework of operating principles that are involved in the risk appetite and risk limits are set by the Board of Directors in accordance with the policy statement.

Asset and liability management processes and compliance with the provisions of the policy are controlled and audited by the internal audit system. The execution of the audit, reporting the audit results, action plans for the elimination of errors and gaps identified as a result of inspections regarding the fulfillment of the principles, are determined by the Board of Directors.

Operational Risk

Operational risk is defined as "insufficient or unsuccessful internal processes, people and systems, or external events resulting from and legal it is defined as "the possibility of causing harm", which also includes the risk that may arise. Studies consisted and are formed of occur by execution of identification, definition, measurement, analysis, monitoring of operational risk, providing and reporting the necessary control related to monitoring the progress of our country and the world, the development of techniques and methods, necessary legal reporting, notification and conduct of follow-up transactions. Studies on the subject are conducted by the Department of Risk Management.

Operational risks that arise due to the activities are defined in "Bank Risk Catalogue" and classified in respect of species. Bank Risk Catalogue is kind of the fundamental document that used for identification and classification of all at the risk that may be encountered. It is updated in line with the changes in the nature of the processes and activities.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on Risk Management Objectives and Policies (Continued)

Qualitative and quantitative methods are used in a combination for measurement and evaluation of the operational risks. In this process, information use that obtained from "Impact-Probability Analysis", "Missing Event Data Analysis", "Risk Indicators", "Scenario Analysis", "Top-Down Risk Assessment", "Internal Model" methods. Methods prescribed by legal regulations are applied as minimum in determining the capital requirement level for the operating risk.

Operational Risk Committee, the management of operational risks that the bank may be exposed for the determination of policies and strategies, the development of an operational risk management framework and operational risks include activities with the aim of strengthening the governance model. The Committee works in cooperation with the Risk Committee and reports the results of its activities to the Board of Directors through the Audit Committee.

All risks are assessed in the context of operational risk, loss events and the risk indicators same as operational risks that occurred in the Parent Bank, are monitored on a regular basis by the Department of Risk Management and reported periodically to the Risk Committee, Audit Committee, Operational Risk Committee and the Board of Directors.

Model Risk Management and Validation Operations

Model risk is the risk of financial losses and / or loss of reputation that the Bank may be exposed to due to errors and / or malfunctions that occur during the creation, implementation or use of models used in its activities. In order to address the model risk in a holistic manner, the model definition, model life cycle and triple line of defense structure and the duties and responsibilities of all functions of the Bank in this structure are defined in the model risk management policy.

Model risk management and validation activities in the second line of defense of the triple line of defense structure; creating the model inventory, determining and approving the model class, validating the models, preparing periodic reports on the Bank's model risk and reporting to the Risk Committee, Audit Committee. and submission to the Board of Directors.

Risk measurement models are validated at least once a year under international standards. Within the scope of validation, activities are carried out to test the performance and validity of models with statistical methods, to examine the quality of the data used in the model development phase and the conceptual soundness of the selected methods, and to evaluate the health of the processes created for the use of the models. The results of the validation activities are reported to the Risk Committee and the Board of Directors.

Subsidiaries Risk Operations

Corporations within the Bank's consolidated risk policy, in terms of their own business lines, measure, evaluate and monitor risks, establish risk limits. Risk limits are approved by their own Board of Directors. Risk levels are reported to the Bank's Risk Committee within the periods set by the Bank, to monitor risk levels on consolidated basis. The Bank's Risk Committee, assesses the risk levels and report the results to the Board of the Directors of the Bank.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

a.2. General Information on Risk Weighted Amounts

| | Risk Weighted Amount (1) | | Minimum Capital Requirements |
|---|--------------------------|----------------------|------------------------------|
| | Current Period | Prior Period | Current Period |
| Credit risk (excluding counterparty credit risk) (CCR) | 1,946,292,860 | 1,473,074,629 | 155,703,429 |
| Of which standardised approach (SA) | 1,946,292,860 | 1,473,074,629 | 155,703,429 |
| Of which internal rating-based (IRB) approach | | | |
| Counterparty credit risk | 30,437,706 | 17,246,745 | 2,435,016 |
| Of which standardised approach for counterparty credit risk (CCR) | 30,437,706 | 17,246,745 | 2,435,016 |
| Of which internal model method (IMM) | | | |
| Equity positions in banking book under basic risk weighting or internal rating-based approach | | | |
| Equity investments in funds – look-through approach | 35,564,124 | 17,506,880 | 2,845,130 |
| Equity investments in funds – mandate-based approach | | | |
| Equity investments in funds - 1250% weighted risk approach | | | |
| Settlement risk | 13 | 488,675 | 1 |
| 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 | 73,974,638 | 36,747,700 | 5,917,971 |
| Of which standardised approach (SA) | 73,974,638 | 36,747,700 | 5,917,971 |
| Of which internal model approaches (IMM) | | | |
| Operational Risk | 218,426,329 | 127,564,191 | 17,474,106 |
| Of which Basic Indicator Approach | 218,426,329 | 127,564,191 | 17,474,106 |
| Of which Standardised approach (SA) | | | |
| Of which Advanced measurement approach | | | |
| The amounts below the thresholds for deduction from capital (subject to a 250% risk weight) | 1,387,110 | 1,132,565 | 110,969 |
| Floor adjustment | | | |
| Total | 2,306,082,780 | 1,673,761,385 | 184,486,622 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

b. Linkages Between Financial Statements and Risk Amounts

b.1 Differences and linkage between scopes of accounting consolidation and regulated consolidation

Differences and Linkage Between Accounting Consolidation and Legal Consolidation Scope:

| Current Period | Carrying values in financial statements prepared as per TAS (1) | Carrying values in consolidated financial statements prepared as per TAS | Carrying values of items in accordance with Turkish Accounting Standards (TAS) | | | | |
|---|---|--|--|-------------------------------------|--------------------------|------------------------|--|
| | | | Subject to credit risk | Subject to counterparty credit risk | Securitization Positions | Subject to market risk | Not subject to capital requirements or subject to deduction from capital |
| Assets | | | | | | | |
| Cash and CBRT | 506,595,383 | 632,546,536 | 632,546,536 | | | | |
| Banks and Money Market Placements | 176,032,560 | 101,236,976 | 101,236,976 | | | | |
| Financial Assets at Fair Value Through Profit/Loss | 67,710,416 | 75,774,331 | 54,973,228 | | | 20,801,103 | |
| Financial Assets at Fair Value Through Other Comprehensive Income | 353,464,825 | 426,149,028 | 426,149,028 | | | 7,749,684 | |
| Derivative Financial Assets at Fair Value Through Profit/Loss | 22,134,230 | 19,988,226 | | 19,988,226 | | 7,671,973 | |
| Derivative Financial Assets at Fair Value Through Other Comprehensive Income | 630,833 | | | | | | |
| Financial Assets at Measured at Amortised Cost – Loans (2) | 1,686,430,221 | 1,950,632,186 | 1,950,625,917 | | | | 6,269 |
| Financial Assets at Measured at Amortised Cost – Other Financial Assets | 270,447,290 | 281,357,179 | 281,357,179 | | | | |
| Financial Assets at Measured at Amortised Cost – Expected Credit Loss (-) | 51,943,423 | 61,683,244 | 61,683,244 | | | | |
| Assets Held for Sale and Discontinued Operations | 1,557,862 | 52,344 | 52,344 | | | | |
| Investment in Associates, Subsidiaries and Joint-Ventures | 16,139,363 | 111,411,807 | 111,411,807 | | | | |
| Tangible Assets | 167,802,181 | 71,145,598 | 70,620,991 | | | | 524,607 |
| Intangible Assets | 48,419,297 | 12,314,368 | 733,212 | | | | 11,581,156 |
| Investment Properties | 39,614,079 | 25,407,317 | 25,407,317 | | | | |
| Current Tax Asset | 460,796 | 110,073 | 110,073 | | | | |
| Deferred Tax Asset | 34,730,141 | 30,811,538 | 26,949,645 | | | | 3,861,893 |
| Other Assets | 252,258,062 | 183,444,058 | 183,444,058 | | | | |
| Total Assets | 3,592,484,116 | 3,860,698,321 | 3,803,935,067 | 19,988,226 | | 36,222,760 | 15,973,925 |
| Liabilities | | | | | | | |
| Deposits | 1,885,043,043 | 2,179,417,530 | | | | | 2,179,417,530 |
| Funds Borrowed | 346,580,394 | 301,701,132 | | 57,371,606 | | | 244,329,526 |
| Money Market Funds | 297,533,984 | 357,654,293 | | 343,056,947 | | | 14,597,346 |
| Marketable Securities Issued | 196,232,589 | 172,536,840 | | | | | 172,536,840 |
| Derivative Financial Liabilities at Fair Value Through Profit/Loss | 17,263,356 | 11,797,973 | | 11,797,973 | | 7,262,654 | |
| Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income | 1,534,745 | | | | | | |
| Leasing Liability | 6,771,796 | 3,872,410 | | | | | 3,872,410 |
| Provisions | 138,204,322 | 158,589,929 | | | | | 158,589,929 |
| Current Tax Liability | 14,492,393 | 15,415,268 | | | | | 15,415,268 |
| Deferred Tax Liability | 4,031,880 | 2,935,714 | | | | | 2,935,714 |
| Subordinated Debts | 54,544,823 | 57,786,197 | | | | | |
| Other Liabilities | 210,535,174 | 226,278,921 | | | | | 226,278,921 |
| Shareholders' Equity | 419,715,617 | 372,712,114 | | | | | |
| Total Liabilities | 3,592,484,116 | 3,860,698,321 | | 412,226,526 | | 7,262,654 | 3,017,973,484 |

(1) Since the consolidated financial statements dated 31.12.2024, prepared in accordance with Article 5, Paragraph 6 of the "Communiqué on the Preparation of Consolidated Financial Statements of Banks," have not yet been published as of the reporting date in compliance with legal regulations, the balances from the consolidated financial statements dated 30.06.2024 have been presented.

(2) Includes balances from leasing receivables and factoring receivables.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

| Prior Period | Carrying values in financial statements prepared as per TAS | Carrying values in consolidated financial statements prepared as per TAS | Carrying values of items in accordance with Turkish Accounting Standards (TAS) | | | | |
|---|---|--|--|-------------------------------------|--------------------------|------------------------|--|
| | | | Subject to credit risk | Subject to counterparty credit risk | Securitization Positions | Subject to market risk | Not subject to capital requirements or subject to deduction from capital |
| Assets | | | | | | | |
| Cash and CBRT | 525,647,394 | | | | | | |
| Banks and Money Market Placements | 111,228,368 | 526,634,646 | 526,634,646 | | | | |
| Financial Assets at Fair Value Through Profit/Loss | 50,576,888 | 93,207,422 | 93,207,422 | | | | |
| Financial Assets at Fair Value Through Other Comprehensive Income | 297,288,207 | 44,496,042 | 33,936,258 | | | 10,559,784 | |
| Derivative Financial Assets at Fair Value Through Profit/Loss | 21,890,848 | 297,025,226 | 297,025,226 | | | 1,077,774 | |
| Derivative Financial Assets at Fair Value Through Other Comprehensive Income | 973,908 | 21,100,639 | | 21,100,639 | | 7,441,999 | |
| Financial Assets at Measured at Amortised Cost – Loans (1) | 1,369,216,971 | | | | | | |
| Financial Assets at Measured at Amortised Cost – Other Financial Assets | 217,833,659 | 1,381,512,252 | 1,381,509,022 | | | | 3,230 |
| Financial Assets at Measured at Amortised Cost – Expected Credit Loss (-) | 48,509,794 | 216,178,048 | 216,178,048 | | | | |
| Assets Held for Sale and Discontinued Operations | 1,562,955 | 48,509,794 | 48,509,794 | | | | |
| Investment in Associates, Subsidiaries and Joint-Ventures | 15,070,815 | 1,562,954 | 1,562,954 | | | | |
| Tangible Assets | 146,171,470 | 81,346,534 | 81,346,534 | | | | |
| Intangible Assets | 42,051,854 | 44,795,538 | 44,524,306 | | | | 271,232 |
| Investment Properties | 32,503,851 | 7,138,241 | 252,198 | | | | 6,886,043 |
| Current Tax Asset | 328,911 | 18,056,230 | 18,056,230 | | | | |
| Deferred Tax Asset | 18,808,725 | 50,335 | 50,335 | | | | |
| Other Assets | 209,379,767 | 14,637,453 | 14,637,453 | | | | |
| Total Assets | 3,012,024,797 | 255,510,805 | 255,510,805 | | | | |
| Liabilities | | | | | | | |
| Deposits | 1,686,623,408 | 1,710,051,820 | | | | | 1,710,051,820 |
| Funds Borrowed | 282,235,160 | 241,240,593 | | 15,328,103 | | | 225,912,490 |
| Money Market Funds | 137,713,038 | 137,713,038 | | 126,840,596 | | | 10,872,442 |
| Marketable Securities Issued | 141,637,957 | 109,143,567 | | | | | 109,143,567 |
| Derivative Financial Liabilities at Fair Value Through Profit/Loss | 8,361,763 | 8,364,356 | | 8,364,356 | | 7,040,197 | |
| Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income | 1,257,772 | | | | | | |
| Leasing Liability | 4,887,216 | 2,297,514 | | | | | 2,297,514 |
| Provisions | 133,575,012 | 107,633,317 | | | | | 107,633,317 |
| Current Tax Liability | 16,257,751 | 13,729,348 | | | | | 13,729,348 |
| Deferred Tax Liability | 3,049,543 | 114,193 | | | | | 114,193 |
| Subordinated Debts | 39,829,304 | 39,870,982 | | | | | |
| Other Liabilities | 168,235,282 | 281,227,003 | | | | | 281,227,003 |
| Shareholders' Equity | 388,361,591 | 303,356,840 | | | | | |
| Total Liabilities | 3,012,024,797 | 2,954,742,571 | | 150,533,055 | | 7,040,197 | 2,460,981,694 |

(1) Leasing and Factoring Receivables are included.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

b.2 The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

| | Current Period | Total | Credit Risk | Securitization Position | Counterparty credit risk | Market risk |
|-----------|--|---------------|----------------------|-------------------------|--------------------------|-------------------|
| 1 | Asset carrying value amount under scope of TAS | 3,860,698,321 | 3,803,935,067 | | 19,988,226 | 36,222,760 |
| 2 | Liabilities carrying value amount under scope of TAS | | | | (400,428,553) | 7,262,654 |
| 3 | Total net amount under regulatory scope of consolidation | 3,860,698,321 | 3,803,935,067 | | 420,416,779 | 28,960,106 |
| 4 | Off-balance sheet amounts | 2,582,369,556 | 390,579,003 | | 29,753,051 | |
| 5 | Repurchase Transactions Valuation Adjustments (1) | | | | 74,789,892 | |
| 6 | Differences in valuations | | | | | |
| 7 | Differences due to different netting rules | | | | | |
| 8 | Differences due to consideration of provisions | | | | | |
| 9 | Differences due to prudential filters | | (437,980,371) | | | |
| 10 | Differences due to risk mitigation (2) | | (36,633,697) | | | |
| 11 | Risk Amounts | | 3,719,900,002 | | 104,542,943 | 28,960,106 |

(1) According to the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", it is the counterparty credit risk amount calculated for repo style transactions.

(2) The source of the difference is the collateral for receivables under credit risk mitigation in the calculation of capital adequacy.

| | Prior Period | Total | Credit Risk | Securitization Position | Counterparty credit risk | Market risk |
|-----------|--|---------------|----------------------|-------------------------|--------------------------|-------------------|
| 1 | Asset carrying value amount under scope of TAS | 2,954,742,571 | 2,915,921,643 | | 21,100,639 | 19,079,557 |
| 2 | Liabilities carrying value amount under scope of TAS | | | | (142,168,699) | 7,040,197 |
| 3 | Total net amount under regulatory scope of consolidation | 2,954,742,571 | 2,915,921,643 | | 163,269,338 | 10,715,201 |
| 4 | Off-balance sheet amounts | 1,828,679,147 | 295,987,663 | | 32,479,479 | |
| 5 | Repurchase Transactions Valuation Adjustments (1) | | | | 32,195,515 | |
| 6 | Differences in valuations | | | | | |
| 7 | Differences due to different netting rules | | | | | |
| 8 | Differences due to consideration of provisions | | | | | |
| 9 | Differences due to prudential filters | | (517,132,967) | | | |
| 10 | Differences due to risk mitigation (2) | | (45,698,438) | | | |
| 11 | Risk Amounts | | 2,670,178,540 | | 64,674,994 | 10,715,201 |

(1) According to the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", it is the counterparty credit risk amount calculated for repo style transactions.

(2) The source of the difference is the collateral for receivables under credit risk mitigation in the calculation of capital adequacy.

The differences between financial statements resulting from legal consolidation and the ones resulting from accounting consolidation are mainly due to the differences in the scope of companies included in consolidation. Legal consolidation only includes partnerships that are in the form of credit institutions or financial institutions in accordance with Article No 5 of Clause No 1 in the "Communiqué on Preparation of Consolidated Financial Statements of Banks" while accounting consolidation includes all partnerships regardless of them being in the form of credit institutions or financial institutions in accordance with Article No 5 of Clause No 6 in the same communiqué.

Bank using the valuation methodology are mainly based on data observed may in accordance with TFRS 13 aims to use methods that measure the fair value. In this context, securities qualification reality in the fair value measurement of financial assets in the transaction prices, quotes, set by the CBRT and as the price published in the Official Gazette as are used also necessary from internal pricing models. As for the derivative transactions interest rates, yield curves, foreign exchange, the basis of valuation models using market data such as volatility curves, valuation service is also available from third parties.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

The market prices used to value the scope of the independent price verification process, data and / or model inputs for accuracy is regularly subjected to control, as well as compliance of the results provided by the pricing services obtained from third parties with respect to certain ranges tested.

c. Explanations on Credit Risk

c.1. General Information on Credit Risk

c.1.1. General Qualitative Information on Credit risk

Relevant information is given in the footnotes below Section Four footnote II “Explanations on Credit Risk” and Section Four footnote numbered XI-a.1.

c.1.2. Credit Quality of Assets:

| Current Period | Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS) | | Allowances/ Amortization and Impairments | Net Values |
|-----------------------------|---|----------------------|--|----------------------|
| | Defaulted | Non-defaulted | | |
| Loans | 40,834,332 | 1,909,797,854 | 29,696,238 | 1,920,935,948 |
| Debt Securities | | 696,601,956 | | 696,601,956 |
| Off-balance sheet exposures | 5,689,081 | 1,668,768,875 | 2,631,737 | 1,671,826,219 |
| Total | 46,523,413 | 4,275,168,685 | 32,327,975 | 4,289,364,123 |

| Prior Period | Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS) | | Allowances/ amortization and impairments | Net Values |
|-----------------------------|---|----------------------|--|----------------------|
| | Defaulted | Non-defaulted | | |
| Loans | 31,160,049 | 1,350,352,203 | 23,447,175 | 1,358,065,077 |
| Debt Securities | | 506,960,011 | | 506,960,011 |
| Off-balance sheet exposures | 6,212,139 | 1,052,745,952 | 2,976,310 | 1,055,981,781 |
| Total | 37,372,188 | 2,910,058,166 | 26,423,485 | 2,921,006,869 |

c.1.3. Changes in Stock of Default Loans and Debt Securities (1)

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Defaulted loans and debt securities at end of the previous reporting period | 31,160,049 | 27,212,758 |
| Loans and debt securities that have defaulted since the last reporting period | 32,307,641 | 18,368,786 |
| Receivables back to non-defaulted status | (1,184,023) | (1,818,237) |
| Amounts written off | (5,135,033) | (3,202,500) |
| Other Changes | (16,314,302) | (9,400,758) |
| Defaulted loans and debt securities at end of the reporting period | 40,834,332 | 31,160,049 |

(1) Indemnified non-cash loans or non-cash loans not converted into cash, of the firms which are followed under “Non-performing Loans” accounts are not included in the table.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

c.1.4. Additional Information on Credit Quality of Assets

Bank's methods for determining provision amounts and classification of its loans are mentioned in the Section Three Note VIII.

The bank is restructuring its loans classified as first and second group as well as non-performing loans and receivables. Restructuring in performing loans are made by granting a new loan or extending the term date of credit given to customer by Bank with changing conditions of contract aiming the enhancing of solvency of customer or customer's demand. Restructuring in non-performing loans are generally made by establishing a new redemption plan within the context of a protocol aiming the collection of those receivables whose redemption plan are not valid because of delinquency previously.

The breakdown of receivables in terms of geographic regions, sectors and remaining maturities are represented in "Explanations on Credit Risk" in the Fourth Section note II.

On the basis of sector-based provisions for receivables are presented in the footnote numbered Section Four II-16. The amounts of the receivables that are set aside for the geographical regions are as follows. The amount of non-performing loans which are written off in 2024 is TL 5,135,033.

| | Current Period | | Prior Period | |
|-------------------------------|----------------------|---------------------|----------------------|---------------------|
| | Non-Performing Loans | Specific Provisions | Non-Performing Loans | Specific Provisions |
| Domestic | 39,252,593 | 28,453,005 | 29,761,459 | 22,304,229 |
| EU Countries | 990,570 | 842,525 | 945,389 | 827,061 |
| OECD Countries ⁽¹⁾ | 253,282 | 119,334 | 191,676 | 93,406 |
| Off-Shore Banking Regions | 198 | 132 | | |
| USA, Canada | 33,392 | 22,777 | 23,645 | 14,543 |
| Other Countries | 304,297 | 258,465 | 237,880 | 207,936 |
| Total | 40,834,332 | 29,696,238 | 31,160,049 | 23,447,175 |

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

The aging analysis of past-due receivables are disclosed under Section Four note II-11.

c.2. Credit Risk Mitigation

c.2.1. Qualitative Public Disclosures on Credit Risk Mitigation Techniques

In the calculation of the Group's Credit Risk Mitigation in accordance with the "Communiqué on Credit Risk Mitigation Techniques" published in the Official Gazette numbered 29111 on September 6, 2014, the financial collaterals are taken into consideration. The Group takes local currency and foreign currency deposit pledges into consideration as financial collaterals in calculating regulatory capital adequacy.

Collateral valuation and its management policy and primary features processes are given are given at Section Four note.II under "Information on Credit Risk" disclosure.

c.2.2. Credit Risk Mitigation Techniques – Standard Approach

| Current Period | Exposures unsecured | Exposures secured by collateral | Collateralized amount of exposures secured by collateral | Exposures secured by financial guarantees | Collateralized amount of exposures secured by financial guarantees | Exposures secured by credit derivatives | Collateralized amount of exposures secured by credit derivatives |
|--------------------|----------------------|---------------------------------|--|---|--|---|--|
| Loans | 1,852,860,375 | 57,786,104 | 43,472,599 | 10,289,469 | 8,529,234 | | |
| Debt securities | 696,601,956 | | | | | | |
| Total | 2,549,462,331 | 57,786,104 | 43,472,599 | 10,289,469 | 8,529,234 | | |
| Of which defaulted | 40,834,332 | | | | | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

| Prior Period | Exposures unsecured | Exposures secured by collateral | Collateralized amount of exposures secured by collateral | Exposures secured by financial guarantees | Collateralized amount of exposures secured by financial guarantees | Exposures secured by credit derivatives | Collateralized amount of exposures secured by credit derivatives |
|--------------------|----------------------|---------------------------------|--|---|--|---|--|
| Loans (1) | 1,314,887,203 | 28,522,161 | 26,396,380 | 14,655,713 | 12,212,755 | | |
| Debt securities | 506,960,011 | | | | | | |
| Total | 1,821,847,214 | 28,522,161 | 26,396,380 | 14,655,713 | 12,212,755 | | |
| Of which defaulted | 29,950,331 | | | | | | |

(1) Credit balance which is monitored as Financial Assets at Fair Value Through Profit or Loss is not included in the above table. It is shown in detail in Section 5 footnote 1.b.3.

c.3. Credit Risk Under Standardised Approach

c.3.1. Qualitative Disclosures on Banks' Use of External Credit Ratings Under the Standardised Approach for Credit Risk

Aformentioned explanations are disclosed under Section Four note XI-a.1.

c.3.2. Standard Approach: Credit risk exposure and credit risk mitigation effects:

| Current Period (1) | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | RWA and RWA density | |
|--|------------------------------|--------------------------|----------------------------|--------------------------|-----------------------|-------------------------------|
| | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | Risk- Weighted Amount | Risk- Weighted Amount Density |
| Exposures to sovereigns and their central banks | 1,201,751,282 | 32,934 | 1,210,258,296 | 57,341 | 26,964,066 | 2.23% |
| Exposures to regional and local governments | 1,988,050 | 4,439 | 1,988,049 | 1,766 | 994,923 | 50.00% |
| Exposures to administrative bodies and non-commercial entities | 1,120,277 | 1,106,546 | 873,122 | 148,420 | 1,021,542 | 100.00% |
| Exposures to multilateral development banks | 1,221,608 | 30,790 | 1,221,608 | 6,158 | | 0.00% |
| Exposures to international organizations | | | | | | |
| Exposures to banks and securities firms | 124,955,521 | 48,169,836 | 124,955,522 | 101,866,386 | 66,837,091 | 29.47% |
| Exposures to corporates | 942,890,706 | 615,920,743 | 908,910,541 | 276,039,619 | 1,023,116,559 | 86.34% |
| Retail exposures | 640,773,935 | 868,468,740 | 632,095,865 | 19,466,879 | 474,561,825 | 75.00% |
| Exposures secured by residential property | 84,039,871 | 6,450,634 | 83,965,024 | 3,105,678 | 30,474,746 | 35.00% |
| Exposures secured by commercial property | 69,728,563 | 13,123,725 | 69,728,563 | 8,185,095 | 45,664,798 | 58.61% |
| Past-due Receivables | 10,721,451 | | 10,721,451 | | 7,370,788 | 68.75% |
| Exposures in higher-risk categories | 1,379,276 | 4,470,224 | 1,379,115 | 1,210,292 | 6,399,432 | 247.14% |
| Exposures in the form of bonds secured by mortgages | | | | | | |
| Short term exposures to banks, brokerage houses and corporates | | | | | | |
| Equity investments in the form of collective investment Undertakings | 35,564,124 | | 35,564,124 | | 35,564,124 | 100.00% |
| Other exposures | 199,867,839 | 28,283,662 | 199,867,839 | 332,137 | 169,756,772 | 84.79% |
| Equity investments | 115,142,873 | | 115,142,874 | | 115,975,137 | 100.72% |
| Total | 3,431,145,376 | 1,586,062,273 | 3,396,671,993 | 410,419,771 | 2,004,701,803 | 52.66% |

(1) The off-balance sheet receivable amount after the credit conversion rate and credit risk reduction includes the counterparty credit risk amount.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

| Prior Period (1) | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | RWA and RWA density | |
|--|------------------------------|--------------------------|----------------------------|--------------------------|-----------------------|------------------------------|
| | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | Risk- Weighted Amount | Risk-Weighted Amount Density |
| Exposures to sovereigns and their central banks | 866,729,876 | 19,449 | 878,946,033 | 5,294,210 | 18,687,877 | 2.11% |
| Exposures to regional and local governments | 232,632 | 753 | 232,506 | 270 | 116,401 | 50.01% |
| Exposures to administrative bodies and non-commercial entities | 352,611 | 532,718 | 310,386 | 74,074 | 384,460 | 100.00% |
| Exposures to multilateral development banks | 942,716 | | 942,716 | | | 0.00% |
| Exposures to international organizations | | | | | | |
| Exposures to banks and securities firms | 88,489,448 | 38,091,784 | 88,489,449 | 43,620,556 | 42,344,650 | 32.05% |
| Exposures to corporates | 575,399,182 | 400,744,470 | 549,778,434 | 183,014,277 | 637,814,347 | 87.04% |
| Retail exposures | 439,470,447 | 459,804,198 | 430,505,645 | 11,469,363 | 234,630,623 | 76.59% |
| Exposures secured by residential property | 46,534,898 | 4,304,544 | 46,407,893 | 2,079,651 | 16,970,640 | 35.00% |
| Exposures secured by commercial property | 36,877,054 | 7,850,549 | 36,877,054 | 4,774,514 | 24,669,614 | 59.23% |
| Past-due loans | 7,208,371 | | 7,208,371 | | 4,114,743 | 57.08% |
| Exposures in higher-risk categories | 175,272,238 | 3,875,895 | 175,272,240 | 990,882 | 301,272,510 | 170.92% |
| Exposures in the form of bonds secured by mortgages | | | | | | |
| Short term exposures to banks, brokerage houses and corporates | | | | | | |
| Equity investments in the form of collective investment Undertakings | 17,506,880 | | 17,506,880 | | 17,506,880 | 100.00% |
| Equity investments | 141,116,389 | 18,573,132 | 141,116,389 | 778,852 | 120,713,057 | 85.07% |
| Other exposures | 84,462,150 | | 84,462,150 | | 85,141,690 | 100.80% |
| Total | 2,480,594,892 | 933,797,492 | 2,458,056,146 | 252,096,649 | 1,504,367,492 | 55.51% |

(1) The off-balance sheet receivable amount after the credit conversion rate and credit risk reduction includes the counterparty credit risk amount.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

c.3.3 Standardised Approach: Receivables according to risk classes and risk weights:

| Current Period | Risk Weights | | | | | | | | | | | |
|--|----------------------|-----|--------------------|-----|-------------------|--------------------|--------------------|----------------------|------------------|----------------|-------------------|----------------------|
| | Consolidated | | | | | | | | | | | |
| | 0% (1) | 10% | 20% | 25% | 35% | 50% | 75% | 100% | 150% | 250% | Other | Total |
| Risk Groups | | | | | | | | | | | | |
| Exposures to sovereigns and their central banks | 1,183,351,571 | | | | | | | 26,964,066 | | | | 1,210,315,637 |
| Exposures to regional and local governments | | | | | | 1,989,784 | | 31 | | | | 1,989,815 |
| Exposures to administrative bodies and non-commercial entities | | | | | | | | 1,021,542 | | | | 1,021,542 |
| Exposures to multilateral development banks | 1,227,766 | | | | | | | | | | | 1,227,766 |
| Exposures to international organizations | | | | | | | | | | | | |
| Exposures to banks and securities firms | 54,309 | | 116,764,249 | | | 78,519,337 | | 3,221,187 | 296,033 | | 27,966,793 | 226,821,908 |
| Exposures to corporates | 2,223,576 | | 122,496,368 | | | 113,028,086 | | 937,069,465 | 3,264,273 | | 6,868,392 | 1,184,950,160 |
| Retail exposures | 18,813,644 | | | | | | 632,749,100 | | | | | 651,562,744 |
| Exposures secured by residential property | | | | | 87,070,702 | | | | | | | 87,070,702 |
| Exposures secured by commercial property | | | | | | 64,497,720 | | 13,415,938 | | | | 77,913,658 |
| Past-due loans | | | | | | 7,418,085 | | 2,586,608 | 716,758 | | | 10,721,451 |
| Exposures in higher-risk categories | | | | | | 150,982 | | 267,668 | 1,370,718 | | 800,039 | 2,589,407 |
| Exposures in the form of bonds secured by mortgages | | | | | | | | | | | | |
| Short term exposures to banks, brokerage houses and corporates | | | | | | | | | | | | |
| Equity investments in the form of collective investment undertakings | | | | | | | | 35,564,124 | | | | 35,564,124 |
| Equity investments | | | | | | | | 114,588,030 | | 554,844 | | 115,142,874 |
| Other exposures | 30,443,204 | | | | | | | 169,756,772 | | | | 200,199,976 |
| Total | 1,236,114,070 | | 239,260,617 | | 87,070,702 | 265,603,994 | 632,749,100 | 1,304,455,431 | 5,647,782 | 554,844 | 35,635,224 | 3,807,091,764 |

(1) Includes securities and private pension receivables blocked by Anadolu Hayat Emeklilik A.Ş., one of Group Companies and it also includes the transactions of that are not subject to credit risk Yatırım Varlık Kiralama A.Ş. a group companies.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on Risk Management Objectives and Policies (Continued)

| Prior Period | Risk Weights | | | | | | | | | | | |
|--|----------------------|-----|--------------------|-----|-------------------|--------------------|--------------------|--------------------|--------------------|----------------|-------------------|----------------------|
| | Consolidated | | | | | | | | | | | |
| | 0% (1) | 10% | 20% | 25% | 35% | 50% | 75% | 100% | 150% | 250% | Other | Total |
| Risk Groups | | | | | | | | | | | | |
| Exposures to sovereigns and their central banks | 865,552,364 | | | | | 5 | | 18,687,874 | | | | 884,240,243 |
| Exposures to regional and local governments | | | | | | 232,751 | | 25 | | | | 232,776 |
| Exposures to administrative bodies and non-commercial entities | | | | | | | | 384,460 | | | | 384,460 |
| Exposures to multilateral development banks | 942,716 | | | | | | | | | | | 942,716 |
| Exposures to international organizations | | | | | | | | | | | | |
| Exposures to banks and securities firms | 34,809 | | 78,485,260 | | | 48,403,102 | | 2,008,410 | 252,749 | | 2,925,675 | 132,110,005 |
| Exposures to corporates | 140,380 | | 69,273,963 | | | 68,493,940 | | 589,431,955 | 115,933 | | 5,336,540 | 732,792,711 |
| Retail exposures | 135,577,961 | | | | | | 287,065,696 | 19,331,351 | | | | 441,975,008 |
| Exposures secured by residential property | | | | | 48,487,544 | | | | | | | 48,487,544 |
| Exposures secured by commercial property | | | | | | 33,963,909 | | 7,687,659 | | | | 41,651,568 |
| Past-due loans | | | | | | 6,190,941 | | 1,013,746 | 3,684 | | | 7,208,371 |
| Exposures in higher-risk categories | | | | | | 204,759 | | 292,139 | 102,500,560 | | 73,265,664 | 176,263,122 |
| Exposures in the form of bonds secured by mortgages | | | | | | | | | | | | |
| Short term exposures to banks, brokerage houses and corporates | | | | | | | | | | | | |
| Equity investments in the form of collective investment Undertakings | | | | | | | | 17,506,880 | | | | 17,506,880 |
| Equity investments | | | | | | | | 84,009,124 | | 453,026 | | 84,462,150 |
| Other exposures | 19,223,356 | | 2,448,535 | | | | | 120,223,350 | | | | 141,895,241 |
| Total | 1,021,471,586 | | 150,207,758 | | 48,487,544 | 157,489,407 | 287,065,696 | 860,576,973 | 102,872,926 | 453,026 | 81,527,879 | 2,710,152,795 |

(1) Includes securities and private pension receivables blocked by Anadolu Hayat Emeklilik A.Ş., one of Group Companies and it also includes the transactions of that are not subject to credit risk Yatırım Varlık Kiralama A.Ş. a group companies.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

d. Explanations on Counterparty credit risk

d.1. Qualitative Disclosures on Counterparty Credit Risk Approach

The counterparty credit risk that the Parent Bank exposed to is managed within the framework of general limit allocation and credit risk mitigation that are outlined the Credit Risk Policy of the Bank. In setting general credit limits, the counterparty credit risks of customers as well as their cash and noncash risks are taken into account with a holistic view. Moreover, the total position of the transactions which create counterparty credit risk is also monitored under a separate risk limit.

The counterparty credit risk, which stems from derivatives and repo like transactions including transactions with qualified central counterparties that result in liabilities for both sides, is measured according to the Appendix-2 and Appendix-4 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" Counterparty credit risk valuation method based on the calculation of fair values of the derivative transactions is implemented. In the process of calculating the counterparty credit risk, the Standard Approach is used to determine the risk amounts of derivative transactions. In calculating the risk amount related to derivative transactions; 1.4 times the sum of potential credit risk amounts and positive replacement costs is charged.

Most of the credit risk related to the derivative transactions with other banks is subject to daily collateral clearing agreements mutually signed with related parties and the counterparty credit risk is hence reduced. There are no guarantees received or sold by credit derivatives by the Bank in the context of trading or banking accounts.

d.2. Counterparty Credit Risk (CCR) Approach Analysis:

| | Replacement Cost | Potential Future Exposure | EEPE (Effective Expected Positive Exposure) | Alpha used for computing regulatory EAD | Exposure after Credit Risk Mitigation | Risk Weighted Amounts |
|--|---------------------|---------------------------------|---|--|---|--------------------------|
| Current Period | | | | | | |
| Standardised Approach- CCR (for derivatives) | 5,625,722 | 5,579,691 | | 1.4 | 15,687,578 | 6,739,164 |
| Internal Model Method (for repo transactions, securities or commodity lending or borrowing) | | | | | | |
| Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | | |
| Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | 36,668,998 | 14,021,840 |
| Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | | |
| Total | | | | | | 20,761,004 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

| | Replacement Cost | Potential Future Exposure | EEPE (Effective Expected Positive Exposure) | Alpha used for computing regulatory EAD | Exposure after Credit Risk Mitigation | Risk Weighted Amounts |
|--|------------------|---------------------------|---|---|---------------------------------------|-----------------------|
| Prior Period | | | | | | |
| Standardised Approach- CCR (for derivatives) | 7,770,211 | 6,157,010 | | 1.4 | 13,927,221 | 5,365,678 |
| Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | | |
| Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | | |
| Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | 17,784,820 | 7,122,496 |
| Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) | | | | | | |
| Total | | | | | | 12,488,174 |

d.3. Capital obligation for credit valuation adjustment (CVA):

| | Current Period | | Prior Period | |
|---|-------------------|-----------------------|-------------------|-----------------------|
| | Risk Amounts | Risk Weighted Amounts | Risk Amounts | Risk Weighted Amounts |
| Total portfolios subject to the Advanced CVA capital obligation | | | | |
| (i) VaR component (including the 3x multiplier) | | | | |
| (ii) Stressed VaR component (including the 3x multiplier) | | | | |
| All portfolios subject to the Standardised CVA capital obligation | 15,687,578 | 8,896,813 | 13,927,221 | 4,584,733 |
| Total subject to the CVA capital change | 15,687,578 | 8,896,813 | 13,927,221 | 4,584,733 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

d.4 CCR Exposures by risk class and risk weights:

| | Risk Weights | | | | | | | | |
|--|---------------|-----|-------------------|-------------------|---------------|------------------|---------------|-------------------|-----------------------|
| Current Period | 0% | 10% | 20% | 50% | 75 % | 100% | 150% | Other (1) | Total Credit Exposure |
| Risk Groups | | | | | | | | | |
| Conditional and unconditional exposures to sovereigns and their central banks | 35,658 | | | | | | | | 35,658 |
| Conditional and unconditional exposures to regional and local governments | | | | | | | | | |
| Conditional and unconditional exposures to administrative bodies and non-commercial entities | | | | | | 12,859 | | | 12,859 |
| Conditional and unconditional exposures to multilateral development banks | | | | | | | | | |
| Conditional and unconditional exposures to international organizations | | | | | | | 41,342 | | 41,342 |
| Conditional and unconditional exposures to banks and securities firms | | | 23,308,099 | 24,445,009 | | 612,307 | | | 48,365,415 |
| Exposures to corporates | | | 640,294 | 387,326 | | 2,850,869 | | | 3,878,489 |
| Retail exposures | | | | | 22,813 | | | | 22,813 |
| Other exposures (1) | | | | | | | | 34,835,185 | 34,835,185 |
| Total | 35,658 | | 23,948,393 | 24,832,335 | 22,813 | 3,476,035 | 41,342 | 34,835,185 | 87,191,761 |

(1) Other receivables include the amounts reported in the table "d.7. Risks to the Central Counterparty.

| | Risk Weights | | | | | | | | |
|--|------------------|-----|-------------------|-------------------|---------------|------------------|------|------------------|-----------------------|
| Prior Period | 0% | 10% | 20% | 50% | 75 % | 100% | 150% | Other (1) | Total Credit Exposure |
| Risk Groups | | | | | | | | | |
| Conditional and unconditional exposures to sovereigns and their central banks | 5,269,352 | | | | | | | | 5,269,352 |
| Conditional and unconditional exposures to regional and local governments | | | | | | | | | |
| Conditional and unconditional exposures to administrative bodies and non-commercial entities | | | | | | 44,699 | | | 44,699 |
| Conditional and unconditional exposures to multilateral development banks | | | | | | | | | |
| Conditional and unconditional exposures to international organizations | | | | | | | | | |
| Conditional and unconditional exposures to banks and securities firms | | | 10,149,508 | 10,251,223 | | 674,759 | | | 21,075,490 |
| Exposures to corporates | | | 691,352 | 299,796 | | 4,306,078 | | | 5,297,226 |
| Retail exposures | | | | | 25,274 | | | | 25,274 |
| Other exposures (1) | | | | | | | | 8,262,215 | 8,262,215 |
| Total | 5,269,352 | | 10,840,860 | 10,551,019 | 25,274 | 5,025,536 | | 8,262,215 | 39,974,256 |

(1) Other receivables include the amounts reported in the table "d.7. Risks to the Central Counterparty.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

d.5. Collateral for CCR:

| Current Period | Collateral used in derivative transactions | | | | Collateral used in other transactions | |
|---------------------------------|--|----------------|------------------|----------------|---------------------------------------|------------------|
| | Received Collateral | | Given Collateral | | Received Collateral | Given Collateral |
| | Segregated | Not Segregated | Segregated | Not Segregated | | |
| Cash- Domestic Currency | | | | | 281,116,706 | |
| Cash- Other Currencies | | | | | 87,208,365 | |
| Government bills/bonds-Domestic | | | | | 143,215 | |
| Total | | | | | 368,468,286 | |

| Prior Period | Collateral used in derivative transactions | | | | Collateral used in other transactions | |
|---------------------------------|--|----------------|------------------|----------------|---------------------------------------|------------------|
| | Received Collateral | | Given Collateral | | Received Collateral | Given Collateral |
| | Segregated | Not Segregated | Segregated | Not Segregated | | |
| Cash- Domestic Currency | | | | | 72,308,779 | |
| Cash- Other Currencies | | | | | 43,192,554 | |
| Government bills/bonds-Domestic | | | | | 95,827 | |
| Total | | | | | 115,597,160 | |

d.6. Credit derivatives exposures:

None.

d.7. Exposures to central counterparties (CCP):

| | Current Period | | Prior Period | |
|--|------------------------|----------------|------------------------|----------------|
| | Post CRM risk exposure | RWA | Post CRM risk exposure | RWA |
| Exposure to Qualified Central Counterparties (QCCPs) (total) | | 779,889 | | 173,838 |
| Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which | 34,835,185 | 696,705 | 8,262,215 | 165,244 |
| (i) OTC Derivatives | 7,681,438 | 153,629 | 5,681,915 | 113,638 |
| (ii) Exchange-traded Derivatives | | | | |
| (iii) Repo-reverse transactions, credit securities transactions and securities or commodities lending or borrowing | 27,153,747 | 543,076 | 2,580,300 | 51,606 |
| (iv) Netting sets where cross-product has been approved | | | | |
| Segregated initial margin | 270,301 | | 81,017 | |
| Non-segregated initial margin | | | | |
| Paid guarantee fund amount | 2,309,750 | 83,184 | 89,465 | 8,594 |
| Unpaid guarantee fund commitment | | | | |
| Exposures to non-QCCPs (total) | | | | |
| Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | | | | |
| (i) OTC Derivatives | | | | |
| (ii) Exchange-traded Derivatives | | | | |
| (iii) Repo-reverse transactions, credit securities transactions and securities or commodities lending or borrowing | | | | |
| (iv) Netting sets where cross-product has been approved | | | | |
| Segregated initial margin | | | | |
| Non-segregated initial margin | | | | |
| Pre-funded default fund contributions | | | | |
| Unfunded default fund contributions | | | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on Risk Management Objectives and Policies (Continued)

e. Explanations on securitisations:

None.

f. Explanations on Market Risk:

f.1. Qualitative information disclosed to the public regarding Market Risk

Market risk is defined as the risk that may reduce the market value of the trading portfolio due to the changes in the risk factors named interest rate, exchange rates, equities and the price of commodities and options.

The procedures for the management of market risk are discussed in the Parent Bank's "Asset and Liability Management Risk Policy" and those procedures are in line with the risk/return expectations and with the limits that are defined in the risk appetite framework. Limits related to market risk; are established by the Board and are revised periodically in order to reflect market conditions and best practices in the industry. Compliance to those limits is closely monitored by the Risk Management Department, Asset and Liability Management Committee and by the executive departments. Additionally, compliance with the provisions relating to the procedures and policies of market risk management is audited by the internal audit system.

Trading activities of the securities that are included in the calculation of market risk is carried out by taking the Asset-Liability Management Committee decisions, risk policies and established limits into consideration and risks arising due to these activities are hedged using derivatives transactions where necessary.

Measurement of market risk, reporting of results, and monitoring compliance with the risk limits are among the key responsibilities of the Risk Management Department. Analyses related to market risk are reported to the Risk Committee and to the Board via the Audit Committee by the Risk Management Department.

The trading book of the Parent Bank included in market risk calculations consists of on balance-sheet financial assets that are held for trading intent, derivatives that provide hedge to those instruments and foreign currency positions. The market risk carried by the Group is measured and monitored using methods known respectively as the Standard Method and the Value at Risk Model (VAR) and Expected Shortfall in accordance with the local regulations which are established in compliance with the international legislations. In this context, the exchange rate risk emerges as the most important component of the market risk.

The market risk calculations using the Standard Method are performed at the end of each month and the measurement results are included in the statutory reports as well as being reported to the Bank's top management.

The Value at Risk Model and Expected Shortfall is another alternative for the Standard Method used for measuring and monitoring market risk. This model is used to measure the market risk on a daily basis in terms of interest rate risk, currency risk and equity share risk and is a part of the Bank's daily internal reporting. Further retrospective testing (back-testing) is carried out on a daily basis to determine the reliability of the daily risk calculation by the VAR model, which is used to estimate the maximum possible loss for the following day.

Scenario analyses which support the VAR model used to measure the losses that may occur in the ordinary market conditions are practiced, and the possible impacts of scenarios that are developed based on the future predictions and the past crises, on the value of the Bank's portfolio are determined and the results are reported to the Bank's top management.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

f.2. Standardised Approach

| | RWA | |
|---|-------------------|-------------------|
| | Current Period | Prior Period |
| Outright Products | 72,692,251 | 32,588,451 |
| Interest rate risk (general and specific) | 11,349,650 | 9,899,613 |
| Equity risk (general and specific) | 17,987,488 | 9,292,763 |
| Foreign exchange risk | 41,297,400 | 10,044,800 |
| Commodity risk | 2,057,713 | 3,351,275 |
| Options | 1,282,387 | 4,159,249 |
| Simplified approach | | |
| Delta-plus method | 1,282,387 | 4,159,249 |
| Scenario approach | | |
| Securitisations | | |
| Total | 73,974,638 | 36,747,700 |

g. Explanations on Operational Risk

The operational risk capital requirement is calculated according to “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” article number 24, is measured using the Basic Indicator Approach once a year in parallel with domestic regulations. As of December 31, 2024, the consolidated operational risk amount is TL 218,426,329 information about the calculation is given below (December 31, 2023: TL 127,564,191).

| | 2PP Amount | 1PP Amount | CP Amount | Total/Positive Years of Gross Income Amount | Rate (%) | Total |
|--|------------|-------------|-------------|---|----------|-------------|
| Current Period | | | | | | |
| Gross Income | 45,254,025 | 123,722,534 | 180,505,567 | 3 | 15 | 17,474,106 |
| Value at operational risk (Total*12.5) | | | | | | 218,426,329 |

| | 2PP Amount | 1PP Amount | CP Amount | Total/Positive Years of Gross Income Amount | Rate (%) | Total |
|--|------------|------------|-------------|---|----------|-------------|
| Prior Period | | | | | | |
| Gross Income | 35,126,147 | 45,254,025 | 123,722,534 | 3 | 15 | 10,205,135 |
| Value at operational risk (Total*12.5) | | | | | | 127,564,191 |

h. The interest rate risk of the banking book items:

Interest rate risk arising from the banking accounts is defined as negative effect risk on capital of the changes in market interest rates due to differences in interest settlement and re-pricing on, differences in interest-earning assets taking part in the banking book; interest-bearing liabilities; interest-bearing derivative transactions inclusive of the policies established by the Board of Directors, is managed within the framework of the strategies set by the Parent Bank Asset-Liability Management Committee. Compliance with internal risk limits for banking portfolio is closely and continuously monitored by the Risk Management Department and Asset-Liability Management Committee and the measurement results are reported to the Board of Directors on a monthly basis.

In accordance with the legal regulations, interest rate risk arising from banking accounts is measured and monitored on a monthly basis under the "Regulation on Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts Using the Standard Shock Method," published in the Official Gazette No. 28034 dated August 23, 2011. The gains and losses calculated within the scope of this methodology do not represent the profit or loss that would be realized in the event of actual interest rate changes but rather reflect the changes in the economic values of the Parent Bank's assets and liabilities, representing the potential impact of their liquidation under prevailing market conditions.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

In the calculations made within the framework of the said regulation, behavioral maturity modeling is performed for demand deposits with low sensitivity to interest changes and whose original maturity is longer than the contractual maturity. In these studies, which are defined as core deposit analysis, based on historical data, calculations are made for what amount of demand deposits will remain within the Parent Bank for what maturity, and these analyzes are used as an input in quantifying the interest rate risk arising from banking accounts in a way that does not contradict legal provisions.

| Currency | Applied Shock (+/- x basis point) | Gains Loss | Revenue/Shareholders' Equity – Loss/ Shareholders' Equity |
|------------------------------------|--------------------------------------|---------------------|--|
| TL | (+) 500 | (26,934,114) | (7.35)% |
| TL | (-) 400 | 25,062,970 | 6.84% |
| EUR | (+) 200 | 2,350,231 | 0.64% |
| EUR | (-) 200 | (2,212,866) | (0.60)% |
| USD | (+) 200 | (8,462,988) | (2.31)% |
| USD | (-) 200 | 10,975,431 | 3.00% |
| Total (for Negative Shocks) | | 33,825,535 | 9.24% |
| Total (for Positive Shocks) | | (33,046,871) | (9.02)% |

i. Remuneration policy

The Remuneration Committee, which is established to carry out the duties and activities related to the monitoring and supervision of the Bank's remuneration applications on behalf of the Board of Directors, consists of two members. The Remuneration Committee meets at least twice a year, not exceeding six months, and reports to the Board of Directors on the results of the activities carried out and important matters considered to have an impact on the Bank's position. As of the end of 2024, the Remuneration Committee met 8 times and made a total of 14 decisions.

Regarding compliance with the Corporate Governance Principles, the Remuneration Committee monitors and supervises the practices related to wage management on behalf of the Board of Directors; the fees are in line with the Bank's ethical values, internal balances and strategic objectives; the evaluation of the remuneration policy and its practices in the context of risk management; it is responsible for the presentation of the proposals determined in line with the requirements of the salary policy and the other responsibilities determined by the provisions of the applicable legislation and the fulfillment of the duties given by the Board of Directors in this framework.

As of the end of 2024, the number of qualified employees working at the Bank is 28.

The monetary and social rights of employees are determined in accordance with the Chartering Policy in the framework of the legislation related to the Collective Labor Agreement. The Bank carries out its practices with regard to remuneration policies within the framework of relevant banking and capital market legislation. This policy includes all managers and employees.

Premium payments are made once a year to managers and managers who work in branches and headquarters units. It is considered that managerial premium payments are in line with the Bank's long-term strategy and the risks assumed, as well as the performance of its employees. There are no variable fees for qualified employees in the Bank.

The compliance of the wage levels in the bank with the sector wage levels is monitored by participating in independent and anonymous wage surveys, which are held twice a year.

Within the scope of the remuneration policy, the Bank's pricing practices are planned and executed on the basis of effective risk management, prevention of excessive risk taking, compliance with relevant legislation and scope and structure of the bank's activities, strategies, long-term objectives and risk management structures.

The fees to be paid to the managers and employees of the Bank at every stage; It is essential that the Bank is in line with its ethical values, internal balances and strategic objectives, and that it is not only associated with its short-term performance.

Payments made to employees are determined in a manner that will positively impact the Bank's corporate values and on the basis of objective conditions.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

Payments to be made to the managers of the units within the internal systems and to their staff are determined by taking into account the performance of the relevant personnel in relation to their functions, as they are in the audit or oversight, or are independent of the performance of the activity unit they control.

XII. Explanations on Segment Reporting

The Group's activities are classified under corporate/commercial banking, retail/private banking, treasury operations and investment activities, insurance and reinsurance activities and others.

Services to the large corporations, SMEs and other trading companies are provided through various financial instruments within the scope of the corporate and commercial operations. Services such as project financing, operating and investment loans, deposit and cash management, credit cards, cheques and bills, foreign trade transactions and financing, letter of guarantee, letter of credit, forfeiting, foreign currency trading, bill collections, payrolls, investment accounts, tax collections and other banking services are provided to the aforementioned customer segments.

Retail banking services include deposits, consumer loans, overdraft accounts, credit cards, bill collections, remittances, foreign currency trading, safe-deposit boxes, insurance, tax collections, and investment accounts and other banking services for individuals. All kinds of financing and cash management services provided to individuals in the high-income level are recognized as Private Banking activities.

Treasury transactions are comprised of medium and long-term funding tools such as securities trading, money market transactions, spot and forward TL and foreign currency trading, and derivative transactions such as forwards, swaps, futures and options, as well as syndications and securitizations. Investment activities of intermediary institutions and venture capital and real estate investment partnerships are also classified in this area. Investments of subsidiaries who operate in the real sector, investments of associates who operate both in financial and real sector and investments of jointly controlled entities that are presented in the consolidated financial statements are evaluated within the scope of investment activities.

Insurance and reinsurance activities include individual pension, life/non-life insurance transactions and reinsurance transactions.

The Group's financial leasing, factoring, asset management, portfolio management and payment service activities are classified under the 'Other' heading.

Information about The Group's segments are presented below.

| Current Period | Corporate / Commercial Banking | Individual / Private Banking | Treasury Transaction/Investment Activities | Insurance and Reinsurance Activities | Other/ Unallocated | Total |
|---|--------------------------------------|------------------------------------|--|--|-----------------------|----------------------|
| Interest Income | 264,506,067 | 103,434,195 | 214,500,656 | | 16,577,269 | 599,018,187 |
| Interest Expense | 167,918,235 | 167,892,851 | 139,525,660 | 387 | 44,215,131 | 519,552,264 |
| Fees and Commissions | | | | | | |
| Income/Expense (Net) | 62,121,056 | 25,708,022 | 3,455,266 | (7,904,458) | 1,982,124 | 85,362,010 |
| Dividend Income | | | 318,657 | | | 318,657 |
| Trading Income/Loss (Net) | | | 9,971,460 | | | 9,971,460 |
| Other Income | 5,937,256 | 1,280,124 | 12,164,102 | 67,871,489 | 18,454,629 | 105,707,600 |
| Expected Credit Loss and Other | | | | | | |
| Provision Expenses | 8,945,936 | 7,436,493 | 148,449 | 656,445 | 8,513,540 | 25,700,863 |
| Other Operating Expense | 20,616,985 | 51,029,733 | 4,891,380 | 65,976,224 | 50,681,317 | 193,195,639 |
| Income/Loss from Investments in Subsidiaries Accounted by Equity Method | | | 10,167,726 | | | 10,167,726 |
| Income Before Tax | | | | | | 72,096,874 |
| Tax Provision | | | | | | 8,329,621 |
| Net Period Profit | | | | | | 63,767,253 |
| Group Profit/Loss | | | | | | 45,536,879 |
| Minority Interest Profit/Loss | | | | | | 18,230,374 |
| Total Assets | 1,338,198,054 | 500,417,145 | 1,115,843,993 | 66,609,390 | 839,629,739 | 3,860,698,321 |
| Total Liabilities | 792,287,602 | 1,403,465,304 | 933,256,291 | 173,620,470 | 558,068,654 | 3,860,698,321 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

XI. Explanations on Risk Management Objectives and Policies (Continued)

| Prior Period | Corporate /Commercial Banking | Individual / Private Banking | Treasury Transaction/Investment Activities | Insurance and Reinsurance Activities | Other/ Unallocated | Total |
|---|-------------------------------------|------------------------------------|--|--|-----------------------|----------------------|
| Interest Income | 116,310,547 | 42,961,866 | 88,956,715 | | 9,024,036 | 257,253,164 |
| Interest Expense | 61,097,478 | 56,873,530 | 28,440,202 | 1,325 | 21,817,070 | 168,229,605 |
| Fees and Commissions | | | | | | |
| Income/Expense (Net) | 37,096,476 | 12,281,383 | 2,167,401 | (4,568,633) | (6,843,561) | 40,133,066 |
| Dividend Income | | | 421,522 | | | 421,522 |
| Trading Income/Loss (Net) | | | 40,744,739 | | | 40,744,739 |
| Other Income | 4,482,080 | 832,240 | 9,136,147 | 40,821,375 | 8,864,896 | 64,136,738 |
| Expected Credit Loss and Other Provision Expenses | 7,097,774 | 2,605,597 | 90,701 | 376,568 | 14,218,932 | 24,389,572 |
| Other Operating Expense | 10,500,484 | 30,737,948 | 2,611,733 | 45,370,400 | 34,435,856 | 123,656,421 |
| Income/Loss from Investments in Subsidiaries Accounted by Equity Method | | | 13,434,857 | | | 13,434,857 |
| Income Before Tax | | | | | | 99,848,488 |
| Tax Provision | | | | | | 13,478,534 |
| Net Period Profit | | | | | | 86,369,954 |
| Group Profit/Loss | | | | | | 72,253,773 |
| Minority Interest Profit/Loss | | | | | | 14,116,181 |
| Total Assets | 861,968,015 | 282,070,339 | 813,008,736 | 168,162,383 | 829,533,098 | 2,954,742,571 |
| Total Liabilities | 794,292,908 | 857,854,579 | 501,297,072 | 234,395,692 | 566,902,320 | 2,954,742,571 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE: DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS

a. Cash and Central Bank of the Republic of Türkiye:

a.1. 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 | 9,316,465 | 26,152,260 | 5,531,808 | 25,345,814 |
| Central Bank of the Republic of Türkiye | 269,133,596 | 325,467,494 | 160,293,810 | 334,500,936 |
| Other | | 2,476,721 | | 962,278 |
| Total | 278,450,061 | 354,096,475 | 165,825,618 | 360,809,028 |

a.2. Information on Balances with the CBRT:

| | Current Period | | Prior Period | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| | TL | FC | TL | FC |
| Unrestricted Demand Deposit | 161,735,514 | 120,322,609 | 135,665,280 | 157,731,281 |
| Unrestricted Time Deposit | | | | |
| Restricted Time Deposit | | | | |
| Other (1) | 107,398,082 | 205,144,885 | 24,628,530 | 176,769,655 |
| Total | 269,133,596 | 325,467,494 | 160,293,810 | 334,500,936 |

(1) The amount of reserve deposits held at the Central Bank of the Republic of Türkiye.

a.3. Explanations on reserve requirement application:

As per the Communiqué no. 2013/15 "Reserve Deposits" of the Central Bank of the Republic of Türkiye ("CBRT"), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué.

The reserve deposit rates vary according to their maturity compositions; the reserve deposit rates are realized between 3% - 33% for TL deposits and other liabilities, between 20% - 30% for FC deposits and precious metal deposit accounts and between 5% - 21% for other FC liabilities. Additionally, an additional TL-denominated required reserve of 4% is applied to foreign currency deposits, excluding foreign bank deposits and precious metal deposit accounts.

Obligations subject to reserve requirements are calculated and set aside every two weeks on Friday for 14-day periods.

For the required reserves in Turkish Lira held by deposit banks, the Central Bank pays interest differentiated according to the "Renewal and Transition to TL Ratio" for accounts with exchange rate/price protection support provided by the Central Bank and for Turkish Lira deposit accounts.

For foreign currency deposit/participation fund liabilities (excluding foreign bank deposits/participation funds), there is a commission applied by the Central Bank based on the renewal of accounts with exchange rate/price protection support (conversion accounts) and the transition to Turkish Lira and the share of Turkish Lira, calculated on the amount required for reserve requirements and notice foreign currency deposit accounts (excluding the portion held in Turkish Lira).

b. Information on Financial Assets at Fair Value through Profit and Loss:

b.1. Financial assets at fair value through profit and loss, which are given as collateral or blocked:

Financial assets at fair value through profit and loss, which are given as collateral or blocked as of 31 December 2024, amount to TL 605,425 (December 31, 2023: TL 465,061).

b.2. Financial assets at fair value through profit and loss, which are subject to repurchase agreements:

Financial assets at fair value through profit and loss, which are subject to repurchase agreements as of 31 December 2024, amount to 22,268,576 TL (December 31, 2023: TL 16,675,686).

b.3. TL 3,559,392 of other financial assets consists of the mutual funds; Quasar İstanbul Konut Gayrimenkul and Quasar İstanbul Ticari Gayrimenkul which were founded by İş Portföy Yönetimi A.Ş. (December 31, 2023: TL 2,676,996).

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

c. Positive differences on derivative financial assets held for trading:

| Derivative Financial Assets at Fair Value through Profit or Loss (1) | Current Period | | Prior Period | |
|--|------------------|-------------------|----------------|-------------------|
| | TL | FC | TL | FC |
| Forward Transactions | 924,847 | 813,588 | 323,868 | 667,547 |
| Swap Transactions | 2,208,751 | 14,451,024 | 147,262 | 19,118,937 |
| Futures | | | | |
| Options | 104,841 | 365,768 | 65,573 | 466,813 |
| Other | | | | |
| Total | 3,238,439 | 15,630,380 | 536,703 | 20,253,297 |

(1) Includes information related to derivative financial assets held for trading in derivative financial assets. Information on derivative financial assets for hedging purposes is disclosed in Section Five footnote I.1.

d. Banks Account

d.1 Information on Banks:

| | Current Period | | Prior Period | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | TL | FC | TL | FC |
| Banks | | | | |
| Domestic Banks | 13,263,189 | 7,937,492 | 17,163,490 | 4,703,047 |
| Foreign Banks | 9,651,739 | 59,571,191 | 1,567,572 | 61,833,628 |
| Foreign Head Office and Branches | | | | |
| Total | 22,914,928 | 67,508,683 | 18,731,062 | 66,536,675 |

d.2. Information on foreign banks:

| | Current Period | | Prior Period | |
|---------------------------|---------------------|-------------------|---------------------|-------------------|
| | Unrestricted Amount | Restricted Amount | Unrestricted Amount | Restricted Amount |
| EU Countries | 16,551,238 | 734,675 | 33,406,404 | 913,393 |
| USA, Canada | 4,413,852 | | 4,307,724 | 113,128 |
| OECD Countries (1) | 13,586,901 | 2,670,582 | 3,406,500 | 989,187 |
| Off-shore Banking Regions | | | | |
| Other | 16,766,120 | 14,499,562 | 13,238,769 | 7,026,095 |
| Total | 51,318,111 | 17,904,819 | 54,359,397 | 9,041,803 |

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

Expected credit loss for cash and cash equivalents:

| | Current Period | | | Prior Period | | |
|--|----------------|---------|---------|----------------|---------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Provisions beginning of the period | 382,386 | | | 170,156 | | |
| Additional provisions within the period | 146,630 | | | 143,367 | | |
| Transfers within the period | (109,433) | | | (26,175) | | |
| Write-offs from Assets | | | | | | |
| Transfer to Stage 1 | | | | | | |
| Transfer to Stage 2 | | | | | | |
| Transfer to Stage 3 | | | | | | |
| Currency Exchange Difference | 35,753 | | | 95,038 | | |
| Provisions at the end of the period | 455,336 | | | 382,386 | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

e. Information on Financial Assets at Fair Value through Other Comprehensive Income:

e.1. Information on financial assets at fair value through other comprehensive income, which are given as collateral or blocked:

Financial assets at fair value through other comprehensive income, which are given as collateral or blocked, amount to TL 98,247,680 as of December 31, 2024 (December 31, 2023: TL 92,723,492).

e.2. Information on financial assets at fair value through other comprehensive income, which are subject to repurchase agreements:

Financial assets at fair value through other comprehensive income which are subject to repurchase agreements amount to TL 226,227,108 as of December 31, 2024 (December 31, 2023: TL 104,654,004).

e.3. Information on financial assets at fair value through other comprehensive income:

| | Current Period | Prior Period |
|-------------------------------------|--------------------|--------------------|
| Debt Securities | 449,644,464 | 314,922,338 |
| Quoted on a Stock Exchange | 171,264,692 | 189,956,184 |
| Not-Quoted (1) | 278,379,772 | 124,966,154 |
| Share Certificates | 4,445,669 | 3,108,895 |
| Quoted on a Stock Exchange | 180,000 | 267,927 |
| Not-Quoted | 4,265,669 | 2,840,968 |
| Provision for Impairment Losses (-) | 27,969,050 | 21,075,868 |
| Other | 27,945 | 69,861 |
| Total | 426,149,028 | 297,025,226 |

(1) Refers to the debt securities, which are not quoted on the Stock Exchange, or which are not traded, while quoted, on the Stock Exchange at the end of the related period.

f. Information related to loans:

Leasing and factoring receivables are considered as loans in the footnotes of this section.

f.1. Information on all types of loans and advances given to shareholders and employees of the group:

| | Current Period | | Prior Period | |
|--|------------------|--------------|------------------|--------------|
| | Cash | Non-Cash | Cash | Non-Cash |
| Direct Lending to Shareholders | | | | |
| Corporate Shareholders | | | | |
| Individual Shareholders | | | | |
| Indirect Lending to Shareholders | | | | |
| Loans and Other Receivables to Employees | 1,969,598 | 1,686 | 1,682,003 | 1,239 |
| Total | 1,969,598 | 1,686 | 1,682,003 | 1,239 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

f.2. Information about the Standard Loans and Loans Under Close Monitoring and Loans Under Close Monitoring that have been restructured:

| Cash Loans | Standard Loans | Loans Under Close Monitoring | | |
|------------------------------------|----------------------|------------------------------------|-----------------------------------|-------------------|
| | | Loans Not Subject to Restructuring | Restructured Loans | |
| | | | Loans with Revised Contract Terms | Refinanced |
| Non-specialized loans | 1,747,459,740 | 77,926,491 | 52,219,359 | 32,192,264 |
| Corporation Loans | 509,468,238 | 18,101,854 | 22,528,648 | 25,997,632 |
| Export Loans | 287,531,401 | 1,566,031 | 20,609 | 128,388 |
| Import Loans | | | | |
| Loans Extended to Financial Sector | 70,846,860 | | | |
| Consumer Loans | 204,564,429 | 28,847,674 | 4,782 | 5,565,268 |
| Credit Cards | 306,190,576 | 20,948,549 | 21,258,156 | |
| Other | 368,858,236 | 8,462,383 | 8,407,164 | 500,976 |
| Specialized Loans | | | | |
| Other Receivables | | | | |
| Total | 1,747,459,740 | 77,926,491 | 52,219,359 | 32,192,264 |

| | Current Period | | Prior Period | |
|-------------------------------------|----------------|------------------------------|----------------|------------------------------|
| | Standard Loans | Loans Under Close Monitoring | Standard Loans | Loans Under Close Monitoring |
| 12 Month Expected Credit Losses | 7,863,144 | | 5,878,898 | |
| Significant Increase in Credit Risk | | 23,931,682 | | 18,972,440 |

f.3. Information on Maturity analysis of cash loans:

| Cash Credit | Standard Loans | Loans Under Close Monitoring | |
|----------------------------|----------------|------------------------------------|------------|
| | | Loans Not Subject to Restructuring | Refinanced |
| Short-term Loans | 843,646,114 | 47,220,636 | 12,474,724 |
| Medium and Long-term Loans | 903,813,626 | 30,705,855 | 71,936,899 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

f.4. Information on consumer loans, retail credit cards, personnel loans and personnel credit cards:

| | Short-Term | Medium and Long-Term | Interest and Income Accruals | Total |
|--|--------------------|-----------------------------|-------------------------------------|--------------------|
| Consumer Loans-TL | 63,738,251 | 130,055,741 | 4,944,285 | 198,738,277 |
| Real Estate Loans | 106,403 | 61,848,792 | 989,864 | 62,945,059 |
| Vehicle Loans | 1,009,915 | 3,712,020 | 68,887 | 4,790,822 |
| General Purpose Consumer Loans | 62,621,933 | 64,494,929 | 3,885,534 | 131,002,396 |
| Other | | | | |
| Consumer Loans – FC Indexed | | 148 | 5,997 | 6,145 |
| Real Estate Loans | | 148 | 5,997 | 6,145 |
| Vehicle Loans | | | | |
| General Purpose Consumer Loans | | | | |
| Other | | | | |
| Consumer Loans – FC | 4,449 | 110,362 | 374 | 115,185 |
| Real Estate Loans | | 15,532 | 101 | 15,633 |
| Vehicle Loans | | | | |
| General Purpose Consumer Loans | 4,449 | 94,830 | 273 | 99,552 |
| Other | | | | |
| Retail Credit Cards-TL | 235,437,886 | 16,143,276 | 4,640,383 | 256,221,545 |
| With Installments | 75,020,278 | 16,143,054 | 2,109,974 | 93,273,306 |
| Without Installments | 160,417,608 | 222 | 2,530,409 | 162,948,239 |
| Retail Credit Cards-FC | 952,307 | | | 952,307 |
| With Installments | | | | |
| Without Installments | 952,307 | | | 952,307 |
| Personnel Loans-TL | 437,174 | 282,369 | 79,072 | 798,615 |
| Real Estate Loans | 1,353 | 11,272 | 327 | 12,952 |
| Vehicle Loans | | | | |
| Vehicle Loans | 903 | 3,513 | 124 | 4,540 |
| General Purpose Consumer Loans | 434,918 | 267,584 | 78,621 | 781,123 |
| Other | | | | |
| Personnel Loans- FC Indexed | | | | |
| Real Estate Loans | | | | |
| Vehicle Loans | | | | |
| General Purpose Consumer Loans | | | | |
| Other | | | | |
| Personnel Loans-FC | 1,031 | 12,403 | 89 | 13,523 |
| Real Estate Loans | | 6,302 | 25 | 6,327 |
| Vehicle Loans | | | | |
| General Purpose Consumer Loans | 1,031 | 6,101 | 64 | 7,196 |
| Other | | | | |
| Personnel Credit Cards-TL | 953,677 | 7,954 | 4,151 | 965,782 |
| With Installments | 319,957 | 7,954 | | 327,911 |
| Without Installments | 633,720 | | 4,151 | 637,871 |
| Personnel Credit Cards-FC | 8,383 | | | 8,383 |
| With Installments | | | | |
| Without Installments | 8,383 | | | 8,383 |
| Overdraft Accounts – TL (real persons) | 37,776,066 | | 1,459,411 | 39,235,477 |
| Overdraft Accounts – FC (real persons) | 74,931 | | | 74,931 |
| Total | 339,384,155 | 146,612,253 | 11,133,762 | 497,130,170 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

f.5. Information on commercial installments loans and corporate credit cards:

| | Short-Term | Medium and Long Term | Interest and Income Accruals | Total |
|---------------------------------------|--------------------|----------------------|------------------------------|--------------------|
| Commercial Loans with Installments-TL | 28,208,500 | 146,244,745 | 6,287,269 | 180,740,514 |
| Real Estate Loans | 500 | 3,611,481 | 163,935 | 3,775,916 |
| Vehicle Loans | 2,208,887 | 14,687,287 | 579,828 | 17,476,002 |
| General Purpose Commercial Loans | 25,999,113 | 127,945,977 | 5,543,506 | 159,488,596 |
| Other | | | | |
| Commercial Loans with Installments-FC | | 18,228 | 156,299 | 174,527 |
| Real Estate Loans | | 292 | 2,489 | 2,781 |
| Vehicle Loans | | | | |
| General Purpose Commercial Loans | | 17,936 | 153,810 | 171,746 |
| Other | | | | |
| Commercial Loans with Installments-FC | 2,884,731 | 17,756,286 | 196,928 | 20,837,945 |
| Real Estate Loans | | | | |
| Vehicle Loans | | 7,562 | | 7,562 |
| General Purpose Commercial Loans | 454,574 | 10,915,261 | 95,822 | 11,465,657 |
| Other | 2,430,157 | 6,833,463 | 101,106 | 9,364,726 |
| Corporate Credit Cards-TL | 87,839,155 | 1,310,192 | 1,005,756 | 90,155,103 |
| With Installments | 26,242,871 | 1,310,192 | | 27,553,063 |
| Without Installments | 61,596,284 | | 1,005,756 | 62,602,040 |
| Corporate Credit Cards-FC | 94,161 | | | 94,161 |
| With Installments | | | | |
| Without Installments | 94,161 | | | 94,161 |
| Overdraft Accounts – TL (corporate) | 15,149,588 | | 240,515 | 15,390,103 |
| Overdraft Accounts – FC (corporate) | | | | |
| Total | 134,176,135 | 165,329,451 | 7,886,767 | 307,392,353 |

f.6. Distribution of credits according to users:

| | Current Period | Prior Period |
|--------------|----------------------|----------------------|
| Public | 11,227,056 | 9,423,604 |
| Private | 1,898,570,798 | 1,340,928,599 |
| Total | 1,909,797,854 | 1,350,352,203 |

f.7. Domestic and foreign loans:

| | Current Period | Prior Period |
|----------------|----------------------|----------------------|
| Domestic Loans | 1,847,269,708 | 1,299,257,450 |
| Foreign Loans | 62,528,146 | 51,094,753 |
| Total | 1,909,797,854 | 1,350,352,203 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

f.8. Loans granted to subsidiaries and associates:

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Direct Loans Granted to Subsidiaries and Associates | 14,844,971 | 10,195,890 |
| Indirect Loans Granted to Subsidiaries and Associates | | |
| Total | 14,844,971 | 10,195,890 |

f.9. Information on impairment provisions of Loans (Stage 3):

| | Current Period | Prior Period |
|------------------------------------|-----------------------|---------------------|
| Loans with Limited Collectability | 6,159,988 | 6,300,081 |
| Loans with Doubtful Collectability | 6,185,079 | 3,133,708 |
| Uncollectible Loans | 17,351,171 | 14,013,386 |
| Total | 29,696,238 | 23,447,175 |

f.10. Information on non-performing loans (Net):

f.10.1. Information on non-performing loans, which are restructured by the Group:

| | Group III | Group IV | Group V |
|---------------------------------------|--|---|----------------------------|
| | Loans with Limited Collectability | Loans with Doubtful Collectability | Uncollectible Loans |
| Current Period | | | |
| (Gross amounts before the provisions) | 1,579,065 | 499,384 | 6,642,519 |
| Restructured Loans | 1,579,065 | 499,384 | 6,642,519 |
| Prior Period | | | |
| (Gross amounts before the provisions) | 1,000,949 | 1,615,487 | 6,778,909 |
| Restructured Loans | 1,000,949 | 1,615,487 | 6,778,909 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

f.10.2. Information on the movement of total non-performing loans:

| | Group III | Group IV | Group V |
|--|--------------------------------------|--|---------------------|
| | Loans with Limited Collectability | Loans with Doubtful Collectability | Uncollectible Loans |
| Prior Period Ending Balance | 10,571,183 | 4,207,899 | 16,380,967 |
| Corporate and Commercial Loans | 8,804,716 | 2,151,022 | 13,512,124 |
| Retail Loans | 879,257 | 1,260,639 | 1,974,423 |
| Credit Cards | 887,210 | 796,238 | 829,224 |
| Other | | | 65,196 |
| Additions (+) | 29,293,290 | 287,658 | 2,726,693 |
| Corporate and Commercial Loans | 7,206,947 | 151,450 | 486,917 |
| Retail Loans | 8,698,395 | 25,206 | 389,871 |
| Credit Cards | 13,387,948 | 111,002 | 15,509 |
| Other | | | 1,834,396 |
| Transfers from Other NPL Categories (+) | | 22,303,222 | 13,764,387 |
| Corporate and Commercial Loans | | 10,036,717 | 8,520,127 |
| Retail Loans | | 4,881,177 | 2,523,844 |
| Credit Cards | | 7,385,328 | 2,720,416 |
| Other | | | |
| Transfers to Other NPL Categories (-) | 22,495,282 | 13,572,327 | |
| Corporate and Commercial Loans | 10,228,777 | 8,328,067 | |
| Retail Loans | 4,881,177 | 2,523,844 | |
| Credit Cards | 7,385,328 | 2,720,416 | |
| Other | | | |
| Collections (-) | 6,674,842 | 3,663,713 | 7,290,071 |
| Corporate and Commercial Loans | 1,168,455 | 1,511,782 | 5,759,363 |
| Retail Loans | 2,285,322 | 1,052,458 | 1,099,997 |
| Credit Cards | 3,221,065 | 1,099,473 | 422,525 |
| Other | | | 8,186 |
| Write-Offs (-) (1) | 10,598 | 1,535 | 1,810,228 |
| Corporate and Commercial Loans | 4,909 | 146 | 48,352 |
| Retail Loans | 2,148 | 559 | 4,748 |
| Credit Cards | 3,541 | 830 | 2,301 |
| Other | | | 1,754,827 |
| Debt Sale (-) (2) | 6,210 | 1,157 | 3,305,305 |
| Corporate and Commercial Loans | | | 325,349 |
| Retail Loans | 721 | 419 | 1,524,182 |
| Credit Cards | 5,489 | 738 | 1,450,112 |
| Other | | | 5,662 |
| Currency Exchange Effect | 2,522 | 21,483 | 106,296 |
| Corporate and Commercial Loans | 1,215 | 18,758 | 92,467 |
| Retail Loans | 1,307 | 2,725 | 13,751 |
| Credit Cards | | | |
| Other | | | 78 |
| Current Period Ending Balance | 10,680,063 | 9,581,530 | 20,572,739 |
| Corporate and Commercial Loans | 4,610,737 | 2,517,952 | 16,478,571 |
| Retail Loans | 2,409,591 | 2,592,467 | 2,272,962 |
| Credit Cards | 3,659,735 | 4,471,111 | 1,690,211 |
| Other | | | 130,995 |
| Specific Provisions (-) | 6,159,988 | 6,185,079 | 17,351,171 |
| Corporate and Commercial Loans | 2,932,702 | 1,585,473 | 14,575,804 |
| Retail Loans | 1,046,556 | 1,441,240 | 1,254,441 |
| Credit Cards | 2,180,730 | 3,158,366 | 1,407,952 |
| Other | | | 112,974 |
| Net Balance on Balance Sheet | 4,520,075 | 3,396,451 | 3,221,568 |

(1) As of December 31, 2024, an amount of TL 1,765,318 has been written off in accordance with the amendment to the "Regulation on the Procedures and Principles for the Classification of Loans and the Provisions to be Set Aside for These Loans," published in the Official Gazette No. 30961 dated November 27, 2019.

(2) In March 2024, non-performing loan receivables amounting to TL 401,424 were transferred to Gelecek Varlık Yönetim A.Ş. for a cash consideration of TL 186,500. In May 2024, non-performing loan receivables amounting to TL 1,375,847 were transferred to Sümer Varlık Yönetim A.Ş., Ortak Varlık Yönetim A.Ş., and Gelecek Varlık Yönetim A.Ş. for a total cash consideration of TL 607,750. In September 2024, non-performing loan receivables amounting to TL 1,535,402 were transferred to Birikim Varlık Yönetim A.Ş., Dünya Varlık Yönetim A.Ş., Gelecek Varlık Yönetim A.Ş., and AGS Varlık Yönetim A.Ş. for a cash consideration of TL 539,500.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

After the sale of the portfolio consisting of written-off receivables and non-performing loans, as of 31.12.2024, the Group's non-performing loan ratio decreased from 2.35% to 2.09%.

f.10.3. Information on foreign currency non-performing loans:

| | Group III | Group IV | Group V |
|----------------------------------|--|---|----------------------------|
| | Loans with Limited Collectability | Loans with Doubtful Collectability | Uncollectible Loans |
| Current Period | | | |
| Balance at the End of the Period | 428,243 | 319,073 | 10,202,193 |
| Provisions (-) | 155,541 | 216,865 | 9,041,876 |
| Net Balance on Balance Sheet (1) | 272,702 | 102,208 | 1,160,317 |
| Prior Period | | | |
| Balance at the End of the Period | 4,922,791 | 402,047 | 9,201,651 |
| Provisions (-) | 2,959,785 | 299,932 | 8,038,088 |
| Net Balance on Balance Sheet (1) | 1,963,006 | 102,115 | 1,163,563 |

(1) In addition to the loans extended in foreign currency, loans which are monitored in Turkish Lira are included.

f.10.4. Information on gross and net non-performing loans as per customer categories:

| | Group III | Group IV | Group V |
|--|--|---|----------------------------|
| | Loans with Limited Collectability | Loans with Doubtful Collectability | Uncollectible Loans |
| Current Period (Net) | 4,520,075 | 3,396,451 | 3,221,568 |
| Loans to Individuals and Corporate (Gross) | 10,680,063 | 9,581,530 | 20,441,744 |
| Provisions (-) | 6,159,988 | 6,185,079 | 17,238,197 |
| Loans to Individuals and Corporate (Net) | 4,520,075 | 3,396,451 | 3,203,547 |
| Banks (Gross) | | | |
| Provisions (-) | | | |
| Banks (Net) | | | |
| Other Loans (Gross) | | | 130,995 |
| Provisions (-) | | | 112,974 |
| Other Loans (Net) | | | 18,021 |
| Prior Period (Net) | 4,271,102 | 1,074,191 | 2,367,581 |
| Loans to Individuals and Corporate (Gross) | 10,571,183 | 4,207,899 | 16,315,771 |
| Provisions (-) | 6,300,081 | 3,133,708 | 13,951,757 |
| Loans to Individuals and Corporate (Net) | 4,271,102 | 1,074,191 | 2,364,014 |
| Banks (Gross) | | | |
| Provisions (-) | | | |
| Banks (Net) | | | |
| Other Loans (Gross) | | | 65,196 |
| Provisions (-) | | | 61,629 |
| Other Loans (Net) | | | 3,567 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

f.10.5. Information on interest accruals, valuation differences and related provisions calculated for non-performing loans:

| | Group III | Group IV | Group V |
|---|-----------------------------------|------------------------------------|---------------------|
| | Loans with Limited Collectability | Loans with Doubtful Collectability | Uncollectible Loans |
| Current Period (Net) | 528,797 | 497,693 | 244,593 |
| Interest accruals and valuation differences | 1,123,506 | 1,408,183 | 1,915,043 |
| Provisions (-) | 594,709 | 910,490 | 1,670,450 |
| Prior Period (Net) | 221,083 | 80,901 | 242,739 |
| Interest accruals and valuation differences | 516,989 | 200,706 | 1,718,759 |
| Provisions (-) | 295,906 | 119,805 | 1,476,020 |

f.10.6. Explanations on write-off policy:

Receivables classified as non-performing loans are collected primarily within the framework of administrative contacts with the debtors, and if no result is obtained, through legal means. In this context, if our uncollected receivables are deleted from assets, one of the methods of destruction, receivable sale and deregistration can be applied.

In the Bank's write-off policy within the framework following the amendment made in Article 53 of the Banking Law with the Law on Income Tax and amending Certain Laws No. 19.07.2019/7186, along with the "Classification of Loans and the Procedures and Principles for the Reserves to be Allocated for Them" published in the Official Gazette No. 27.11.2019 / 30961, the following statements are issued:

- The portion of the receivables, which are followed under the Fifth Group-Loans with a Loss Qualification and for which a lifetime expected credit loss provision has been made due to the default of the debtor, for which there is no reasonable expectation of its collection, can be write-off to the extent of the maximum provision amount,
- Write-off is an accounting practice and does not result in the waiver of the receivable,

The Bank's general policy for write-offs of receivables under follow-up is to write off such receivables that are proven to be uncollectible in legal follow-up process within the instructions of Tax Procedure Law.

Expected Credit Loss:

| | Current Period | | | Prior Period | | |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Provisions beginning of the period | 5,878,898 | 18,972,440 | 23,447,175 | 4,718,789 | 14,637,767 | 20,565,590 |
| Additional provisions within the period | 11,048,388 | 16,222,779 | 14,429,206 | 7,241,997 | 10,552,905 | 7,558,695 |
| Transfers within the period | (9,328,487) | (11,311,577) | (3,672,664) | (6,906,199) | (5,616,127) | (4,055,244) |
| Write-offs from Assets | | | (5,135,033) | | | (2,804,424) |
| Transfer to Stage 1 | 661,386 | (645,901) | (15,485) | 1,083,095 | (1,043,460) | (39,635) |
| Transfer to Stage 2 | (518,626) | 546,935 | (28,309) | (544,920) | 591,554 | (46,634) |
| Transfer to Stage 3 | (94,225) | (479,523) | 573,748 | (213,259) | (1,911,030) | 2,124,289 |
| Currency Exchange Difference | 215,810 | 626,529 | 97,600 | 499,395 | 1,760,831 | 144,538 |
| Provisions at the end of the period | 7,863,144 | 23,931,682 | 29,696,238 | 5,878,898 | 18,972,440 | 23,447,175 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

g. Financial Assets Measured at Amortized Cost:

g.1. Financial Assets Measured at Amortized Cost given as collateral or blocked:

Financial assets measured at Amortized cost given as collateral or blocked amount to TL 62,331,689 as at December 31, 2024 (December 31, 2023: TL 60,579,384).

g.2. Financial Assets Measured at Amortized Cost subject to repurchase agreements:

Financial assets measured at Amortized cost, which are subject to repurchase agreements amount to TL 136,950,399 at December 31, 2024 (December 31, 2023: TL 22,560,328).

g.3. Information on government securities measured at Amortized cost:

| | Current Period | Prior Period |
|------------------------------|--------------------|--------------------|
| Government Bonds | 260,651,589 | 199,506,867 |
| Treasury Bills | | |
| Other Public Debt Securities | | |
| Total | 260,651,589 | 199,506,867 |

g.4. Information on financial assets measured at amortized cost:

| | Current Period | Prior Period |
|----------------------------|--------------------|--------------------|
| Debt Securities | 281,357,179 | 216,178,048 |
| Quoted on a Stock Exchange | 249,273,030 | 192,762,735 |
| Not Quoted (1) | 32,084,149 | 23,415,313 |
| Impairment Losses (-) | | |
| Total | 281,357,179 | 216,178,048 |

(1) Indicates unlisted debt securities, and debt securities that have not been traded at the end of the related periods while they are listed.

g.5. Movement of financial assets measured at amortized cost within the year:

| | Current Period | Prior Period |
|---|--------------------|--------------------|
| Beginning Balance | 216,178,048 | 106,956,161 |
| Foreign Exchange Differences Arising on Monetary Assets | 5,968,244 | 11,268,869 |
| Purchases During the Year | 125,503,427 | 121,861,350 |
| Transfers | | |
| Disposals through Sales and Redemption | (89,906,221) | (40,745,444) |
| Impairment Losses (-) | | |
| Valuation Effect | 23,613,681 | 16,837,112 |
| Balance at the End of the Period | 281,357,179 | 216,178,048 |

Expected credit loss for financial assets measured at amortised cost:

| | Current Period | | | Prior Period | | |
|--|----------------|---------|---------|----------------|---------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Provisions beginning of the period | 211,281 | | | 68,670 | | |
| Additional provisions within the period | 167,891 | | | 195,247 | | |
| Transfers within the period | (190,123) | | | (56,199) | | |
| Write-offs from Assets | | | | | | |
| Transfer to Stage 1 | | | | | | |
| Transfer to Stage 2 | | | | | | |
| Transfer to Stage 3 | | | | | | |
| Currency Exchange Difference | 3,131 | | | 3,563 | | |
| Provisions at the end of the period | 192,180 | | | 211,281 | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

h. Information on Associates (Net):

As per the “Communiqué on Preparation of Consolidated Financial Statements of Banks”, credit institutions or financial institutions associates are included in the scope of consolidated financial statements. Within this context, credit institutions and financial associates are accounted in the consolidated financial statements according to TAS 28 - Investments in Associates and Joint Ventures”.

h.1. Information on credit institution or financial institution associates that are not accounted by the equity method: None.

h.2. Information on credit institution or financial institution associates that are accounted by the equity method:

| Title | Address (City/ Country) | Bank’s Share Percentage-If Different. Voting Percentage (%) | Bank’s Risk Group Share Percentage (%) |
|------------------------|-------------------------|--|---|
| Arap Türk Bankası A.Ş. | İstanbul/Türkiye | 20.58 | 79.42 |

Information on financial statements of associates in the above order:

| Total Assets | Shareholders’ Equity | Total Tangible Assets | Interest Income (1) | Securities Income | Current Period Profit/Loss | Prior Period Profit/Loss | Fair Value |
|--------------|-------------------------|--------------------------|------------------------|----------------------|-------------------------------|-----------------------------|------------|
| 20,055,553 | 2,696,580 | 1,458,250 | 1,379,612 | 35,953 | 198,554 | 162,652 | |

(1) Includes interest income on securities.

h.3. Movement of investments in consolidated associates (1):

| | Current Period | Prior Period |
|---|----------------|----------------|
| Beginning Balance | 453,026 | 385,225 |
| Movements during the period | | |
| Purchases | | |
| Bonus shares acquired | | |
| Dividends received from the current year profit | | |
| Sales | | |
| Revaluation Increase (2) | 101,818 | 67,801 |
| Impairment | | |
| Balance at the end of the period | 554,844 | 453,026 |
| Capital commitments | | |
| Contribution in equity at the end of the period (%) | | |

(1) Includes the information related to associate which is a credit institution in which the Bank has direct shares.

(2) Includes the equity method accounting differences.

h.4. Sectoral information on consolidated associates and the related carrying amounts (1):

| | Current Period | Prior Period |
|--------------------------------|----------------|----------------|
| Banks | 554,844 | 453,026 |
| Insurance Companies | | |
| Factoring Companies | | |
| Leasing Companies | | |
| Finance Companies | | |
| Other Financial Participations | | |
| Total | 554,844 | 453,026 |

(1) Includes the information related to associate which is a credit institution in which the Bank has direct shares.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

h.5. Consolidated associates traded on a stock exchange: None.

h.6. Consolidated associates disposed of in the current period: None.

h.7. Consolidated associates acquired in the current period: None.

h.8. Other issues related to associates:

The accounting method for non-financial subsidiaries, associates and jointly controlled associates is changed in accordance with TAS 27 "Individual Financial Statements" to the equity method introduced in TAS 28. The effects of these changes are given in Section Three III.2 numbered footnotes in detail.

A domestically incorporated company named Elüs Market Ürün Piyasası Aracı Kurumu A.Ş., with a total capital of 21,450 TL, has been established, and one of the subsidiaries within the Group's consolidation scope, İş Yatırım Menkul Değerler A.Ş., holds a 24.24% share in the capital. In accordance with the provisions of the "Regulation on Intermediary Activities and the Supervision and Auditing of Intermediaries on the Turkish Commodity Exchange," the company was founded to engage in intermediary activities for electronic warehouse receipts and futures contracts based on these receipts on the Turkish Commodity Exchange. The company was registered with the Trade Registry as of 29 April 2024.

i. Information on subsidiaries (Net):

As per the "Communiqué on Preparation of Consolidated Financial Statements of Banks", the Bank includes credit institutions or financial institutions subsidiaries in the scope of consolidated financial statements.

i.1. Information on the equity of major subsidiaries:

| | Insurance / Reinsurance Companies | Türkiye Sınai Kalkınma Bankası A.Ş., | İşbank AG | İş Finansal Kiralama A.Ş., |
|---|---|---|-------------------|-------------------------------|
| COMMON EQUITY TIER I CAPITAL | | | | |
| Common Equity Tier I Capital Before Deductions | 57,087,202 | 32,895,935 | 15,178,714 | 8,850,407 |
| Deductions from Common Equity Tier I Capital (-) | 958,454 | 1,388,026 | 152,459 | 54,389 |
| Total Common Equity Tier I Capital | 56,128,748 | 31,507,909 | 15,026,255 | 8,796,018 |
| ADDITIONAL TIER I CAPITAL | | | | |
| Additional Tier I Capital before Deductions | | 10,519,950 | | |
| Deductions from Additional Tier I Capital (-) | | | | |
| Total Capital | 56,128,748 | 42,027,859 | 15,026,255 | 8,796,018 |
| TIER II CAPITAL | | | | |
| Tier II Capital Before Deductions | | 1,837,994 | | |
| Deduction from Tier II Capital (-) | | | | |
| Total Additional Tier II Capital | | 1,837,994 | | |
| Total Capital and Tier II Capital | 56,128,748 | 43,865,853 | 15,026,255 | 8,796,018 |
| Deductions from Total Capital and Additional Tier I Capital (-) | | | | |
| CAPITAL | 56,128,748 | 43,865,853 | 15,026,255 | 8,796,018 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

i.2. Information on unconsolidated subsidiaries: None.

i.3. Information on consolidated subsidiaries:

| No | Title | Address (City/ Country) | Bank's Share Percentage-If Different. Voting Rights (%) (1) | Bank's Risk Group Share Percentage (%) |
|-----|--|-------------------------|---|--|
| 1- | Anadolu Anonim Türk Sigorta Şirketi | Istanbul/Türkiye | 50.23 | 49.77 |
| 2- | Anadolu Hayat Emeklilik A.Ş., | Istanbul/Türkiye | 74.84 | 25.16 |
| 3- | Efes Varlık Yönetim A.Ş., | Istanbul/Türkiye | 66.29 | 33.71 |
| 4- | İş Faktoring A.Ş., | Istanbul/Türkiye | 46.51 | 53.49 |
| 5- | İş Finansal Kiralama A.Ş., | Istanbul/Türkiye | 45.42 | 54.58 |
| 6- | İş Gayrimenkul Yatırım Ortaklığı A.Ş., | Istanbul/Türkiye | 60.63 | 39.37 |
| 7- | İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., | Istanbul/Türkiye | 35.37 | 64.63 |
| 8- | İş Portföy Yönetimi A.Ş., | Istanbul/Türkiye | 67.47 | 32.53 |
| 9- | İş Yatırım Menkul Değerler A.Ş., | Istanbul/Türkiye | 67.98 | 32.02 |
| 10- | İş Yatırım Ortaklığı A.Ş., | Istanbul/Türkiye | 24.46 | 75.54 |
| 11- | İşbank AG | Frankfurt/Germany | 100.00 | 0.00 |
| 12- | JSC İşbank | Moscow/Russia | 100.00 | 0.00 |
| 13- | JSC Isbank Georgia | Tbilisi/Georgia | 100.00 | 0.00 |
| 14- | Levent Varlık Kiralama A.Ş., | Istanbul/Türkiye | 67.98 | 32.02 |
| 15- | Maxis Girişim Sermayesi Portföy Yönetimi A.Ş., | Istanbul/Türkiye | 67.98 | 32.02 |
| 16- | Maxis Investments Ltd, | London/England | 67.98 | 32.02 |
| 17- | Milli Reasürans T.A.Ş., | Istanbul/Türkiye | 87.60 | 12.40 |
| 18- | Moka Ödeme ve Elektronik Para Kuruluşu A.Ş., | Istanbul/Türkiye | 100.00 | 0.00 |
| 19- | TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., | Istanbul/Türkiye | 44.71 | 55.29 |
| 20- | Türkiye Sınai Kalkınma Bankası A.Ş., | Istanbul/Türkiye | 50.46 | 49.54 |
| 21- | Yatırım Finansman Menkul Değerler A.Ş., | Istanbul/Türkiye | 48.90 | 51.10 |
| 22- | Yatırım Varlık Kiralama A.Ş., | Istanbul/Türkiye | 48.90 | 51.10 |

(1) Indirect share of the Group is considered as the Parent Bank's share percentage.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

Financial statement information related to consolidated subsidiaries in the above order:

| | Total Assets | Shareholders' Equity | Total Tangible Assets | Interest Income (1) | Securities Income | Current Period Profit/Loss | Prior Period Profit/Loss | Fair Value (2) | Additional Shareholders' Equity Required |
|-----|--------------|----------------------|-----------------------|---------------------|-------------------|----------------------------|--------------------------|----------------|--|
| 1- | 89,267,932 | 23,726,137 | 1,597,926 | 6,241,459 | 8,467,666 | 11,538,847 | 6,380,160 | 51,686,500 | |
| 2- | 260,339,161 | 10,071,526 | 528,712 | 3,352,370 | 1,687,376 | 4,305,802 | 2,853,815 | 45,060,560 | |
| 3- | 760,461 | 469,950 | 10,323 | 432,807 | 4,348 | 104,108 | 97,261 | | |
| 4- | 37,798,320 | 4,555,968 | 36,925 | 7,265,695 | 42,334 | 1,007,450 | 1,159,924 | | |
| 5- | 69,747,305 | 9,842,182 | 97,954 | 11,678,929 | 189,425 | 1,925,193 | 1,767,060 | 9,287,157 | |
| 6- | 43,904,496 | 36,380,872 | 37,161,958 | 192,183 | 469,768 | 11,080,257 | 11,175,211 | 18,183,653 | |
| 7- | 5,085,933 | 4,179,909 | 17,482 | 85,657 | 23,749 | 1,945,145 | 1,227,673 | 2,933,320 | |
| 8- | 2,351,770 | 2,041,902 | 58,913 | 74,333 | 686,873 | 1,178,849 | 459,899 | | |
| 9- | 71,897,283 | 27,482,934 | 717,390 | 12,714,018 | 3,024,423 | 12,489,979 | 9,811,742 | 71,028,000 | |
| 10- | 520,163 | 514,595 | 3,589 | 88,923 | 98,199 | 148,866 | 109,910 | 1,381,475 | |
| 11- | 78,150,152 | 17,112,654 | 382,451 | 6,404,932 | | 1,331,536 | 860,199 | | |
| 12- | 18,821,950 | 2,672,097 | 141,268 | 1,695,514 | | 1,287,802 | 422,943 | | |
| 13- | 6,157,972 | 1,852,576 | 136,471 | 461,732 | | 144,543 | 155,201 | | |
| 14- | 102,144 | 146 | | 25 | | -98 | -6 | | |
| 15- | 409,715 | 363,471 | 16,826 | 139,973 | 46,538 | 78,966 | 266,187 | | |
| 16- | 6,799,350 | 569,829 | 8,105 | 72,267 | | 148,821 | 101,702 | | |
| 17- | 33,749,308 | 16,474,891 | 181,309 | 1,494,187 | 477,506 | 5,933,631 | 3,629,008 | | |
| 18- | 2,930,925 | 109,433 | 90,732 | 166,939 | 3,731 | 14,425 | 47,877 | | |
| 19- | 5,276,934 | 4,715,146 | 5,009,004 | 40,697 | | 1,370,581 | 1,535,587 | 4,533,750 | |
| 20- | 237,528,982 | 33,152,700 | 5,568,758 | 30,331,870 | 272,729 | 10,356,755 | 7,149,926 | 34,277,600 | |
| 21- | 8,901,613 | 937,968 | 139,483 | 1,610,075 | 157,484 | 335,579 | 282,714 | | |
| 22- | 2,065,248 | 2,101 | | | | 1,428 | 371 | | |

(1) Includes interest income on securities.

(2) Fair value is the companies' market value.

The financial statement information presented in the table above reflects amounts not adjusted for inflation accounting, as disclosed in the companies' publicly announced financial reports or in material event disclosures. In the preparation of the consolidated financial statements, these balances have been adjusted in line with the Group's accounting policies to meet the requirements of consolidation.

i.4. Movement of investments in subsidiaries (1):

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Balance at the Beginning of the Period | 67,465,619 | 37,373,370 |
| Movements in the Period | | |
| Purchases (2) | 29,954 | 53,758 |
| Bonus Shares Acquired | | |
| Dividends Received from the Current Year Profit | | |
| Sales | | |
| Revaluation Surplus/Deficit (3) | 31,349,655 | 30,038,491 |
| Impairment | | |
| Balance at the End of the Period | 98,845,228 | 67,465,619 |
| Capital Commitments | | |
| Contribution in equity at the end of the period (%) | | |

(1) Reveals the information related to companies subject to consolidation in which Bank directly owns share.

(2) The prior period balance results from the classification of shares of Anadolu Hayat Emeklilik A.Ş. and İş Finansal Kiralama A.Ş., which are tracked under the Financial Assets at Fair Value Through Profit or Loss account, as subsidiaries.

(3) Includes accounting differences by equity method.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

i.5. Sectoral information on consolidated subsidiaries and the related carrying amounts (1):

| | Current Period | Prior Period |
|------------------------------|-------------------|-------------------|
| Banks | 38,145,018 | 28,573,981 |
| Insurance Companies | 22,573,033 | 14,039,712 |
| Factoring Companies | | |
| Leasing Companies | 2,021,433 | 1,472,096 |
| Finance Companies | | |
| Other Financial Subsidiaries | 36,105,744 | 23,379,830 |
| Total | 98,845,228 | 67,465,619 |

(1) Reveals the information related to companies subject to consolidation in which Bank directly owns share.

i.6. Consolidated subsidiaries traded on stock exchange (1):

| | Current Period | Prior Period |
|------------------------------------|----------------|--------------|
| Traded on domestic stock exchanges | 62,257,824 | 40,271,948 |
| Traded on foreign stock exchanges | | |

(1) Reveals the information related to companies subject to consolidation in which Bank directly owns share.

i.7. Consolidated subsidiaries disposed of in the current period: None

i.8. Subsidiaries acquired in the current period: None

i.9. Other issues on subsidiaries:

As explained in Note III.2 of Section Three, non-financial subsidiaries, associates and jointly controlled associates are accounted by using the equity method defined in TAS 28 “Investments in Subsidiaries and Associates” within the scope of TAS 27 “Individual Financial Statements”.

On February 1, 2024, the capital of Trakya Yatırım Holding A.Ş., in which the Parent Bank is 100% shareholder, has been increased by TL 2,840,000.

On February 1, 2024, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.'s shareholding in Toksöz Spor Malzemeleri Ticaret A.Ş. increased from 90.63% to 100% with the acquisition of 9.37% shares for TL 90,000 and on March 26, 2024, the title of Toksöz Spor Malzemeleri Ticaret A.Ş. was changed as Sportive Spor Malzemeleri Tic. A.Ş.

As of May 31, 2024, all shares of Maxi Digital GMBH., fully owned by Isbank AG, were transferred to Is United Payment Systems Limited for a consideration of EUR 9,6 million.

On August 19, 2024, 50% of the capital in Sportive Spor Malzemeleri Ticaret A.Ş., a wholly owned subsidiary of İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. , amounting to a nominal value of TL 18,775 was sold to Marka Mağazacılık A.Ş., one of the Fiba Group companies, for TL 493,392. In the current period, Sportive Spor Malzemeleri Ticaret A.Ş. has been classified under jointly controlled entities in the balance sheet.

On December 2, 2024, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. acquired a 24.06% stake in Tatilbudur Seyahat Acenteliği ve Turizm A.Ş., with a nominal value of TL 8,900, for a total consideration of TL 1,066,000. In the current period, Tatilbudur Seyahat Acenteliği ve Turizm A.Ş. has been classified under non-financial subsidiaries.

j. Information on jointly controlled entities (Net):

As per the “Communiqué on Preparation of Consolidated Financial Statements of Banks”, jointly controlled entities as credit institutions or financial institutions are included in the scope of consolidated financial statements. There are no jointly controlled entities which are excluded in the scope of the consolidation.

On the other hand, as explained in Note III.2 of Section Three, non-financial subsidiaries, associates and jointly controlled associates are accounted by using the equity method defined in TAS 28 “Investments in Subsidiaries and Associates” within the scope of TAS 27 “Individual Financial Statements”.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

k. Information regarding finance lease receivables (Net):

k.1. Presentation of finance lease receivables according to their remaining maturities:

| | Current Period | | Prior Period | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Gross | Net | Gross | Net |
| Less than 1 Year | 16,935,446 | 13,706,168 | 13,690,050 | 10,975,364 |
| 1-4 Years | 14,407,367 | 12,507,918 | 13,428,777 | 11,884,748 |
| More than 4 Years | 1,011,912 | 859,753 | 1,139,279 | 900,585 |
| Total | 32,354,725 | 27,073,839 | 28,258,106 | 23,760,697 |

k.2. Information regarding net investments made on finance lease:

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Gross Finance Lease Investment | 32,354,725 | 28,258,106 |
| Unearned Finance Revenue from Finance Lease (-) | 5,280,886 | 4,497,409 |
| Net Finance Lease Investment | 27,073,839 | 23,760,697 |

k.3. Presentation of operating lease receivables according to their remaining maturities:

As at December 31, 2024 the remaining maturities of the Group's operating lease receivable is less than 1 year the total amount is TL 64,995. (December 31, 2022; TL 93,070).

l. Positive differences table for hedging derivative financial assets:

| Part of Derivative Financial Assets at Fair Value Through Profit Loss (1) | Current Period | | Prior Period | |
|---|----------------|------------------|--------------|----------------|
| | Net | Gross | Net | Gross |
| Hedging Derivative Financial Assets | | 1,119,407 | | 310,639 |
| Hedging Cash Flow | | | | |
| Protection from Net Investment Risk Abroad | | | | |
| Total | | 1,119,407 | | 310,639 |

(1) Includes information on derivative financial assets for hedging purposes classified under derivative financial assets.

Explanations on hedging derivative financial assets:

| Derivative Financial Liabilities at Fair Value through Profit/Loss | Current Period | | | Prior Period | | |
|--|----------------|-----------|-----------|--------------|---------|-----------|
| | Contract Sum | Assets | Liability | Contract Sum | Assets | Liability |
| Interest Rate Swap Transactions | 38,602,372 | 18,436 | 417,848 | 12,304,847 | 94,859 | 130,762 |
| FC | 38,602,372 | 18,436 | 417,848 | 12,304,847 | 94,859 | 130,762 |
| TL | | | | | | |
| Currency Swap Transactions | 30,696,329 | 1,100,971 | | 26,483,208 | 215,780 | 39,214 |
| FC | 30,696,329 | 1,100,971 | | 26,483,208 | 215,780 | 39,214 |
| TL | | | | | | |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

Information on fair value hedge accounting is given below.

Current Period:

| Hedging Instrument | Hedging Item | Risk Exposure | Fair Value Difference of Hedging Assets (1) | Net fair value of hedging instrument (1) | | Income statement effect (profit / loss from derivative financial transactions) |
|----------------------------------|--|---------------|---|--|-------------|--|
| | | | | Assets | Liabilities | |
| Interest Rate Swap Transactions | Fixed Interest rate Eurobond and Greenbond | Interest Risk | (27,268) | 21,597 | | (5,671) |
| Interest Rate Swap Transactions | Fixed Rate Loans Used | Interest Risk | 106,172 | | (113,852) | (7,680) |
| Cross Currency Swap Transactions | Fixed Interest Rate Eurobond | Interest Risk | (73,032) | 104,084 | | 31,052 |

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

Prior Period:

| Hedging Instrument | Hedging Item | Risk Exposure | Fair Value Difference of Hedging Assets (1) | Net fair value of hedging instrument (1) | | Income statement effect (profit / loss from derivative financial transactions) |
|----------------------------------|--|--------------------|---|--|-------------|--|
| | | | | Assets | Liabilities | |
| Interest Rate Swap Transactions | Fixed Interest rate Eurobonds and Greenbonds | Interest rate risk | (112,672) | | 77,745 | (34,927) |
| Interest Rate Swap Transactions | Fixed Rate Loans Used | Interest rate risk | 107,833 | | (115,332) | (7,499) |
| Cross Currency Swap Transactions | Fixed Interest rate Eurobonds | Interest rate risk | (103,960) | 152,334 | | 48,374 |

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

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

m. Information on Tangible Assets:

| | Real Estate | Right-to-Use Assets | Buildings Under Construction | Vehicles | Other MDV | Total |
|---|-------------------|---------------------|------------------------------|----------------|------------------|-------------------|
| Current Period | | | | | | |
| Previous Period | | | | | | |
| Cost | 38,677,652 | 5,163,854 | 528,473 | 114,950 | 7,674,348 | 52,159,277 |
| Accumulated Depreciation | (31,811) | (3,073,526) | | (56,933) | (4,201,469) | (7,363,739) |
| Net Book Value | 38,645,841 | 2,090,328 | 528,473 | 58,017 | 3,472,879 | 44,795,538 |
| Current Period | | | | | | |
| Net Book Value at the Beginning of Period | 38,645,841 | 2,090,328 | 528,473 | 58,017 | 3,472,879 | 44,795,538 |
| Current Period Changes (Net) (1) | 21,022,971 | 2,752,192 | 2,304,349 | 250,715 | 3,146,025 | 29,476,252 |
| Depreciation Fee | (509,176) | (1,379,189) | | (34,333) | (1,329,480) | (3,252,178) |
| Provision for Impairment (Net) | 44,438 | | | | | 44,438 |
| Foreign Exchange Differences (Net) (1) | (1,439) | 76,901 | | 1,149 | 4,937 | 81,548 |
| End of Term Cost | 59,265,489 | 8,268,645 | 2,832,822 | 361,064 | 10,705,023 | 81,433,043 |
| Accumulated Depreciation at the End of the Period | (62,854) | (4,728,413) | | (85,516) | (5,410,662) | (10,287,445) |
| Net Book Value at the End of the Period | 59,202,635 | 3,540,232 | 2,832,822 | 275,548 | 5,294,361 | 71,145,598 |

(1) Includes the movements in cost value and accumulated depreciation items.

n. Information on Intangible Assets:

Explanation regarding consolidation goodwill that is included in intangible assets is given in Section Three under the caption of “XII. Explanations on Goodwill and Other Intangible Assets.” The table consisting movements of other intangible assets are presented below.

| | Current Period | Prior Period |
|--|-------------------|------------------|
| Net Book Value at the Beginning of the Period | 7,110,247 | 4,051,819 |
| Change During the Period (Net)(1) | 7,524,334 | 4,386,262 |
| Depreciation | (2,374,289) | (1,425,520) |
| Impairment | | |
| Currency Translation Differences (1) | 26,082 | 97,686 |
| Cost at Period End | 20,556,548 | 12,969,359 |
| Accumulated Depreciation at Period End | (8,270,174) | (5,859,112) |
| Net Book Value at the End of the Period | 12,286,374 | 7,110,247 |

(1) The balance includes the movements in cost and accumulated depreciation items .

o. Information on investment property:

Investment properties are properties that the Group holds to earn rentals. Explanations on these subjects are given in Section Three Note XIV. Total rental income obtained from investment properties during the period is TL 887,301. (December 31, 2023: TL 536,694).

| | Current Period | Prior Period |
|--|-------------------|-------------------|
| Net Book Value at the Beginning of the Period | 18,056,230 | 11,320,190 |
| Change During the Period (Net) | (1,916,137) | (1,395,323) |
| Revaluations Surplus/Deficit | 9,267,224 | 8,131,363 |
| Net Book Value at the End of the Period | 25,407,317 | 18,056,230 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS (Continued)

p. Information on deferred tax asset:

As of December 31, 2024, the Parent Bank and the other consolidated Group companies has deferred tax asset amounting to TL 30,811,538. Such deferred tax asset is calculated based on the temporary differences between the book value of assets and liabilities and their tax basis measured as per the prevailing tax regulation. When the items comprising the temporary differences are followed under equity, the related tax asset/liability is directly recognized under equity items.

| | Current Period | Prior Period |
|--------------------------------------|---------------------|---------------------|
| Tangible Assets Base Differences (1) | 2,742,358 | 629,472 |
| Provisions (2) | (21,758,888) | (15,396,760) |
| Finance Lease Income Accruals | 146,532 | 107,969 |
| Valuation of Financial Assets | 563,564 | 386,583 |
| Other (3) | (12,505,104) | (364,717) |
| Net Deferred Tax Asset | (30,811,538) | (14,637,453) |

(1) Deferred tax assets arising from the inflation adjustment under the provisions of Temporary Article 33 of the Tax Procedure Law are included.

(2) Employee benefit obligations consist of the actual and technical deficit of the pension fund, insurance technical provisions, credit card point provisions, expected credit loss provisions for Stage I and Stage II loans, and other provisions.

(3) The current period amount also includes deferred tax assets arising from tax losses.

| | Current Period | Prior Period |
|--|-------------------|-------------------|
| Balance at the Beginning of the Period | 14,523,260 | (625,273) |
| Deferred Tax Income/ (Expense) (Net) | 6,640,070 | 6,780,453 |
| Deferred Tax Accounted Under Equity | 7,199,058 | 7,333,400 |
| Deferred Tax Accounted Under Previous Year P / L | (482,534) | 1,042,313 |
| Exchange rate differences | (4,030) | (7,633) |
| Net Deferred Tax Asset / (Liability) (1) | 27,875,824 | 14,523,260 |

(1) In the consolidated financial statements for the current period, a deferred tax asset of TL 30,811,538 and a deferred tax liability of TL 2,935,714 are recorded, with the movement schedule presented on a net basis. Explanations regarding the deferred tax liability are provided in Footnote II.h.2 of Section Five.

q. Information on assets held for sale and discontinued operations:

| | Current Period | Prior Period |
|---|------------------|------------------|
| Net Balance at the Beginning of the Period | 1,562,954 | 1,618,994 |
| Change during the periods (Net) | (1,512,692) | (62,651) |
| Amortized Cost | | |
| Provision for Decrease in Value | (34) | (190) |
| Foreign Currency Difference | 2,116 | 6,801 |
| Net Book Value at the End of the Period | 52,344 | 1,562,954 |

The other assets classified as “Fixed Assets Held for Sale” mostly consist of real estates subject to sale are made by using newspaper advertisements and similar media. Additionally, the Parent Bank’s real estates subject to sale are announced on the Bank’s web site.

The Group has no discontinued operations.

r. Information on other assets of the group:

Other assets item does not exceed 10% of the balance sheet total.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES

a. Information on Deposits:

a.1. The maturity structure of deposits:

| Current Period | Demand | 7 Days Notice | Up to 1 Month | 1-3 Months | 3-6 Months | 6 Months to 1 Year | 1 Year and Over | Accumulated Deposits | Total |
|------------------------------------|--------------------|---------------|--------------------|--------------------|--------------------|--------------------|-------------------|----------------------|----------------------|
| Savings Deposits | 103,661,630 | | 43,374,108 | 365,887,910 | 190,225,901 | 5,224,033 | 10,655,257 | 4,897 | 719,033,736 |
| Foreign Currency Deposits | 486,566,547 | | 42,742,165 | 155,323,928 | 25,162,623 | 17,348,763 | 40,281,895 | 2,874 | 767,428,795 |
| Residents in Türkiye | 399,873,278 | | 34,747,770 | 109,781,773 | 16,723,396 | 3,855,342 | 6,824,659 | 2,874 | 571,809,092 |
| Residents Abroad | 86,693,269 | | 7,994,395 | 45,542,155 | 8,439,227 | 13,493,421 | 33,457,236 | | 195,619,703 |
| Public Sector Deposits | 7,991,829 | | 366,595 | 583,038 | 127,838 | | 6 | | 9,069,306 |
| Commercial Deposits | 74,715,532 | | 162,798,744 | 98,850,338 | 42,236,819 | 2,324,568 | 15,704,829 | | 396,630,830 |
| Other Institutions Deposits | 5,271,088 | | 6,470,540 | 16,323,684 | 5,113,612 | 66,198 | 2,519 | | 33,247,641 |
| Precious Metals Deposits | 171,360,129 | | 4,422 | 9,897,194 | 1,764,738 | 10,848,552 | 590,863 | | 194,465,898 |
| Interbank Deposits | 3,346,709 | | 45,857,569 | 2,026,025 | 532,641 | 150,447 | 7,627,933 | | 59,541,324 |
| The Central Bank of Türkiye | 1,207 | | | | | | | | 1,207 |
| Domestic Banks | 589,364 | | 41,946,350 | 1,555,813 | | | | | 44,091,527 |
| Foreign Banks | 2,755,200 | | 3,911,219 | 470,212 | 532,641 | 150,447 | 7,627,933 | | 15,447,652 |
| Participation Banks | 938 | | | | | | | | 938 |
| Other | | | | | | | | | |
| Total | 852,913,464 | | 301,614,143 | 648,892,117 | 265,164,172 | 35,962,561 | 74,863,302 | 7,771 | 2,179,417,530 |

| Prior Period | Demand | 7 Days Notice | Up to 1 Month | 1-3 Months | 3-6 Months | 6 Months to 1 Year | 1 Year and Over | Accumulated Deposits | Total |
|-----------------------------|--------------------|---------------|--------------------|--------------------|--------------------|--------------------|-------------------|----------------------|----------------------|
| Savings Deposits | 72,206,209 | | 17,511,367 | 157,038,120 | 227,466,867 | 17,360,564 | 12,239,090 | 3,774 | 503,825,991 |
| Foreign Currency Deposits | 411,566,482 | | 51,485,336 | 153,058,226 | 24,761,842 | 11,076,837 | 46,725,033 | 1,068 | 698,674,824 |
| Residents in Türkiye | 343,778,843 | | 44,820,892 | 116,294,871 | 19,261,998 | 3,579,531 | 10,300,935 | 1,068 | 538,038,138 |
| Residents Abroad | 67,787,639 | | 6,664,444 | 36,763,355 | 5,499,844 | 7,497,306 | 36,424,098 | | 160,636,686 |
| Public Sector Deposits | 1,634,553 | | 75,221 | 366,251 | 122,942 | 430 | 5 | | 2,199,402 |
| Commercial Deposits | 61,006,380 | | 85,271,302 | 23,979,704 | 69,582,262 | 25,114,833 | 12,497,610 | | 277,452,091 |
| Other Institutions Deposits | 1,676,230 | | 2,997,524 | 5,529,104 | 5,328,329 | 103,904 | 9,942 | | 15,645,033 |
| Precious Metals Deposits | 102,599,647 | | 2,937 | 3,979,932 | 821,987 | 8,683,669 | 364,383 | | 116,452,555 |
| Interbank Deposits | 1,419,938 | | 78,812,056 | 896,803 | 1,222,655 | 3,321,529 | 10,128,943 | | 95,801,924 |
| The Central Bank of Türkiye | 974 | | | | | | | | 974 |
| Domestic Banks | 82,546 | | 75,646,900 | 502,329 | | 164,775 | | | 76,396,550 |
| Foreign Banks | 1,335,595 | | 3,165,156 | 394,474 | 1,222,655 | 3,156,754 | 10,128,943 | | 19,403,577 |
| Participation Banks | 823 | | | | | | | | 823 |
| Other | | | | | | | | | |
| Total | 652,109,439 | | 236,155,743 | 344,848,140 | 329,306,884 | 65,661,766 | 81,965,006 | 4,842 | 1,710,051,820 |

Within the framework of the ""Communiqué on Supporting the Transformation into Turkish Lira Deposits and Participation Accounts" published in the Official Gazette dated 24.02.2022 and numbered 31760 and the CBRT's communiques numbered 2021/14, 2021/16, 2022/7 and 2022/11, Parent Bank offers its customers a TL deposit product with exchange rate protection. As of December 31, 2024, the amount of the foreign exchange-protected deposits opened within this scope is TL 145,226,061. (31.12.2023: 279,584,133 TL).

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

a.2. Savings deposits which are under the guarantee of Savings Deposits Insurance Fund exceeding the insurance limit:

| Savings Deposits | Under the Guarantee of Savings Deposits Insurance Fund | | Exceeding the Limit of Deposit Insurance Fund | |
|---|--|--------------|---|--------------|
| | Current Period (1) | Prior Period | Current Period | Prior Period |
| Savings Deposits | 296,130,386 | 179,078,644 | 415,169,414 | 320,081,874 |
| Foreign Currency Savings Deposits | 180,312,282 | 142,427,842 | 282,017,177 | 271,482,690 |
| Other Deposits in the Form of Savings Deposits | 85,739,717 | 53,207,056 | 98,328,906 | 60,492,920 |
| Foreign Branches' Deposits Under Foreign Authorities' Insurance | 40,066,728 | 30,095,707 | 19,044,036 | 15,598,500 |
| Off-shore Banking Regions' Deposits Under Foreign Authorities Insurance | | | | |

(1) The amount of insured deposits for the current period is TL 650 (previous period: TL 400). With the amendment published in the Official Gazette dated 27.08.2022 and numbered 31936, the scope of insured deposits was revised to include deposits held in domestic branches of banks, except those belonging to official institutions and credit and financial institutions, up to the specified limits. Accordingly, in the current period, there is TL 48,842,920 (31.12.2023: TL 36,217,680) of commercial deposits under insurance coverage, which is not presented in the table.

a.3. Savings deposits which are not under the guarantee of deposit insurance fund:

| | Current Period | Prior Period |
|--|----------------|--------------|
| Foreign Branches' Saving Deposits and Other Accounts | 19,044,036 | 15,598,500 |
| Deposits and Other Accounts held by Main Shareholders and their Relatives | | |
| Deposits and Other Accounts of the Chairperson and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives | 139,177 | 77,781 |
| Deposits and Other Accounts Covered by Assets Generated Through the Offenses Mentioned in Article 282 of the Turkish Criminal Code Numbered 5237 and Dated 26 September 2004 | | |
| Deposits in the Banks to be Engaged Exclusively in Off-shore Banking in Türkiye | | |

b. Negative Differences on Derivative Financial Liabilities Held for Trading:

| Derivative Financial Liabilities at Fair Value through Profit/Loss (1) | Current Period | | Prior Period | |
|--|----------------|-------------------|----------------|------------------|
| | TL | FC | TL | FC |
| Forward Transactions | 2,780 | 2,205,139 | 184,450 | 796,917 |
| Swap Transactions | 179,539 | 8,564,354 | 413,616 | 5,677,628 |
| Futures | | | | |
| Options | 96,799 | 331,514 | 4,211 | 1,117,558 |
| Other | | | | |
| Total | 279,118 | 11,101,007 | 602,277 | 7,592,103 |

(1) Includes information related to derivative financial liabilities held for trading and classified under derivative financial liabilities. Information on derivative financial liabilities for hedging purposes is disclosed in Note II.g of Section Five.

c. Banks and Other Financial Institutions:

c.1. Information on banks and other financial institutions:

| | Current Period | | Prior Period | |
|---------------------------------------|-------------------|--------------------|-------------------|--------------------|
| | TL | FC | TL | FC |
| Funds borrowed from the CBRT | | | | |
| Domestic banks and institutions | 6,841,285 | 12,583,921 | 6,579,759 | 7,068,265 |
| Foreign banks, institutions and funds | 42,146,722 | 240,129,204 | 3,508,820 | 224,083,749 |
| Total | 48,988,007 | 252,713,125 | 10,088,579 | 231,152,014 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

c.2. Maturity analysis of funds borrowed:

| | Current Period | | Prior Period | |
|----------------------|-------------------|--------------------|-------------------|--------------------|
| | TL | FC | TL | FC |
| Short-term | 33,198,979 | 24,061,291 | 7,320,155 | 13,300,977 |
| Medium and Long-term | 15,789,028 | 228,651,834 | 2,768,424 | 217,851,037 |
| Total | 48,988,007 | 252,713,125 | 10,088,579 | 231,152,014 |

c.3. Information on funds borrowed:

Information on funds received through syndicated loans and securitization deals, which take a significant place among funds borrowed, are given below.

Syndication loans:

| Date of Use | Funds Borrowed | Maturity |
|---------------|------------------------------------|----------|
| June 2024 | USD 442,000,000 + EURO 562,700,000 | 1 year |
| August 2024 | USD 48,600,000 + EURO 129,700,000 | 1 year |
| November 2024 | USD 584,500,000 + EURO 494,900,000 | 1 year |

Other Transactions:

As of August 2014, in connection with the future cash flows securitization program amounting to USD 500 million on 10 years maturity, the bank has increased the total amount of the financial instrument USD 600 million by obtaining the same structured USD 100 million in September 2017.

d. Information on Debt Securities Issued (Net):

| | Current Period | | Prior Period | |
|-----------------------|-------------------|--------------------|-------------------|-------------------|
| | TL | FC | TL | FC |
| Bills | 6,964,236 | | 6,165,382 | 735,314 |
| Asset backed security | 2,052,309 | | 1,508,031 | |
| Bonds | 5,592,604 | 157,927,691 | 2,642,046 | 98,092,794 |
| Total | 14,609,149 | 157,927,691 | 10,315,459 | 98,828,108 |

Information on funds received through securitization:

The Parent Bank has obtained funding through TIB Diversified Payment Rights Finance Company (TIB), a structured entity established abroad and included in the scope of consolidation, by subjecting all rights and receivables related to remittance flows in USD, EUR, and GBP to transactions based on future flows. These funds are recorded under loans received in the consolidated financial statements for the previous period and under issued securities for the current period.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

Details regarding the funds obtained through transactions based on future flows are provided below.

| Date | Amount | Final Maturity | Remaining Debt Amount as at December 31, 2024 |
|----------------|------------------|----------------|---|
| December 2013 | EURO 50,000,000 | 12 years | EURO 5,000,000 |
| December 2014 | USD 220,000,000 | 14 years | USD 80,000,000 |
| March 2015 | USD 15,000,000 | 15 years | USD 9,843,750 |
| October 2015 | USD 221,200,000 | 10 years | USD 20,737,500 |
| October 2016 | USD 55,000,000 | 12 years | USD 21,463,408 |
| December 2016 | USD 158,800,000 | 10-13 years | USD 50,363,096 |
| December 2017 | USD 125,000,000 | 9 years | USD 53,571,429 |
| August 2022 | USD 227,000,000 | 5 years | USD 192,076,923 |
| November 2023 | USD 195,000,000 | 5 years | USD 195,000,000 |
| November 2023 | EURO 50,000,000 | 5 years | EURO 50,000,000 |
| February 2024 | USD 140,000,000 | 5-6 years | USD 140,000,000 |
| May 2024 | USD 221,855,000 | 5-6 years | USD 221,855,000 |
| September 2024 | USD 450,000,000 | 10 years | USD 450,000,000 |
| September 2024 | EURO 100,000,000 | 10 years | EURO 100,000,000 |

e. Concentration of the liabilities of the Group:

Group's liabilities 56% are comprised of deposits, 8% are comprised of funds borrowed, 6% are comprised subordinated debt and marketable securities issued and 9% are comprised of debt from money markets. Deposits are distributed among a large variety of customers with different characteristics. The borrowings, on the other hand, are comprised of various funds obtained from financial institutions through syndication, securitization, post-financing and money market operations.

f. Information on Other Liabilities:

Other liabilities do not exceed 10% of the balance sheet total.

g. Information on Lease Payables (Net):

| | Current Period | | Prior Period | |
|-------------------|------------------|------------------|------------------|------------------|
| | Gross | Net | Gross | Net |
| Less than 1 year | 309,461 | 221,246 | 100,418 | 60,323 |
| 1-4 years | 1,364,688 | 1,019,925 | 648,076 | 489,502 |
| More than 4 years | 4,598,855 | 2,631,239 | 2,726,586 | 1,747,689 |
| Total | 6,273,004 | 3,872,410 | 3,475,080 | 2,297,514 |

h. Negative differences related to derivative financial instruments for hedging purposes:

| Part of Derivative Financial Liabilities at Fair Value Through Profit Loss (1) | Current Period | | Prior Period | |
|--|----------------|----------------|--------------|----------------|
| | Gross | Net | Gross | Net |
| Fair Value Hedge Purpose | | 417,848 | | 169,976 |
| Cash Flow Hedges | | | | |
| Net Investment Hedge Abroad | | | | |
| Total | | 417,848 | | 169,976 |

(1) Includes the negative differences related to derivative financial assets for hedging purposes classified under derivative financial assets.

The transactional details for the hedging derivative financial instruments are disclosed in Note I.1 of Section Five.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

i. Information on Provisions:

i.1. Reserves for employee benefits:

In accordance with the related legislation and collective labor agreements, the Bank is required to make lump-sum termination indemnities to each employee who retires, dies, leaves the Bank due to military service, whose employment is terminated as specified in the related legislation and to each female employee who leaves the Bank voluntarily within one year following her marriage. In accordance with the relevant legislation, severance pay is one month's salary for each year of service. As of the balance sheet date, the one-month salary amount is considered without exceeding the ceiling applicable for severance pay. Provision for employment termination benefits is recognized by calculating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of December 31, 2024, the Group's provision for severance pay liability amounts to TL 6,088,071. (31 December 2023: TL 5,643,824).

Main actuarial assumptions used in calculation of severance pay liability are as follows:

- In the calculation, the discount rate is 26.70%, the inflation rate is 21.85%, and the real wage increase rate is 2%.
- In the calculation, the ceiling of 41,828.42 TL (full TL amount) valid as of December 31, 2024 was taken as basis.
- Retirement age is taken into account as the earliest age at which individuals can retire.
- CSO 1980 mortality table is used for probability of death for women and men.

The movements related to provision for employee termination benefits are given below:

| | Current Period | Prior Period |
|---|------------------|------------------|
| Present value of defined benefit obligation at the beginning of the period | 5,643,824 | 5,605,220 |
| Current Service Cost | 420,542 | 432,431 |
| Interest Cost | 1,108,842 | 1,216,303 |
| Benefits paid | (2,516,360) | (1,841,112) |
| Loss/(Gain) due to Settlements / Reductions / Terminations | 20,689 | 2,642 |
| Prior Year Service Cost | | 239,358 |
| Actuarial loss/(gain) | 1,410,534 | (11,018) |
| Defined benefit obligation at the end of the period | 6,088,071 | 5,643,824 |

The sensitivity analysis of the defined benefit obligation related to past service as of December 31, 2024, based on assumptions, is presented below:

- If the discount rate is increased by 1% annually, the defined benefit obligation decreases by 9.3%.
- If the discount rate is decreased by 1% annually, the defined benefit obligation increases by 10.7%.
- If the annual inflation rate is increased by 1%, the defined benefit obligation increases by 10.3%.
- If the annual inflation rate is decreased by 1%, the defined benefit obligation decreases by 9.1%.

In addition to the retirement pay liability, the Bank and the Group companies included in the consolidation reserve provisions for unused vacation. As of December 31, 2024, the unused vacation provision amount is TL 1,016,351. (December 31, 2023: TL 530,788).

i.2. Provisions for exchange losses in the principal amount of foreign currency indexed loans:

Since foreign currency indexed loans are followed based on the rates on the lending date, the Parent Bank incurs a loss if the exchange rates decrease and makes profit if the exchange rate increases. As of December 31, 2024, and December 31, 2023 there is no provision amount for the currency evaluation losses in the principal amount of foreign currency indexed loans.

i.3. Specific provisions for non-cash loans, which are not indemnified and not converted into cash:

As of December 31, 2024, TL 2,631,737 provision (December 31, 2023: TL 2,976,310) is allocated for the non-cash loans of companies whose loans are followed under non-performing loans accounts.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

i.4. Information on other provisions:

i.4.1. Liabilities arising from retirement benefits:

Liabilities of pension funds founded as per the Social Security Act:

Within the scope of the explanations given in Section Three Note XX.2, in the actuarial report which was prepared as of December 31, 2024 for Türkiye İş Bankası A.Ş. Emekli Sandığı Vakfı (İşbank Pension Fund) by a licensed actuary, of which each Bank employee is a member, and which has been established according to the provisional Article 20 of the Social Security Act numbered 506, the amount of actuarial and technical deficit stands at TL 21,100,818. According to the actuarial report as at December 31, 2024 of Milli Reasürans T.A.Ş. besides the Parent Bank, the amount of actuarial and technical deficit was determined to be TL 654,542. There is a provision on financial statements to compensate the deficit in mentioned period, the mentioned provision is preserved on current year financial statements as well. In the financial statements for the said period, there are as many provisions as the said deficit amount, and the said provision amount has been retained in the financial statements for the current period.

The above-mentioned actuarial audit, which was made in accordance with the principles of the related law, measures the cash value of the liability as of December 31, 2024, in other words, it measures the amount to be paid to the Social Security Institution by the Parent Bank. Actuarial assumptions used in the calculation are given below.

- 9.8 % technical deficit interest rate is used.
- 34.75 % total premium rate is used.
- CSO 1980 woman/man mortality tables are used.

Additionally, the “Ceiling Base Salary Increase for Premium” is determined based on the “Ceiling Base Salary for Premium” set by the Social Security Institution (SGK). It is assumed that real increases above inflation will occur in the earnings of premium-paying members and ceiling salaries, considering past realizations.

In the calculation of the liability amount for vested benefits, in addition to the aforementioned assumptions, certain actuarial assumptions are also applied. Accordingly, the final liability amount to be incurred by the Bank upon the realization of the transfer may vary depending on factors such as the discount rate, mortality rates, pension increases, salary increases for active members, and withdrawal rates.

Below table shows the cash values of premium and salary payments of the Parent Bank as of December 31, 2024, taking the health expenses within the Social Security Institution limits into account.

| | Current Period | Prior Period |
|---|---------------------|---------------------|
| Net Present Value of Total Liabilities Other Than Health | (110,173,970) | (57,235,905) |
| Net Present Value of Long Term Insurance Line Premiums | 52,768,803 | 25,775,506 |
| Net Present Value of Total Liabilities Other Than Health | (57,405,167) | (31,460,399) |
| Net Present Value of Health Liabilities | (11,408,363) | (6,190,532) |
| Net Present Value of Health Premiums | 38,916,992 | 18,687,242 |
| Net Present Value of Health Liabilities | 27,508,629 | 12,496,710 |
| Pension Fund Assets | 8,795,720 | 4,674,947 |
| Amount of Actuarial and Technical Deficit | (21,100,818) | (14,288,742) |

The assets of the pension fund are as follows:

| | Current Period | Prior Period |
|---------------------------|------------------|------------------|
| Cash and Cash Equivalents | 7,071,179 | 3,366,702 |
| Securities Portfolio | 634,320 | 604,264 |
| Other | 1,090,221 | 703,981 |
| Total | 8,795,720 | 4,674,947 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

Health benefits that are still being paid will be determined within the framework of the Social Security Institution legislation and related regulations with the transfer.

i.4.2. Provision of credit cards and promotion of banking services applications: The Bank has recognized provisions amounting to TL 1,198,281 for the amount which is recognized within the framework of credit card expenses of credit card customers or promotions for banking services as of December 31, 2024. (December 31, 2022: TL 642,592)

i.4.3. In 1993, Dışbank A.Ş. shares which were owned by the Parent Bank were sold to Lapis Holding A.Ş. In 2008, it was claimed that USD 52.6 million of the amount, which was paid upfront within the context of the sale agreement (75 million USD), had been provided from the funds of the insolvent TYT Bank A.Ş. by the buyer and payment of the mentioned amount as well as the interest to be calculated to the Savings Deposit Insurance Fund (SDIF) was demanded.

The administrative actions initiated by the SDIF in 2008 were revoked by Council of State Administrative Law Chambers 13th upon the application of the Bank. The decisions which were in favour of the Bank were reversed by Plenary Session of the Law Chamber upon the appeal of the SDIF, Council of State Administrative Law Chambers 13th decided to reject the applications of the Bank in January 2016 due to their obligation to obey the decisions of reversal.

After the aforementioned court decisions, although the legal process was still in progress, the collection procedures were carried out within the context of Law No. 6183 and TL 298,466 including the default interest, was collected from the Bank by the SDIF at prior periods and made provision for the whole amount.

In the legal process, positive results could not be obtained from the individual application made by the Bank to the Constitutional Court, and the negative declaratory action brought against the Bank to determine that the Bank is not indebted from the ongoing lawsuits has been finalized. An agreement was reached by mutual release and the total balance subject to trial was paid to the SDIF as USD 48 million on 5 February 2024, The Turkish lira equivalent of this amount, TL 1,754,786, was transferred to off-balance sheet accounts on February 20, 2024, and subsequently written off along with the related specific provision.

i.4.4. Other provisions, excluding those mentioned above, consist of expense provisions, provisions for ongoing legal cases, and other provisions set aside for various reasons. Considering potential developments in the economy and financial markets, in line with the prudence principle, the entire amount of TL 10,000,000 in free provisions, which had been allocated in previous years, was reversed in the current period.

j. Information on Tax Liability:

j.1. Information on current tax liability:

j.1.1. Information on tax provision:

Explanations on taxation and calculations are explained in Note XXI of Section Three. As of December 31, 2024, as a result of the clarification of the Group's corporate tax liability and temporary taxes paid, the remaining corporate tax liability amounts to TL 4,158,889 (December 31, 2023 TL 9,361,158) and as a result of the separate clarification process of each partnership and tax authority, current tax asset amounting to TL 110,073 (December 31, 2023 TL 50,335) occurs.

j.1.2. Information on taxes payable:

| | Current Period | Prior Period |
|-----------------------------------|-------------------|-------------------|
| Corporate Tax Payable | 4,158,889 | 9,361,158 |
| Tax on Securities Income | 4,186,893 | 1,050,214 |
| Tax on Real Estate Income | 17,766 | 10,422 |
| Banking Insurance Transaction Tax | 5,191,276 | 2,091,978 |
| Foreign Exchange Transaction Tax | 57,312 | 40,098 |
| Value Added Tax Payable | 436,632 | 261,828 |
| Other | 1,123,465 | 773,056 |
| Total | 15,172,233 | 13,588,754 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

i.1.3. Information on premiums:

| | Current Period | Prior Period |
|---|----------------|----------------|
| Social Security Premiums – Employees | 39,195 | 27,338 |
| Social Security Premiums – Employer | 49,847 | 33,931 |
| Bank Pension Fund Premiums – Employees | | |
| Bank Pension Fund Premiums – Employer | | |
| Pension Fund Membership Fees and Provisions-Employees | 79,949 | 38,284 |
| Pension Fund Membership Fees and Provisions-Employer | 65 | 44 |
| Unemployment Insurance – Employees | 24,634 | 13,588 |
| Unemployment Insurance – Employer | 49,345 | 27,291 |
| Other | | 118 |
| Total | 243,035 | 140,594 |

j.2. Information on deferred tax liabilities:

The Parent Bank and the consolidated Group companies have TL 2,935,714 deferred tax liability as of December 31, 2024. The related deferred tax debt is calculated over the temporary differences between the book values of assets and liabilities in the records and their tax base values calculated according to tax.

| | Current Period | Prior Period |
|----------------------------------|------------------|----------------|
| Tangible Assets Base Differences | 426,219 | 26,847 |
| Provisions | 2,270,315 | (115,856) |
| Valuation of Financial Assets | 181,006 | 147,596 |
| Other | 58,174 | 55,606 |
| Deferred Tax Liability | 2,935,714 | 114,193 |

(1) In the consolidated financial statements, there are deferred tax assets of TL 974,110 and deferred tax liabilities of TL 1,599,383 in the current period. Explanations on deferred tax liability are given in Section Five, Note II.h.2.

k. Information on Payables for Assets Held for Sale and Discontinued Operations

The Bank does not have any payables for assets held for sale and discontinued operations.

l. Information on subordinated loans

Debt instruments to be included in the additional Tier 1 capital calculation:

One of the subsidiaries included in the consolidation, TSKB, issued a perpetual subordinated debt instrument with a nominal value of USD 300 million on March 21, 2024, targeting non-resident legal entities. This instrument bears an interest rate of 9.75%, with fixed semi-annual interest payments. As of the period-end, the balance sheet value of the mentioned debt instrument is TL 10,800,864 (December 31, 2023: Not applicable).

Bank has issued subordinated debt securities, to be included in the contribution capital calculation, with the following nominal values;

- 11 year-term having a call option on 6th year in the amount of USD 500,000,000 with interest rate of 7% on June 29, 2017 and 10 year-term having a call option on 5th year in the amount of USD 750,000,000 with interest rate of 7% (effective from June 29, 2023 with an interest rate of 9.192%) on January 22, 2020 for the purpose of making available to the individuals and legal persons who are resident abroad,
- TL 1,100,000,000 on August 8, 2017, TL 800,000,000 June 19, 2019, and TL 350,000,000 September 26, 2019 (Full TL amount) each with a 10-year maturity and floating interest rates for qualified investors without being offered to the public in Türkiye.

Nominal value contribution capital has issued borrowing instruments that will be included in the calculation of bonds. The bills mentioned are amounting to TL 46,985,333 as of December 31, 2024 (December 31, 2023 TL 39,870,982)

The total amount of the aforementioned debt instruments as of the period-end is TL 57,786,197 (December 31, 2023: TL 39,870,982).

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

| | Current Period | | Prior Period | |
|---|------------------|-------------------|------------------|-------------------|
| | TL | FC | TL | FC |
| Debt Instruments To Be Included In Additional Capital Calculation | | 10,800,864 | | |
| Subordinated Loans | | | | |
| Subordinated Debt Instrument | | 10,800,864 | | |
| Debt Instruments To Be Included In Contribution Capital Calculation | 2,340,183 | 44,645,150 | 2,324,411 | 37,546,571 |
| Subordinated Loans | | | | |
| Subordinated Debt Instrument | 2,340,183 | 44,645,150 | 2,324,411 | 37,546,571 |
| Total | 2,340,183 | 55,446,014 | 2,324,411 | 37,546,571 |

m. Information on consolidated shareholders' equity:

m1. Presentation of paid-in capital:

| | Current Period | Prior Period |
|------------------|-------------------|-------------------|
| Common shares | 24,999,970 | 9,999,970 |
| Preferred shares | 30 | 30 |
| Total | 25,000,000 | 10,000,000 |

m.2. Explanation as to whether the registered share capital system ceiling is applicable at bank, if so, the amount of registered share capital:

| Capital System | Paid-in Capital | Ceiling |
|---------------------------|-----------------|------------|
| Registered Capital System | 25,000,000 | 25,000,000 |

m.3. The capital increase made in current period:

It has been decided to increase the Bank's paid-in capital from TL 10,000,000 to TL 25,000,000 entirely through internal resources (extraordinary reserves). In this regard, the capital increase process was completed within the period, and the registration of the new capital was finalized on March 1, 2024.

m.4. Capital increase through transfer from capital reserves during the current period: None.

m.5. Significant commitments of the Parent Bank related to capital expenditures within the last year and the following quarter, the general purpose thereof, and the estimation of funds required for them: There is no capital commitment.

m.6. Information on shares acquired by the Company:

Within the scope of the Board of Directors' resolution dated August 17, 2018, the Bank repurchased 130 million shares, representing 2.89% of its capital, between August 28, 2018, and December 31, 2018. With the Board of Directors' resolution dated May 31, 2019, the General Management was authorized to dispose of these shares at a price not lower than the repurchase cost. Following the bonus capital increases carried out on June 14, 2022, and February 27, 2024, the number of these shares reached 722,200,364.31. Of these, 306,000,000 shares, representing 1.22% of the capital, were sold on Borsa Istanbul on December 13, 2024. The pre-tax profit of TL 3,845,106 generated from this sale was recognized in equity accounts in accordance with the Capital Markets Board's Communiqué II-22.1 on Repurchased Shares and was not reflected in the income statement.

m.7. Previous periods' indicators related to income, profitability and liquidity, and the estimated effects of forecasts, which are to be made by taking into consideration the uncertainties of these indicators, on the Group's equity: The Parent Bank's and the Group companies' balance sheets are managed in a prudent way to ensure that the effect of risks arising from interest rates, exchange rates and loans is at the lowest level.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES (Continued)

m.8. Privileges Granted to Shares:

Turkish Commercial Law and related registration are kept conditionally;
Group (A) shares each with a nominal value of 1 Kurus have the privileges of;

- receiving 20 times the number of shares in the distribution of bonus shares issued from conversion of extraordinary and revaluation reserves generated in accordance with the relevant laws (Article 18 of the Articles of Incorporation),
- exercising the preference rights as 20 times (Article 19 of the Articles of Incorporation) and despite having a lower nominal value, Group (B) shares, each with a nominal value of 1 Kurus, have the same rights with the Group (C) shares having a nominal value of 4 Kurus each. Furthermore, Group (A) and (B) shares, each with a nominal value of 1 Kurus are granted privileges in distribution of profits pursuant to Article 58 of the Articles of Incorporation.

m.9. Information on marketable securities value increase fund:

| | Current Period | | Prior Period | |
|--|---------------------|------------------|------------------|--------------------|
| | TL | FC | TL | FC |
| Financial Assets At Fair Value Through Other Comprehensive Income | (19,032,966) | (926,161) | 4,420,683 | (1,461,390) |
| Valuation Difference | (27,777,446) | (1,363,582) | 5,810,836 | (2,063,705) |
| Deferred Tax Effect on Valuation | 8,513,256 | 437,421 | (1,584,704) | 602,315 |
| Foreign Exchange Differences | 231,224 | | 194,551 | |
| Total | (19,032,966) | (926,161) | 4,420,683 | (1,461,390) |

n. Information on minority interest

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Balance at the beginning of the period | 35,159,671 | 18,801,765 |
| Distributed Dividend | (631,084) | (346,380) |
| Subsidiaries Profit/Loss on minority interest | 18,230,374 | 14,116,181 |
| Effect of change in subsidiaries equity | 1,821,127 | 2,723,743 |
| Effect of change in Group's minority interest | (36,860) | (135,638) |
| Period Ending Balance | 54,543,228 | 35,159,671 |

m. Information on Dividend Distribution

At the Bank's Ordinary General Assembly, held on March 29, 2024, it was decided to allocate net profit from operating activities of 2023, amounting to TL 72,264,798 as follows;

- Adding a total of TL 299,959 which is formed within the framework of various legislative regulations and is monitored in the profits of previous years,
- The balance sheet profit based on distribution amounting to TL 72,564,757 formed accordingly, TL 276,721 arising from real estate sales gains, of which it was decided to be used in capital increase, including the separation of TL 6,233 venture capital investment related to R&D discount, allocating a total of TL 1,165,806 as special reserves, of which TL 889,085 is allocated to venture capital investment trusts and funds,
- Addition of the provision amount of TL 1,905,000 allocated during the period for the profit share to be distributed to the personnel within the framework of the accounting standard "TAS 19-Benefits Provided to the Employees",
- of the amount as a basis for distribution of TL 73,303,951;
- TL 7,226,470 to A, B and C group shares as cash,
- TL 10 to the founding shares as cash,
- TL 1,903,117 as cash dividend to employees to be distributed,
- TL 64,174,354 as legal and extraordinary reserves to be reserved, has been decided. As of March 29, 2024; TL 64,174,354 was transferred to reserves account, cash dividends were distributed to the shares other than the shares acquired by the Bank, as of April 1, 2024.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS

a. Explanations to Liabilities Related to Off-Balance Sheet Items:

a.1. Types and amounts of irrevocable loan commitments:

Commitment for customer credit card limits amounts to TL 737,663,382 and commitment to pay for cheque leaves amounts to TL 15,115,800. The amount of commitment for the forward purchase of assets is TL 17,759,623 and for the forward sale of assets is TL 17,795,841.

a.2. The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

The Group's provisions for indemnified non-cash loans balance is TL 2,631,737 as of December 31, 2024 (December 31, 2023: TL 2,976,310) which is allocated for the non-cash loans of companies whose loans are followed under "Non-performing Loans" accounts, Commitments are shown in the table of "Off-balance sheet items".

a.3. Guarantees, bank acceptances, collaterals that qualify as financial guarantees, and non-cash loans including other letters of credit:

| | Current Period | Prior Period |
|-------------------|--------------------|--------------------|
| Bank Acceptances | 26,213,326 | 14,395,310 |
| Letters of Credit | 106,444,925 | 91,063,527 |
| Other Guarantees | 5,705,492 | 6,236,053 |
| Total | 138,363,743 | 111,694,890 |

a.4. Certain guarantee, provisional guarantees, suretyships and similar transactions:

| | Current Period | Prior Period |
|---|--------------------|--------------------|
| Letters of Tentative Guarantees | 11,113,505 | 6,461,015 |
| Letters of Certain Guarantees | 282,969,065 | 185,238,771 |
| Letters of Advance Guarantees | 54,580,443 | 43,825,683 |
| Letters of Guarantee Given to Customs Offices | 22,644,795 | 14,947,470 |
| Other Letters of Guarantee | 83,545,400 | 69,327,517 |
| Total | 454,853,208 | 319,800,456 |

a.5. Total Non-cash Loans:

| | Current Period | Prior Period |
|--|--------------------|--------------------|
| Non-cash Loans against Cash Risks | 82,060,683 | 75,434,184 |
| With Original Maturity of 1 Year or Less | 14,994,391 | 13,279,229 |
| With Original Maturity More Than 1 Year | 67,066,292 | 62,154,955 |
| Other Non-cash Loans | 511,156,268 | 356,061,162 |
| Total | 593,216,951 | 431,495,346 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS (Continued)

a.6. Sectoral risk concentration of non-cash loans:

| | Current Period | | | | Prior Period | | | |
|----------------------------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | TL | (%) | FC | (%) | TL | (%) | FC | (%) |
| Agriculture | 1,450,462 | 0.51 | 114,864 | 0.04 | 915,302 | 0.54 | 281,184 | 0.11 |
| Farming and Livestock | 1,322,097 | 0.46 | 75,894 | 0.02 | 790,750 | 0.47 | 265,733 | 0.10 |
| Forestry | 86,675 | 0.03 | | 0.00 | 112,662 | 0.07 | | 0.00 |
| Fishery | 41,690 | 0.02 | 38,970 | 0.02 | 11,890 | 0.00 | 15,451 | 0.01 |
| Industry | 109,207,396 | 38.26 | 180,337,962 | 58.59 | 63,734,022 | 37.77 | 145,952,470 | 55.55 |
| Mining and Quarrying | 1,945,166 | 0.68 | 2,812,261 | 0.91 | 2,224,842 | 1.32 | 1,825,487 | 0.69 |
| Manufacturing Industry | 91,790,798 | 32.16 | 156,963,957 | 50.99 | 50,226,268 | 29.76 | 123,233,517 | 46.90 |
| Electricity, Gas, Water | 15,471,432 | 5.42 | 20,561,744 | 6.69 | 11,282,912 | 6.69 | 20,893,466 | 7.96 |
| Construction | 44,464,988 | 15.58 | 48,427,703 | 15.73 | 22,680,828 | 13.44 | 40,429,597 | 15.39 |
| Services | 129,465,266 | 45.36 | 76,251,915 | 24.77 | 80,938,974 | 47.96 | 69,580,248 | 26.48 |
| Wholesale and Retail Trade | 72,729,019 | 25.48 | 39,455,936 | 12.82 | 45,774,873 | 27.12 | 30,578,217 | 11.64 |
| Hotel and Restaurant Services | 2,488,717 | 0.87 | 1,646,075 | 0.53 | 1,852,852 | 1.10 | 808,327 | 0.31 |
| Transport and Communications | 15,393,631 | 5.39 | 12,795,776 | 4.16 | 8,149,862 | 4.83 | 19,334,249 | 7.36 |
| Financial Institutions | 25,807,179 | 9.04 | 15,421,367 | 5.01 | 18,971,238 | 11.24 | 14,717,032 | 5.60 |
| Real Estate and Rental Services. | 8,027,933 | 2.81 | 6,266,613 | 2.04 | 4,043,004 | 2.40 | 3,438,762 | 1.31 |
| Self-Employment Services | 2,018,636 | 0.71 | 247,185 | 0.08 | 1,034,103 | 0.61 | 216,365 | 0.08 |
| Education Services | 847,016 | 0.30 | 10,915 | 0.00 | 386,245 | 0.23 | 8,671 | 0.00 |
| Health and Social Services | 2,153,135 | 0.76 | 408,048 | 0.13 | 726,797 | 0.43 | 478,625 | 0.18 |
| Other | 819,094 | 0.29 | 2,677,301 | 0.87 | 495,541 | 0.29 | 6,487,180 | 2.47 |
| Total | 285,407,206 | 100.00 | 307,809,745 | 100.00 | 168,764,667 | 100.00 | 262,730,679 | 100.00 |

a.7. Non-cash Loans classified under Group I and Group II:

| | Group I | | Group II | |
|---|--------------------|--------------------|------------------|------------------|
| | TL | FC | TL | FC |
| Non-cash Loans | 282,053,202 | 299,075,457 | 2,912,521 | 3,711,183 |
| Letters of Guarantee | 259,542,862 | 184,108,912 | 2,890,221 | 2,957,185 |
| Bank Acceptances | 20,443,388 | 5,734,662 | 22,300 | 12,976 |
| Letters of Credit | 2,063,314 | 103,538,451 | | 741,022 |
| Endorsements | | | | |
| Underwriting Commitments of the Securities Issued | | | | |
| Factoring Related Guarantees | | | | |
| Other Guaranties and Warranties | 3,638 | 5,693,432 | | |

b. Information on derivative financial instruments:

The derivative transactions of the Group mainly consist of money and interest swaps and forward foreign exchange purchase and sale transactions. In addition to these, money, interest and security options and futures transactions are also performed. Although the Group's derivative transactions accounted for trading purposes, there are derivative transactions that are accounted for trading purposes, as all the conditions required to be defined as an item suitable for financial risk hedge accounting are not fulfilled, although they provide economic hedging. On the other hand, derivative transactions, which are carried out to protect against changes in the fair values of financial instruments and have all the necessary conditions for their evaluation within the scope of hedge accounting, are classified as hedging purposes.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS (Continued)

c. Explanations Related to Contingencies and Commitments:

The balance of the “Other Irrevocable Commitments” account, which comprised the letters of guarantees, guarantees and commitments submitted by the Group pursuant to its own internal affairs and guarantees given to third parties by other institutions in favor of the Parent Bank and the commitments due to housing loans extended within the scope of unfinished house projects followed, amounts to TL 52,790,694.

Due to the cheques given to the customers, the payment obligation amounting to TL 15,115,800, which was incurred as per the relevant legislation, was recorded in the commitment accounts. In the event that checks submitted to their beneficiaries are dishonored, up to TL 8,650 (in exact TL amount) for checks subject to both the "Law on the Regulation of Payments by Check and Protection of Check Holders" and the "Cheque Law" numbered 5941, within the framework of the relevant legislation, will be liable to pay. The said amounts will be collected from the customers, and the uncollectible amounts will be followed in the “Compensated Non-Cash Loan Amounts” accounts.

d. Explanations related to transactions made on behalf of or on the account of others:

It is explained in Note X under Section Four.

IV. DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED INCOME STATEMENT

a. Interest Income

a.1. Information on interest income on loans:

| | Current Period | | Prior Period | |
|--|--------------------|-------------------|--------------------|-------------------|
| | TL | FC | TL | FC |
| Interest Income on Loans (1) | | | | |
| Short-term Loans | 172,488,596 | 15,913,460 | 60,110,182 | 10,868,072 |
| Medium and Long-term Loans | 142,072,434 | 43,084,967 | 57,012,723 | 32,493,410 |
| Interest on Non-performing Loans | 6,665,765 | 92,359 | 3,735,258 | 11,244 |
| Premiums Received from State Resource Utilization Support Fund | | | | |
| Total | 321,226,795 | 59,090,786 | 120,858,163 | 43,372,726 |

(1) Includes fee and commission income on cash loans.

a.2. Information on interest income on banks:

| | Current Period | | Prior Period | |
|-----------------------------------|------------------|------------------|------------------|----------------|
| | TL | FC | TL | FC |
| The Central Bank of Türkiye | | | | 38,987 |
| Domestic Banks | 7,895,691 | 690,967 | 2,707,515 | 125,451 |
| Foreign Banks | 1,911,087 | 1,372,985 | 88,128 | 811,649 |
| Foreign Head Offices and Branches | | | | |
| Total | 9,806,778 | 2,063,952 | 2,795,643 | 976,087 |

a.3. Information on interest income from securities:

| | Current Period | | Current Period | |
|---|--------------------|-------------------|-------------------|------------------|
| | TL | FC | TL | FC |
| Financial Assets at Fair Value through Profit and Loss | 308,910 | 525,507 | 76,557 | 398,697 |
| Financial Assets at Fair Value through Other Comprehensive Income | 67,324,405 | 9,829,324 | 39,363,179 | 6,410,969 |
| Financial Assets Measured at Amortized Cost | 69,645,000 | 2,240,742 | 30,675,940 | 1,392,378 |
| Total | 137,278,315 | 12,595,573 | 70,115,676 | 8,202,044 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS (Continued)

As detailed in Note VII of Chapter III, the Bank has consumer price indexed (CPI) government bonds classified as financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets measured by amortized cost in its securities portfolio. As of 31 December 2024, the valuation of the aforementioned securities has been performed based on an annual inflation forecast of 37.34%. In the event of a 100 basis points increase or decrease in the CPI forecast, the Parent Bank's pre-tax profit as of 31 December 2024 will increase by approximately TL 243 million (full amount) or decrease by the same amount.

a.4. Information on interest income received from associates and subsidiaries:

| | Current Period | Priod Period |
|--|----------------|--------------|
| Interest Received From Affiliates and Subsidiaries | 3,197,178 | 426,042 |

b. Interest Expense

b.1. Information on interest expense from funds borrowed:

| | Current Period | | Prior Period | |
|-----------------------------------|-------------------|-------------------|------------------|-------------------|
| | TL | FC | TL | FC |
| Banks | 11,377,198 | 7,349,932 | 2,171,832 | 7,247,451 |
| Central Bank of Türkiye | | | | |
| Domestic Banks | 2,323,508 | 604,648 | 1,734,647 | 339,275 |
| Foreign Banks | 9,053,690 | 6,745,284 | 437,185 | 6,908,176 |
| Foreign Head Offices and Branches | | | | |
| Other Institutions | 4,302 | 8,346,774 | 2,691 | 5,084,589 |
| Total (1) | 11,381,500 | 15,696,706 | 2,174,523 | 12,332,040 |

(1) Includes fee and commission expenses from cash loans.

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

| | Current Period | Prior Period |
|--|----------------|--------------|
| Interest Paid to Associates and Subsidiaries | 1,999,610 | 2,027,892 |

b.3. Information on interest paid on marketable securities issued:

| | Current Period | | Prior Period | |
|-------------------------------|----------------|------------|--------------|-----------|
| | TL | FC | TL | FC |
| Interest on Securities Issued | 7,424,902 | 15,161,275 | 2,363,193 | 7,976,338 |

b.4. Information on Interest Expense on Deposits According to Maturity Structure:

| Current Period | Demand Deposits | Time Deposits | | | | | Accumulated Deposits | Total |
|-----------------------------|-----------------|-------------------|--------------------|--------------------|-------------------|-------------------|----------------------|--------------------|
| | | Up to One Month | Up to Three Months | Up to Six Months | Up to One Year | Over One Year | | |
| TL | | | | | | | | |
| Bank Deposits | 184 | 24,370,632 | 559,297 | | | | | 24,930,113 |
| Savings Deposits | 1,114 | 10,402,011 | 104,006,118 | 88,802,610 | 5,720,088 | 3,975,065 | 889 | 212,907,895 |
| Public Sector Deposits | 61 | 46,870 | 147,322 | 48,526 | 2 | | | 242,781 |
| Commercial Deposits | 45,944 | 46,559,192 | 28,678,832 | 23,599,593 | 4,934,660 | 5,665,298 | | 109,483,519 |
| Other Institutions Deposits | 16 | 2,206,838 | 4,094,141 | 3,935,903 | 403,971 | 386 | | 10,641,255 |
| Deposits with 7 Days Notice | | | | | | | | |
| Total | 47,319 | 83,585,543 | 137,485,710 | 116,386,632 | 11,058,721 | 9,640,749 | 889 | 358,205,563 |
| FC | | | | | | | | |
| Foreign Currency Deposits | 5,132 | 682,611 | 1,049,771 | 234,089 | 424,816 | 1,505,245 | 1 | 3,901,665 |
| Bank Deposits | 19,447 | 55,115 | 18,824 | 56,780 | 245,270 | 520,926 | | 916,362 |
| Deposits with 7 Days Notice | | | | | | | | |
| Precious Metals Deposits | | | 7,971 | 999 | 10,525 | 475 | | 19,970 |
| Total | 24,579 | 737,726 | 1,076,566 | 291,868 | 680,611 | 2,026,646 | 1 | 4,837,997 |
| TOTAL | 71,898 | 84,323,269 | 138,562,276 | 116,678,500 | 11,739,332 | 11,667,395 | 890 | 363,043,560 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS (Continued)

| Prior Period | Demand Deposits | Time Deposits | | | | | | Total |
|-----------------------------|-----------------|-------------------|--------------------|-------------------|------------------|------------------|----------------------|--------------------|
| | | Up to One Month | Up to Three Months | Up to Six Months | Up to One Year | Over One Year | Accumulated Deposits | |
| TL | | | | | | | | |
| Bank Deposits | 60 | 3,053,308 | 183,747 | | | | | 3,237,115 |
| Savings Deposits | 106 | 2,262,834 | 25,071,982 | 42,191,641 | 2,213,742 | 1,233,077 | 394 | 72,973,776 |
| Public Sector Deposits | | 9,358 | 110,246 | 13,742 | 19 | | | 133,365 |
| Commercial Deposits | 1,450 | 17,597,878 | 5,894,130 | 9,843,852 | 3,233,704 | 1,469,119 | | 38,040,133 |
| Other Institutions Deposits | | 759,413 | 1,703,750 | 607,223 | 13,205 | 137 | | 3,083,728 |
| Deposits with 7 Days Notice | | | | | | | | |
| Total | 1,616 | 23,682,791 | 32,963,855 | 52,656,458 | 5,460,670 | 2,702,333 | 394 | 117,468,117 |
| FC | | | | | | | | |
| Foreign Currency Deposits | 1,067 | 399,023 | 1,103,961 | 564,935 | 181,824 | 910,559 | 7 | 3,161,376 |
| Bank Deposits | 1,334 | 49,029 | 43,998 | 69,281 | 79,635 | 439,974 | | 683,251 |
| Deposits with 7 Days Notice | | | | | | | | |
| Precious Metals Deposits | | | 5,623 | 11,030 | 10,569 | 520 | | 27,742 |
| Total | 2,401 | 448,052 | 1,153,582 | 645,246 | 272,028 | 1,351,053 | 7 | 3,872,369 |
| TOTAL | 4,017 | 24,130,843 | 34,117,437 | 53,301,704 | 5,732,698 | 4,053,386 | 401 | 121,340,486 |

c. Explanations on dividend income:

| | Current Period | Prior Period |
|---|----------------|----------------|
| Financial Assets with Fair Value Differences Recognized in Profit/Loss | 142,060 | 340,620 |
| Financial Assets with Fair Value Differences Recognized in Comprehensive Income | 176,597 | 80,902 |
| Other | | |
| Total | 318,657 | 421,522 |

d. Information on trading profit/losses (Net):

| | Current Period | Prior Period |
|--|----------------------|----------------------|
| Profit | 3,017,545,382 | 2,507,981,258 |
| Securities Trading Gains | 612,830,123 | 229,156,069 |
| Gains on Derivative Financial Instruments (1) | 73,487,090 | 80,995,783 |
| Foreign Exchange Gains | 2,331,228,169 | 2,197,829,406 |
| Losses (-) | 3,007,573,922 | 2,467,236,519 |
| Securities Trading Losses | 576,356,807 | 211,227,197 |
| Losses on Derivative Financial Instruments (1) | 131,280,958 | 81,931,866 |
| Foreign Exchange Losses | 2,299,936,157 | 2,174,077,456 |
| Trading Income/Losses (Net) | 9,971,460 | 40,744,739 |

(1) The profit amount arising from exchange rate fluctuations related to derivative transactions is TL 40,560,426, while the loss amount is TL 98,053,700, resulting in a net loss of TL 57,493,274. (As of 31.12.2023: profit amount TL 48,532,783, loss amount TL 54,086,470, net loss TL 5,553,687.)

e. Information on other operating income:

As at reporting period, TL 65,654,291 of other operating income sources from inclusion and classification of operations of insurance and reinsurance companies; 92% of which is from insurance premiums. (December 31, 2023: TL 38,547,396, 90%). The remaining balance consists mainly of expected loss provisions allocated for loans, collections from loans in the 3rd stage and cancellations of free provisions allocated for possible risks in previous periods, collections from loans in the 3rd stage and fee income obtained from customers in return for various banking services and fixed asset sales revenues. 10,000,000 TL of free provisions for possible risks in prior periods have been reversed in the current period. (December 31, 2023: TL 2,000,000)

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS (Continued)

f. Information on expected credit loss and other provision expense:

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Expected Credit Loss | 24,863,488 | 19,759,355 |
| Expected Credit Loss for 12 Months (Stage 1) | 3,482,138 | 2,059,578 |
| Significant Increase in Credit Risk (Stage 2) | 5,621,357 | 5,615,275 |
| Non-Performing Loans (Stage 3) | 15,759,993 | 12,084,502 |
| Impairment Losses on Marketable Securities | 150,972 | 1,935 |
| Financial Assets at Fair Value through Profit and Loss | 148,449 | 824 |
| Financial Assets at Fair Value Through Other Comprehensive Income | 2,523 | 1,111 |
| Impairment Losses on Associates, Subsidiaries and Joint-Ventures | | |
| Associates | | |
| Subsidiaries | | |
| Jointly Controlled Entities | | |
| Other | 686,403 | 4,628,282 |
| Total | 25,700,863 | 24,389,572 |

g. Other operating expenses:

| | Current Period | Prior Period |
|--|--------------------|-------------------|
| Reserve for Employee Termination Benefits | 16,143 | 760,336 |
| Bank Pension Fund Deficit Provisions | 7,127,334 | 6,013,017 |
| Impairment Losses on Tangible Assets | 5,457 | 142,047 |
| Depreciation Expenses of Tangible Assets | 3,252,178 | 2,000,702 |
| Impairment Losses on Intangible Assets | | |
| Impairment Losses on Goodwill | | |
| Amortization Expenses of Intangible Assets | 2,374,289 | 1,425,520 |
| Impairment Losses on Investments Accounted Under Equity Method | | |
| Impairment Losses on Assets to be Disposed | 6,626 | 7,403 |
| Depreciation Expenses of Assets to be Disposed | | |
| Impairment Losses on Assets Held for Sale and Subject to Discontinued Operations | 173 | 923 |
| Other Operating Expenses | 52,038,884 | 31,020,238 |
| Leasing Expenses Related to Exceptions to TFRS 16 | 783,094 | 499,200 |
| Repair and Maintenance Expenses | 1,527,781 | 981,110 |
| Advertisement Expenses | 5,486,375 | 1,805,980 |
| Other Expenses | 44,241,634 | 27,733,948 |
| Loss on Sale of Assets | 5,629 | 9,081 |
| Other | 70,327,395 | 51,632,349 |
| Total | 135,154,108 | 93,011,616 |

The amount spent by the Group on donations, aid, and social responsibility projects during the current period is TL 388,166 (31.12.2023: TL 375,735).

In the table above, TL 53,478,820 of the operating expenses in the "Other" group arises from the insurance and reinsurance companies because of the classification of their activities in the "Other" group, and significant portion of the related expenses is compensation expenses paid (December 31, 2023: TL 39,732,789).

In the current period, TL 5,837,919 of the "Other" item consists of cash donations made by companies included in the consolidation to the Disaster and Emergency Management Presidency (AFAD) due to the earthquake, and TL 2,488,465 of it consists of taxes, duties, fees and fund expenses.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS (Continued)

h. Explanations on net profit / loss of continued and discontinued operations:

The Group's profit before tax arises from continuing operations. As of December 31,2024, the profit before tax consists of TL 79,465,923 of net interest income, TL 85,362,010 of net fees and commission income, and the total of personnel expenses and other operating expenses is TL 193,195,639.

h1. Information on provision for taxes from continuing and discounted operations

As of December 31,2024, the Group's tax provision amounting to TL 8,329,621 consists of current tax provision of TL 14,969,691 and deferred tax income of TL 193,195,639. The Group does not have any discontinued operations.

h2. Explanations on net profit / loss of continued and discontinued operations:

The net profit of the Group from its ongoing operations as of December 31, 2024 is TL 63,767,253.

i. Information on net period profit/loss:

i.1. Income and expenses resulting from ordinary banking activities: There is no specific issue required to be disclosed for the Group's performance for January 1, 2024-December 31, 2024.

i.2. Effects of changes in accounting estimates on the current and future periods' profit/loss: There is no issue to be disclosed.

i.3. "The Other" item which is located at the bottom "Fees and Commissions Received" in the income statement consist of various fees and commissions received from transactions such as credit card transactions, capital market transactions and insurance-reinsurance transactions.

i.4. Net profit / loss of Minority Interest:

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Net Profit / Loss of Non-controlling Interest | 18,230,374 | 14,116,181 |

j. Explanation on other items in income statement

The main other income items in the income statement consist of other interest income, other fees and commission income disclosed in Note IV.1.3 in Section 5, other operating income disclosed in Note IV.d in Section 5 and profit/loss from equity accounted investees.

k. Fees for services received from an independent audit firm

In accordance with the decision of "POA" dated March 26,2021, the fees for the reporting period regarding the services received from the independent auditor or independent audit firm are given in the table below. In addition to the Bank, the fees for services rendered to the Bank's domestic/foreign subsidiaries and jointly controlled partnerships are included in the aforementioned fees, which are stated as VAT excluded.

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Independent Audit Fee for the Reporting Period | 134,396 | 81,759 |
| Other Assurance Services and Other Non-Audit Fees | 28,702 | 20,191 |
| Total | 163,098 | 101,950 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

V. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The paid-in capital is TL 25,000,000 in legal records. As of balance sheet date, the balance of legal reserves is TL 16,487,587 the balance of extraordinary reserves is TL 139,352,179 and the balance of statutory reserves is TL 863,802.

The details of revaluation surplus account of securities are shared in the Note Section V-II-j-9. TL (8,950,677) of this amount is the deferred tax effect on marketable securities at fair value through other comprehensive income (December 31, 2023: TL (982,389)).

Foreign exchange differences amounting to TL 1,691,123 arising from net investment hedge accounting, details of which are explained in Note II.2 of Section Three, are recognized under "Accumulated Other Comprehensive Income or Expenses Reclassified to Profit or Loss".

VI. DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED STATEMENTS OF CASH-FLOWS

The consolidated operating profit of TL 105,489,934 before the changes in operating assets and liabilities mostly comprised of TL 553,873,874 of interest received from loans and securities, and TL 507,499,807 of interest paid on deposits, money market transactions and funds borrowed by the Bank. An important part of other revenues, TL 104,620,903 consists of premium collections of insurance companies. The account "Other" classified under operating profit other than fees and commissions paid, cash payments to personnel and service suppliers and taxes paid consists of other operating expenses and foreign exchange gains/losses accounts is TL (41,348,358) (December 31, 2023: TL (22,429,632)).

Net Increase (Decrease) in Other Liabilities account classified in changes of assets and liabilities resulting from the changes in Funds Provided Under Repurchase Agreements, miscellaneous payables, other liabilities and taxes, duties, charges, and premiums is decreased by TL 290,105,081 (December 31, 2023: TL 160,819,031 increase).

The Net Cash Provided from Other Investing Activities account includes net cash flows from the sale of intangible assets and declined by TL 7,526,427 (December 31, 2023: TL 4,288,012 decrease).

Foreign currency exchange differences on cash and cash equivalents are on the positive side TL1,954,703 (December 31, 2023: TL 8,591,643) as of December 31, 2024. Due to the high rate of turnover of related foreign currency assets, the difference between the last 30 days' arithmetic average of currency exchange rates and the year-end currency exchange rate is used to calculate the effect of change in foreign exchange rate. Under the same assumption, the effect of change in foreign exchange rate on cash and cash equivalents is calculated.

Cash, cash in foreign currency, unrestricted deposits in Central Bank of Türkiye, money in transit, cheques purchased, money market operations as well as demand deposits and time deposits up to 3 months are defined as cash and cash equivalents.

Cash and cash equivalents at beginning of period:

| | December 31, 2023 | December 31, 2022 |
|---|--------------------------|--------------------------|
| Cash | 325,236,461 | 79,788,516 |
| Cash in TL and Foreign Currency | 30,877,622 | 15,828,672 |
| Central Bank of Türkiye and Other | 294,358,839 | 63,959,844 |
| Cash Equivalents | 72,058,144 | 34,356,072 |
| Receivables from Money Market Operations | 7,811,536 | 6,101,378 |
| Banks' Demand Deposits and Time Deposits Up to 3 Months | 64,246,608 | 28,254,694 |
| Total Cash and Cash Equivalents | 397,294,605 | 114,144,588 |

The total amount resulting from the transactions made in the previous period shows the total cash and cash equivalents as of the beginning of the current period.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VI. DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED STATEMENTS OF CASH-FLOWS
(Continued)

Cash and Cash equivalents as of end of the period:

| | December 31, 2024 | December 31, 2023 |
|---|--------------------|--------------------|
| Cash | 340,461,641 | 325,236,461 |
| Cash in TL and Foreign Currency | 35,468,725 | 30,877,622 |
| Central Bank of Türkiye and Other | 304,992,916 | 294,358,839 |
| Cash Equivalents | 54,669,045 | 72,058,144 |
| Receivables from Money Market Operations | 10,595,706 | 7,811,536 |
| Banks' Demand Deposits and Time Deposits Up to 3 Months | 44,073,339 | 64,246,608 |
| Total Cash and Cash Equivalents | 395,130,686 | 397,294,605 |

VII. DISCLOSURES AND FOOTNOTES ON THE GROUP'S RISK GROUP

a. Information on the volume of transactions relating to the Group's risk group, incomplete loan and deposit transactions and period's profit and loss:

a.1. Information on loans held by the Group's risk group:

Current Period:

| Group's Risk Group | Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | Direct and Indirect Shareholders of the Bank | | Other Real Persons and Corporate Bodies that have been Included in the Risk Group | |
|---|--|------------|--|----------|---|-----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans | | | | | | |
| Balance at the beginning of the period | 10,195,890 | 28,515,121 | | | 3,363,190 | 2,191,348 |
| Balance at the end of the period | 14,844,971 | 31,592,293 | | | 2,929,736 | 2,973,354 |
| Interest and commission income received | 3,197,178 | 9,096 | | | 830,352 | 30,425 |

Prior Period:

| Group's Risk Group | Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | Direct and Indirect Shareholders of the Bank | | Other Real Persons and Corporate Bodies that have been Included in the Risk Group | |
|---|--|------------|--|----------|---|-----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans | | | | | | |
| Balance at the beginning of the period | 2,343,655 | 17,111,566 | | | 2,920,845 | 1,309,864 |
| Balance at the end of the period | 10,195,890 | 28,515,121 | | | 3,363,190 | 2,191,348 |
| Interest and commission income received | 426,042 | 10,200 | | | 504,933 | 16,305 |

a.2. Information on deposits held by the Group's risk group:

Current Period:

| Group's Risk Group | Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | Direct and Indirect Shareholders of the Bank | | Other Real Persons and Corporate Bodies that have been Included in the Risk Group | |
|--|--|------------|--|-----------|---|------------|
| | Current Period | | Current Period | | Current Period | |
| Deposits | | | | | | |
| Balance at the beginning of the period | | 21,601,646 | | 1,700,282 | | 4,383,964 |
| Balance at the end of the period | | 14,493,197 | | 2,014,110 | | 14,696,828 |
| Interest expense on deposits | | 1,999,610 | | 1,591,850 | | 1,861,213 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

VII. DISCLOSURES AND FOOTNOTES ON THE GROUP'S RISK GROUP (Continued)

Prior Period:

| Group's Risk Group | Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | Direct and Indirect Shareholders of the Bank | Other Real Persons and Corporate Bodies that have been Included in the Risk Group |
|--|--|--|---|
| | Prior Period | Prior Period | Prior Period |
| Deposits | | | |
| Balance at the beginning of the period | 13,305,929 | 130,226 | 5,589,672 |
| Balance at the end of the period | 21,601,646 | 1,700,282 | 4,383,964 |
| Interest expense on deposits | 2,027,892 | 404,204 | 514,337 |

a.3. Information on forward and option and other similar agreements made with the Group's risk group:

| Group's Risk Group | Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | Direct and Indirect Shareholders of the Bank | | Other Real Persons and Corporate Bodies that have been Included in the Risk Group | |
|---|--|--------------|--|--------------|---|--------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| Transactions in which the Difference in Fair Value is Reflected in Profit or Loss | | | | | | |
| Balance at the beginning of the | | 14,841,605 | | | | |
| Balance at the end of the period | | | | | | |
| Total Profit/Loss | (2,208) | | | | 8,958 | |
| Transactions for hedging purposes | | | | | | |
| Beginning of the period | | | | | | |
| End of the period | | | | | | |
| Total Profit/Loss | | | | | | |

b. Disclosures for the Group's risk group:

b.1. The relations of the Group with corporations in its risk group and under its control regardless of whether there are any transactions between the parties:

All types of corporate and retail banking services are provided to these corporations in line with the articles of Banking Law.

b.2. The type and amount of transaction carried out, and its ratio to the overall transaction volume, values of principal items and their ratios to overall items, pricing policy and other items in addition to the structure of the relationship:

The transactions carried out are mainly loan and deposit transactions, The ratio of loans extended to the risk group to the overall loans is 0.96%, while the ratio to the overall assets is 0.46% the ratio of deposits of the risk group corporations to the overall deposits is 1.43%, while the ratio to overall liabilities is 0.81%, The comparable pricing method is used for the transactions.

b.3. Purchase and sale of real estates, other assets and services, agency agreements, finance lease contracts, transfer of information obtained through research and development, license agreements, funding (including loans and provision of support as cash capital or capital-in-kind), guarantees and collaterals and management agreements:

The Parent Bank's branches act as agents of Anadolu Anonim Türk Sigorta Şirketi and Anadolu Hayat Emeklilik A.Ş. Furthermore, through its branches, the Bank mediates the order transmission for İş Yatırım Menkul Değerler A.Ş. and carries out agency activities of İş Portföy Yönetimi A.Ş. 36 mutual funds which are founded by the Anadolu Hayat Emeklilik A.Ş. are managed by İş Portföy Yönetimi A.Ş. Securities purchases, when required, are made by İş Finansal Kiralama A.Ş., a subsidiary of the Bank, through leasing. The Bank's Private Banking and Commercial and Corporate Banking specialized branches are agencies of İş Portföy Yönetimi A.Ş.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VII. DISCLOSURES AND FOOTNOTES ON THE GROUP'S RISK GROUP (Continued)

If requested, the cash and non-cash loan needs of the risk group companies are met in accordance with the limits imposed by Banking Law and the prevailing market conditions.

c. Total salaries and similar benefits paid to the (executive members and senior executives)

In the current period, the gross payment provided to the key management of Group amounts TL1,129,582 (December 31, 2023: TL 599,919).

VIII. DISCLOSURES ON THE GROUP'S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR PARTICIPATIONS AND REPRESENTATIVE OFFICES

The Parent Bank – Türkiye İş Bankası A.Ş.

| | Number | Employees | | | |
|----------------------------------|--------|-----------|--------------------------|--------------|---------------|
| Domestic Branches ⁽¹⁾ | 1,012 | 20,175 | | | |
| | | | Country of Incorporation | | |
| Foreign Representative Offices | 1 | 2 | China | | |
| | 1 | 3 | Egypt | | |
| | | | | Total Assets | Legal Capital |
| Foreign Branches | 2 | 59 | England | 87,814,785 | 4,381 |
| | 15 | 238 | TRNC | 80,158,390 | 80,000 |
| | 2 | 50 | Iraq | 19,518,245 | 2,613,955 |
| | 2 | 27 | Kosovo | 4,057,791 | 364,956 |
| | 1 | 6 | Bahrain | 17,566,136 | |
| Off-Shore Branches | | | | | |

⁽¹⁾ The Branches located in Free Trade Zones in Türkiye are included among domestic branches.

İşbank AG

| | Number | Employees | | | |
|----------------------------------|--------|-----------|--------------------------|--------------|---------------|
| Domestic Branches ⁽¹⁾ | 8 | 146 | | | |
| | | | Country of Incorporation | | |
| Foreign Representative Offices | | | | | |
| | | | | Total Assets | Legal Capital |
| Foreign Branches | 1 | 7 | Netherlands | 8,103,974 | |
| | | | | | |
| Off-Shore Branches | | | | | |

⁽¹⁾ The branches of the company, which is headquartered in Germany, in Germany are shown as domestic branches

Milli Reasürans T.A.Ş.

| | Number | Employees | | | |
|--------------------------------|--------|-----------|--------------------------|--------------|---------------|
| Domestic Branches | 1 | 147 | | | |
| | | | Country of Incorporation | | |
| Foreign Representative Offices | | | | | |
| | | | | Total Assets | Legal Capital |
| Foreign Branches | | | | | |
| | | | | | |
| Off-Shore Branches | 1 | 12 | Singapore | 1,400,719 | 1,166,345 |

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

VIII. DISCLOSURES ON THE GROUP'S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR PARTICIPATIONS AND REPRESENTATIVE OFFICES (Continued)

JSC İşbank

| | Number | Employees | | | |
|----------------------------------|--------|-----------|--------------------------|--------------|---------------|
| Domestic Branches ⁽¹⁾ | 1 | 94 | | | |
| | | | Country of Incorporation | | |
| Foreign Representative Offices | | | | | |
| | | | | Total Assets | Legal Capital |
| Foreign Branches | | | | | |
| | | | | | |
| Off-Shore Branches | | | | | |

(1) The branches of the company, which is headquartered in Moscow, in Russia are shown as domestic branches.

JSC İşbank Georgia

| | Number | Employees | | | |
|----------------------------------|--------|-----------|--------------------------|--------------|---------------|
| Domestic Branches ⁽¹⁾ | 1 | 51 | | | |
| | | | Country of Incorporation | | |
| Foreign Representative Offices | | | | | |
| | | | | Total Assets | Legal Capital |
| Foreign Branches | | | | | |
| | | | | | |
| Off-Shore Branches | | | | | |

(1) The branches of the company, which is headquartered in Tiflis, in Georgia are shown as domestic branches.

Number of employees of consolidated companies that does not have agencies and branches abroad:

| | Employees |
|--|-----------|
| Anadolu Anonim Türk Sigorta Şirketi | 1,797 |
| Anadolu Hayat Emeklilik A.Ş. | 1,059 |
| Efes Varlık Yönetimi A.Ş. | 85 |
| İş Faktoring A.Ş. | 119 |
| İş Finansal Kiralama A.Ş. | 141 |
| İş Gayrimenkul Yatırım Ortaklığı A.Ş. | 72 |
| İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. | 15 |
| İş Portföy Yönetimi A.Ş. | 90 |
| İş Yatırım Menkul Değerler A.Ş. | 627 |
| İş Yatırım Ortaklığı A.Ş. | 6 |
| Maxis Girişim Sermayesi Yatırım Ortaklığı A.Ş. | 23 |
| Maxis Investments Ltd (1) | 11 |
| Moka Ödeme ve Elektronik Para Kuruluşu A.Ş. | 83 |
| TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. | 12 |
| Türkiye Sınai Kalkınma Bankası A.Ş. | 456 |
| Yatırım Finansman Menkul Değerler A.Ş. | 184 |

(1) The Company, which is headquartered in London, does not have any branch or representative office beside its head office. Yatırım Varlık Kiralama A.Ş. which is included to scope of consolidation during the current period does not have any employees.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

IX. SUBSEQUENT EVENTS

The Parent Bank, within the scope of the Board of Directors' resolution dated October 3, 2024 regarding the issuance of debt instruments, issued a financing bond with a nominal value of TL 7,500,000 after December 31, 2024.

Additionally, in line with the Board of Directors' resolutions dated July 8, 2024 and November 20, 2024 regarding the issuance of debt instruments abroad, the Parent Bank issued financing bonds with nominal values of USD 192.3 million and GBP 50 million after December 31, 2024.

On January 15, 2025, in accordance with the Board of Directors' resolution dated November 29, 2024 concerning the issuance of additional Tier 1 capital-eligible debt instruments abroad, the Parent Bank issued an additional Tier 1 capital-eligible bond with a nominal value of USD 500 million, a fixed interest rate of 9.125%, and a perpetual maturity. This bond includes a call option exercisable between January 15, 2030 and July 25, 2030, and subsequently on each coupon payment date every six months.

Furthermore, on January 22, 2025, the Parent Bank exercised its call option for the repayment of USD 750 million worth of subordinated bonds previously issued abroad, resulting in the full redemption of these bonds as of the relevant date.

Regulatory approvals from the Banking Regulation and Supervision Agency (BRSA), the Capital Markets Board (CMB), and the Ministry of Trade of the Republic of Türkiye have been obtained for increasing the Parent Bank's registered capital ceiling to TL 100,000,000. However, as per the relevant legislation, the amendment to the article of association regarding the registered capital ceiling must be submitted for approval at the General Assembly within the prescribed period.

Additionally, on January 27, 2025, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. acquired a 35.83% stake in Tatilbudur Seyahat Acenteliği ve Turizm A.Ş., with a nominal value of TL 13,258, for TL 1,775,000. As a result, the total ownership increased to 99.98%.

At the Bank's Ordinary General Assembly, held on 27 March 2025, it was decided to distribute dividend from operating activities of 2024. Net distributable profit is calculated in the amount of TL 47,274,553, and has been distributed to; Group A, Group B and Group C shareholders in the amount of TL 4,551,740 in cash, founder shareholders in the amount of TL 5 in cash, personnel in the amount of TL 994,682 in cash and set as legal and extraordinary reserves in the amount of TL 41,728,125.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION SIX: OTHER EXPLANATIONS

I. EXPLANATIONS ON THE GROUP'S CREDIT RATINGS:

Türkiye İş Bankası A.Ş.

| | Rating | Outlook (*) |
|---|---------------|--------------------|
| MOODY'S | | |
| Long-term Foreign Currency Deposit | B1 | Positive |
| Long-term Local Currency Deposit | B1 | Positive |
| Long-term Foreign Currency Senior Debt | B1 | - |
| Short-term Foreign Currency Deposit | Not-Prime | - |
| Short-term Local Currency Deposit | Not-Prime | - |
| FITCH RATINGS | | |
| Long-term Foreign Currency Issuer Default Rating | BB- | Stable |
| Long-term Local Currency Issuer Default Rating | BB- | Stable |
| Short-term Foreign Currency Issuer Default Rating | B | - |
| Short-term Local Currency Issuer Default Rating | B | - |
| National Long-term Rating | A+ (tur) | Stable |
| Viability Rating | bb- | - |

The dates when the Bank's credit ratings/outlooks were last updated are given below:

Moody's: 23.07.2024, Fitch Ratings: 17.09.2024

İş Finansal Kiralama A.Ş.

| | Rating | Outlook |
|---|---------------|----------------|
| FITCH RATINGS | | |
| Long-term Foreign Currency Issuer Default Rating | BB- | Stable |
| Long-term Local Currency Issuer Default Rating | BB- | Stable |
| Short-term Foreign Currency Issuer Default Rating | B | Stable |
| Short-term Local Currency Issuer Default Rating | B | Stable |
| National Long-term Rating | AA-(tur) | Stable |
| Support Rating | bb- | - |

The date when the credit ratings/outlooks of İş Finansal Kiralama A.Ş were last updated are given below:

Fitch Ratings: 17.09.2024

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. EXPLANATIONS ON THE GROUP'S CREDIT RATINGS: (Continued)

Türkiye Sınai Kalkınma Bankası A.Ş.

| MOODY'S | Rating | Outlook(*) |
|---|---------------|-------------------|
| Long-term Foreign Currency Issuer Rating | B1 | Positive |
| Long-term Local Currency Issuer Rating | B1 | Positive |
| Long-term Counterparty Risk Rating | B1 | - |
| Counterparty Risk Assessment | B1(cr) | - |
| Baseline Credit Assessment | b2 | - |
| Adjusted Baseline Credit Assessment | b2 | - |
| Senior Unsecured Notes | B1 | Positive |
| Foreign Currency MTN Rating | (P)B1 | - |
| FITCH RATINGS | Rating | Outlook(*) |
| Long-term Foreign Currency Loan Default Rating | B+ | Positive |
| Long-term Local Currency Loan Default Rating | BB- | Stable |
| Short-term Foreign Currency Loan Default Rating | B | - |
| Short-term Local Currency Loan Default Rating | B | - |
| Government Support Rating | b+ | - |
| National Long-term Rating | AA | Stable |
| Financial Capacity Rating | b+ | - |
| Long-term Senior Unsecured Notes | B+ | - |
| Short-term Senior Unsecured Debt | B | - |
| Capital-Related Debt Rating (AT-1) | CCC+ | - |

The date when the credit ratings/outlooks of TSKB were last updated are given below:

Moody's: 23.07.2024, Fitch Ratings: 17.09.2024

(*) Outlook:

“Stable” indicates that the current rating will not be changed in the short term; “positive” indicates that the current rating is very likely to be upgraded and “negative” indicates that the current rating is very likely to be downgraded.

TÜRKİYE İŞ BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN: EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT:

The Group's consolidated financial statements and footnotes as of December 31, 2024, were previously audited by PwC Bağımsız Denetim ve SMMM A.Ş. in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"), and the independent auditor's report dated

February 12, 2025 was issued. In line with the requirements of the Group's Global Depositary Receipt ("GDR") program in the United Kingdom, the same financial statements, updated only for Section Five Part IX "Explanations and Notes on Subsequent Events" have also been audited in accordance with the International Standards on Auditing ("ISA") issued by the International Auditing and Assurance Standards Board ("IAASB"), and the independent auditor's report dated September 5, 2025 is presented in the introduction section of this report.

II. EXPLANATIONS AND FOOTNOTES OF THE INDEPENDENT AUDITORS REPORT

There are no significant issues or necessary disclosures or notes in relation to the Group's operations other than those mentioned above.

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