



**QNB BANK A.Ş.**  
**US\$5,000,000,000**

**Global Medium Term Note Programme**

This supplement (this “*Supplement*”) is supplemental to, and must be read in conjunction with, the Offering Circular dated 26 March 2024 (the “*Original Offering Circular*”) as amended by the First Supplement dated 10 May 2024 (the “*First Supplement*”), the Second Supplement dated 23 August 2024 (the “*Second Supplement*”) and the Third Supplement dated 13 December 2024 (the “*Third Supplement*”; the Original Offering Circular as amended by the First Supplement, Second Supplement and the Third Supplement being the “*Offering Circular*”) prepared by QNB Bank A.Ş. (the “*Issuer*” or the “*Bank*”) under the Issuer’s global medium term note programme. Capitalised terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Offering Circular.

This Supplement has been approved by the Irish Stock Exchange plc trading as Euronext Dublin (“*Euronext Dublin*”) as a supplement to the Offering Circular and constitutes a “listing particulars supplement” for the purposes of listing on the official list of Euronext Dublin and trading on its Global Exchange Market. This Supplement has been prepared and published for the purposes of incorporating into the Offering Circular the Issuer’s latest financial statements and updating certain provisions of the Offering Circular. As a result, modifications to the Offering Circular are hereby being made.

A copy of each of: (a) the audited consolidated BRSA Financial Statements of the Group as of and for the year ended 31 December 2024 (including any notes thereto and the independent auditor’s audit report thereon, the “*Group’s New BRSA Financial Statements*”) and (b) the audited unconsolidated BRSA Financial Statements of the Issuer as of and for the year ended 31 December 2024 (including any notes thereto and the independent auditor’s audit report thereon, the “*Issuer’s New BRSA Financial Statements*” and, with the Group’s New BRSA Financial Statements, the “*New BRSA Financial Statements*”) has been filed with Euronext Dublin and, by means of this Supplement, is incorporated by reference into, and forms part of, the Offering Circular (and the Group’s and the Issuer’s BRSA Financial Statements as of and for the nine-month period ended 30 September 2024, which were incorporated into the Offering Circular pursuant to the Third Supplement, shall cease to be considered to be incorporated into the Offering Circular).

Copies of the New BRSA Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer’s website at: (a) with respect to the Group’s New BRSA Financial Statements, <https://www.qnb.com.tr/medium/document-file-4201.vsf>, and (b) with respect to the Issuer’s New BRSA Financial Statements, <https://www.qnb.com.tr/medium/document-file-4200.vsf> (such websites do not, and shall not be deemed to, constitute a part of, nor are incorporated into, this Supplement or the Offering Circular). The New BRSA Financial Statements, which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Issuer confirms are direct and accurate). The New BRSA Financial Statements were not prepared for the purpose of their incorporation by reference into the Offering Circular.

The New BRSA Financial Statements were audited by independent auditors PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“*PwC*”). PwC’s audit report included within each of the New BRSA Financial Statements contains a qualification. See “Risk Factors - Risks Relating to the Group and its Business - Other Group-Related Risks - Audit Qualification” in the Offering Circular as hereby amended.

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

Except as disclosed in (including in the information incorporated by reference into) the Offering Circular (including in the New BRSA Financial Statements incorporated by reference into the Offering Circular by means of this Supplement), there has been: (a) no material adverse change in the prospects of the Bank since 31 December 2024 and (b) no significant change in the financial or trading position of the Bank or the Group since 31 December 2024.

The Issuer accepts responsibility for the information contained in this Supplement or incorporated by reference into the Offering Circular by means of this Supplement. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information in (including incorporated by reference into) the Offering Circular (as supplemented hereby) is in accordance with the facts and makes no omission likely to affect the import of such information. To the full extent permitted by applicable law, none of the Dealers, the Arrangers, the Agents or any of their respective affiliates accept any responsibility for the information contained in this Supplement or incorporated by reference into the Offering Circular by means of this Supplement.

## AMENDMENTS

### COVER

The first sentence of the eleventh paragraph of the cover page of the Original Offering Circular is hereby amended to read as follows:

The Programme has been rated “BB-” (for long-term issuances) and “B” (for short-term issuances) by Fitch Ratings Limited (“*Fitch*”) and “Ba3” (for long-term issuances) by Moody’s Investors Service Limited (“*Moody’s*” and, with Fitch, the “*Rating Agencies*”).

### GENERAL INFORMATION

The first four sentences of the sixth paragraph of the section titled “General Information” on page iii of the Original Offering Circular are hereby amended to read as follows:

The Issuer has obtained the CMB approval letter (dated 15 November 2024 and numbered E-29833736-105.02.02-62877 and the CMB approved issuance certificates (in Turkish: *onaylanmış ihraç belgeleri*) (dated 14 November 2024 and numbered 58/1591 (for sustainable/green issuances) and dated 14 November 2024 and numbered 58/1591 (for other debt instruments)) (together, the “*CMB Approval*”) based upon which any offering of the Notes might be conducted. The Issuer has also obtained the BRSA approval letter (numbered E-32521522-101.02.01[31]-130537) (the “*BRSA Approval*” and, with the CMB Approval, the “*Programme Approvals*”) required for the issuance of Notes under the Programme. The maximum principal amount of securities that the Bank can issue under the CMB Approval is US\$5,000,000,000 (or its equivalent in other currencies other than Turkish Lira) (US\$1,000,000,000 for sustainable/green issuances issued per the Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates, Sustainable Lease Certificates Guide published by the CMB on 24 February 2022 and US\$4,000,000,000 for other issuances in aggregate) (the “*Approved Issuance Limit*”); *provided* that, as per the BRSA Approval, the aggregate outstanding nominal amount of debt instruments denominated in Turkish Lira issued by the Issuer (whether under these approvals or otherwise) may not exceed TL 10,000,000,000. As per the BRSA Approval, debt instruments denominated in Turkish Lira cannot be issued under the Programme Approvals.

### PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The third sentence of the first paragraph of the section titled “Presentation of Financial and Other Information” on page ix of the Original Offering Circular (as amended by the Third Supplement) is hereby amended to read as follows:

All financial statements incorporated by reference herein, including the Bank’s consolidated and unconsolidated annual financial statements as of and for each of the years ended 31 December 2023 (including comparative information for 2022) and 2024 (including comparative information for 2023) (in each case, including any notes thereto and the independent auditor’s audit report thereon) (the “*BRSA Annual Financial Statements*”), have been prepared and presented in accordance with the BRSA Principles except for the free provisions recognised by the Bank as such are “not within the requirements of” the BRSA Principles.

The fifth paragraph of the section titled “Presentation of Financial and Other Information” on page ix of the Offering Circular (as amended by the First Supplement) is hereby amended to read as follows:

The BRSA Annual Financial Statements were audited by independent auditors PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“*PwC*”) in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 (the “*Turkish Auditor Regulation*”) and the Standards on Independent Auditing, which is a component of the Turkish Standards on Auditing published by the POA. See PwC’s independent auditor’s report included within each of the BRSA Financial Statements incorporated by reference into this Offering Circular.

## **DOCUMENTS INCORPORATED BY REFERENCE**

Clause (a) of the first paragraph of the section titled “Documents Incorporated by Reference” on page xv of the Original Offering Circular (as amended by the Second Supplement) is hereby amended to read as follows:

(a) the BRSA Annual Financial Statements, and

The fourth paragraph of the section titled “Documents Incorporated by Reference” starting on page xv of the Original Offering Circular (such sentence having been inserted by the First Supplement and amended by the Third Supplement) is hereby amended to read as follows:

Copies of documents incorporated (or portions of which have been incorporated) by reference into this Offering Circular can be obtained without charge from the registered office of the Bank and on the Bank’s website at:

(a) with respect to the Bank’s BRSA Annual Financial Statements as of and for the year ended 31 December 2023, <https://www.qnb.com.tr/medium/document-file-3942.vsf>,

(b) with respect to the Bank’s BRSA Annual Financial Statements as of and for the year ended 31 December 2024, <https://www.qnb.com.tr/medium/document-file-4200.vsf>,

(c) with respect to the Group’s BRSA Annual Financial Statements as of and for the year ended 31 December 2023, <https://www.qnb.com.tr/medium/document-file-3941.vsf>, and

(d) with respect to the Group’s BRSA Annual Financial Statements as of and for the year ended 31 December 2024, <https://www.qnb.com.tr/medium/document-file-4201.vsf>.

## **GENERAL DESCRIPTION OF THE PROGRAMME**

The section titled “General Description of the Programme – The Group” starting on page 1 of the Offering Circular is hereby amended to read as set out in Exhibit A.

The first sentence of the section titled “General Description of the Programme -The Programme -Rating” on page 11 of the Original Offering Circular is hereby amended to read as follows:

The Programme has been rated “BB-” (for long-term issuances) and “B” (for short-term issuances) by Fitch and “Ba3” (for long-term issuances) by Moody’s.

## **RISK FACTORS**

The first paragraph of the section titled “Risk Factors - Risks Relating to Türkiye” on page 13 of the Original Offering Circular is hereby amended to read as follows:

The most material risk to the Issuer’s ability to make payments due in respect of the Notes is that its business, including its loan portfolio, deposit base and government securities holdings, is concentrated in Türkiye. For example, as of 31 December 2024: (a) the Bank’s loans (net) constituted 58.6% of its total assets, substantially all of which loans were made to borrowers located in Türkiye, (b) the Bank’s deposits from customers (excluding interbank customers) constituted 52.8% of its total liabilities, almost all of which deposits were located in Türkiye, and (c) 17.5% of the Bank’s total assets were invested in securities issued by the Turkish Treasury. In addition, the Group’s non-Turkish business and assets (including those of the Bank’s branch in Bahrain) are largely related to Türkiye, such as being related to Turkish customers, exports and imports.

The eighth, ninth and tenth sentences of the fifth paragraph of the section titled “Risk Factors - Risks Relating to Türkiye – Political Conditions – Political Developments” on page 15 of the Original Offering Circular (as amended by the Third Supplement) are hereby amended to read as follows:

After the presidential elections in May 2023, a new governor of the Central Bank and a new Minister of the Turkish Treasury were appointed, after which the first meeting of the Central Bank’s Monetary Policy Committee increased

the policy rate to 15.00% and then raised it again in multiple steps to 45.00% as of 25 January 2024. On 3 February 2024, Mr. Fatih Karahan, the former vice-Chair of the Central Bank, was appointed as the new governor of the Central Bank after the previous governor resigned. Following his appointment, the Central Bank increased the policy rate to 50.00% on 21 March 2024, though reducing it to 45.00% as of 24 January 2025. As of 31 January 2025, the exchange rate had fallen further to TL 35.6977/US\$1.

The fifth paragraph of the section titled “Risk Factors - Risks Relating to Türkiye – Political Conditions – Terrorism and Conflicts” starting on page 16 of the Original Offering Circular is hereby amended to read as follows:

In 2024, Türkiye received 6.7 million and 0.9 million tourists from Russia and Ukraine, respectively, representing 14.5% of all international tourists during the year. The total exports to these two countries were US\$12.1 billion in 2024 whereas imports were US\$46.7 billion, representing 4.6% and 13.6% of Türkiye’s exports and imports, respectively, during the year. Any negative impacts on these results relating to the war in Ukraine might have a significant adverse effect on the Turkish economy, including the balance of payments and inflation. In addition, as Türkiye is a net energy importer, higher global oil and natural gas prices might result in higher energy costs for consumers and companies. These increases in the current account deficit, particularly when combined with monetary tightening in developed economies, might contribute to the depreciation pressure on the Turkish Lira, which might result in even higher inflation in Türkiye.

The second paragraph of the section titled “Risk Factors - Risks Relating to Türkiye - Economic Conditions” on page 18 of the Original Offering Circular (as amended by the Third Supplement) is hereby amended to read as follows:

In recent years, Türkiye’s GDP growth rates have been volatile. During 2021, GDP increased by 11.4%, which growth was supported by the recovery in global economic activity after the initial impact of the COVID-19 pandemic, moderate credit expansion and a favourable base effect, whereas growth during 2022 was 5.5%, due primarily to strong consumption and the contribution of the services and finance sectors. In 2023, GDP growth slowed to 5.1%, principally as a result of the earthquakes in February and the Central Bank’s tightening of monetary policy in the second half of the year. In the first three quarters of 2024, GDP growth further slowed to 3.2%, in part resulting from the Central Bank’s continuing tight monetary policy stance. It should be noted that these GDP results are in inflation-adjusted Turkish Lira terms and, as the exchange rate of the Turkish Lira against the U.S. dollar varies (in some years, significantly), these reported changes in GDP would have been different (in some years, significantly) were they determined in U.S. dollar terms. The Bank’s management expects GDP to grow more slowly in 2025 than in 2024 due to the higher interest rate environment and persistent inflationary conditions.

The last sentence of the second paragraph of the section titled “Risk Factors - Risks Relating to Türkiye - Economic Conditions - Turkish Economy” on page 19 of the Original Offering Circular is hereby amended to read as follows:

On 7 February 2025, the Central Bank published an inflation report indicating an inflation forecast of 24.0%, 12.0% and 8.0% at the end of 2025, 2026 and 2027, respectively; *however*, many market participants have published higher forecasts, including in the near term.

The fifth, sixth and seventh paragraphs of the section titled “Risk Factors - Risks Relating to Türkiye - Economic Conditions - Turkish Economy” starting on page 19 of the Original Offering Circular (as amended by the Third Supplement) are hereby amended to read as follows:

Since February 2001, the Central Bank has applied a floating exchange rate policy. Exchange rates for the Turkish Lira have historically been, and continue to be, highly volatile and recent events have further contributed to significant fluctuations in the value of the Turkish Lira and various governmental policies to respond to currency volatility and the resulting economic conditions. In recent years, there have been a number of periods of sharp depreciation and some recovery in the value of the Turkish Lira (*e.g.*, the Turkish Lira depreciated against the U.S. dollar by 28.7% in 2022, 36.6% in 2023 and 16.6% in 2024, with significant volatility driven in part by changes in Central Bank policy and regulatory changes, including the maintenance by the Central Bank of a policy rate below the rate of inflation). The Central Bank has from time to time used its interest rate policy, reserve requirements and other tools to try to lower inflationary pressures arising from exchange rate volatility, including large decreases in 2019 and early 2020 as inflation moderated and then, notwithstanding the disinflationary impact of COVID-19 pandemic-related shutdowns, significant increases starting in August 2020 to address a significant depreciation in the value of the Turkish Lira. Thereafter, the Central Bank reduced its policy rate by 100 basis points in September 2021 and then further reduced the policy rate in various steps to 14.00% on 16 December 2021, following which the Turkish Lira reached a then all-time low of TL 17.4731/US\$1 on 20 December 2021. Subsequently, the Turkish

government, among other things, introduced a foreign exchange-protected Turkish Lira deposit scheme in an effort to reduce the volatility in exchange rates and lower the inflation rate, resulting in some improvement in exchange rates. The scheme was announced in respect of retail depositors on 20 December 2021 and subsequently expanded to include corporate foreign currency accounts and gold deposit accounts in January 2022 and non-resident Turkish nationals in February 2022. In 2022, the Central Bank initially held its policy rate notwithstanding rapidly increasing inflation and then reduced the rate to 13.00% on 18 August 2022 and then to 12.00% on 22 September 2022, both of which reductions resulted in the Turkish Lira declining to a new all-time low, following which the Central Bank further reduced its policy rate in various steps to 8.50% on 23 February 2023. Seeking normalisation after the presidential elections in May 2023, the Central Bank's new administration increased the rate to 15.00% and then raised it again in multiple steps to 50.00% on 21 March 2024, though reducing it to 45.00% as of 24 January 2025.

The impact of these circumstances, including changes in the exchange rates of the Turkish Lira, might have a material adverse effect on the Group, including through borrower defaults, increased NPLs, reduced loan volumes and reduced earnings, the revaluation of assets and liabilities (including increases in the Turkish Lira-equivalent value of the Group's obligations in other currencies), a decline in capital and/or rapid changes in the economic and legal environment. For example, the Group's and the Bank's capital adequacy ratios have been materially impacted by the recent depreciation of the Turkish Lira, with (during 2023) every TL 0.1 decrease in the value of the Turkish Lira when compared to the U.S. dollar resulting in about a five basis point negative impact on the Group's and the Bank's total capital adequacy ratios. As of 31 December 2024, this impact has resulted in such ratios declining slightly - while still above not only the minimum legal requirement of 8% but also the Group's internal minimum of 12.3%, the Group might consider methods to increase its capital ratios, including through obtaining additional capital. With respect to the impact of inflation, see also “- Risks Relating to the Group and its Business – Market Risks – Reduction in Earnings on Investment Securities.”

As described elsewhere, the BRSA announced rules allowing banks to: (a) use the Central Bank's foreign exchange buying rates as of 26 June 2023 starting from 1 January 2024 (replacing earlier rules allowing the use of the Central Bank's foreign exchange buying rates as of 31 December 2021 and then 30 December 2022) and (b) when making capital calculations, avoid the inclusion of mark-to-market losses on securities booked in the “financial assets at fair value through other comprehensive income” portfolio. If the Group and the Bank had not elected to use such calculations, their capital adequacy ratios would have been lower as of 31 December 2022 by 127 and 128 basis points, respectively, by 175 and 170 basis points, respectively, as of 31 December 2023 and by 174 and 177 basis points, respectively, as of 31 December 2024. This rule was amended on 19 December 2024 to provide that banks may use the Central Bank's foreign exchange buying rates as of 28 June 2024 starting from 1 January 2025. As also described elsewhere, the BRSA has implemented regulatory forbearance measures that allow banks to use 0% risk weightings for foreign currency-denominated receivables owed by the centralised administration (*i.e.*, Turkish state institutions and other public institutions that do not have a separate legal entity and act under the legal entity of the Turkish sovereign) while calculating the amount of exposure subject to credit risk in accordance with the standardised approach as determined under the Capital Adequacy Regulation, without which the capital adequacy ratios of the Group and the Bank would have been lower as of 31 December 2022 by 105 and 106 basis points, respectively, by 118 and 123 basis points, respectively, as of 31 December 2023 and by 113 and 122 basis points, respectively, as of 31 December 2024. Collectively, these accommodations have had a material positive impact on the capital adequacy ratios of the Group and the Bank and, if such were to be discontinued or limited, the Group's and/or the Bank's capital adequacy ratios would likely decline.

The first five sentences of the first paragraph of the section titled “Risk Factors - Risks Relating to Türkiye – Economic Conditions – Current Account Deficit” on page 21 of the Original Offering Circular are hereby amended to read as follows:

Türkiye's current account deficit has long created a significant risk for the Turkish economy, including contributing to the country's need for external funding to support its balance-of-payment position. During 2022, and despite an increase in export and tourism revenues, Türkiye's current account deficit increased to US\$46.6 billion from US\$6.4 billion in 2021 due largely to the increase in energy prices (including resulting from the Russian invasion of Ukraine), high commodity prices, continuing imports of gold and robust demand as a result of increasing consumption. In 2023, Türkiye's current account deficit initially increased due to strong domestic demand and gold imports, before decreasing to US\$40.4 billion for the full year as a result of the Central Bank's tightening in monetary policy. Through November 2024, the annualised current account deficit in 2024 decreased to US\$7.4 billion, primarily as a result of decreasing imports of gold and energy and a slowdown in domestic demand.

The fourth paragraph of the section titled “Risk Factors - Risks Relating to Türkiye – Economic Conditions – Current Account Deficit” starting on page 21 of the Original Offering Circular is hereby amended to read as follows:

Türkiye is an energy import-dependent country and recorded US\$49.1 billion of net energy imports in 2024, a decrease from US\$52.7 billion of net energy imports in 2023, itself a decrease from US\$80.1 billion of net energy imports in 2022. Although the government has been heavily promoting new domestic energy projects, and promising new fields have been identified in the Black Sea, these have not yet significantly decreased the need for imported energy and thus any geopolitical development concerning energy security might have a material impact on Türkiye’s current account balance. Volatile oil and natural gas prices (including as a result of agreements among the members of the Organisation of the Petroleum Exporting Countries (OPEC) and/or other oil-exporting nations to cut output or any geopolitical development concerning energy security and prices, such as Russia’s invasion of Ukraine, the United States’ withdrawal from the Joint Comprehensive Plan of Action and re-imposing previously suspended secondary sanctions on Iran or the current tensions in the Middle East as a result of the conflict in and around the Gaza Strip), together with the Turkish Lira’s depreciation against the U.S. dollar (in which most of Türkiye’s energy imports are priced), might have a negative impact on Türkiye’s current account deficit.

The first two paragraphs of the section titled “Risk Factors - Risks Relating to Türkiye – Economic Conditions – Inflation” on page 22 of the Original Offering Circular (as amended by the Third Supplement) are hereby amended to read as follows:

The Turkish economy has been subject to significant inflation in recent years, which might continue (including at elevated levels). In 2022, the annual consumer price index (“CPI”) inflation rate was 64.3% and the domestic producer price inflation rate was 97.7%. In 2023, the effects of monetary tightening on financial conditions and on domestic demand had some positive impacts on inflation expectations and price-setting behaviour in the second half of 2023; *however*, even though CPI data in the last quarter of 2023 signalled a slowdown in monthly inflation, year-on-year inflation rose to 64.7% and 44.2%, respectively, for 2023 due to the ongoing reverse base effect, reflecting significant increases in the prices of food, energy and imported products as well as recent increases in interest rates as well as VAT and other consumption taxes. In 2024, CPI and the domestic producer price inflation decreased to 44.4% and 28.5%, primarily driven by the Central Bank’s tight monetary policy. It should be noted that this is the official inflation rate whereas other analysts have published different rates, in some cases significantly higher than the official rates.

On 29 December 2023, the Central Bank released its 2024 Monetary Policy Report. In this report, the Central Bank maintained a medium-term inflation target of 5%, set jointly with the government, and the Central Bank stated that steps will continue to be taken to prioritise Turkish Lira-denominated deposits, with a target of increasing the share of Turkish Lira deposits in the banking system to 50% while continuing the reduction in the balance of foreign currency-protected deposits (which remains a contingent liability risk for the Central Bank). To achieve this goal, the Central Bank has disallowed banks to open new Turkish Lira convertible currency-hedged deposit accounts starting from 1 January 2024 and existing foreign currency-protected Turkish Lira deposits accounts will not be renewed upon maturity and then, on 20 January 2025, terminated account opening and renewal transactions of foreign currency-protected Turkish Lira deposits and participation accounts with a maturity of 6-months and 12-months. On 7 February 2025, the Central Bank published an inflation report indicating an inflation forecast of 24.0%, 12.0% and 8.0% at the end of 2025, 2026 and 2027, respectively; *however*, many market participants have published higher forecasts, including in the near term.

The following is inserted before the period at the end of clause (h) of the first paragraph of the section titled “Risk Factors - Risks Relating to Türkiye – Turkish Regulatory and Other Matters – Banking Regulatory Matters” starting on page 24 of the Original Offering Circular:

(which rule was revoked by the BRSA on 6 February 2025)

Clause (i) of the first paragraph of the section titled “Risk Factors - Risks Relating to Türkiye – Turkish Regulatory and Other Matters – Banking Regulatory Matters” starting on page 24 of the Original Offering Circular (as amended by the Second Supplement) is hereby amended to read as follows:

(i) the Communiqué Regarding Reserve Requirements (the “*Communiqué Regarding Reserve Requirements*”), which was amended on 7 March 2024 so that, if the growth rate for certain categories of cash loans (*i.e.*, general purpose loans, vehicle loans and certain types of commercial loans) extended by a bank or financing company for any four-week calculation period (beginning with the first such period ending 29 March 2024 through

the four-week calculation period ending 3 January 2025) exceeds 2% (which itself was amended to 1.5% on 20 July 2024 and then to 1% on 4 January 2025) (each category of loans being considered separately) when compared to the amount of such category of cash loans as of the end of the previous four-week calculation period, then such bank or financing company is required to maintain additional blocked Turkish Lira reserves in an amount equal to such excess; On 4 January 2025: (A) the Central Bank announced that: (1) until the calculation period ending 2 January 2026: (x) such loan growth rate for foreign currency commercial loans was reduced to 1% and (y) for Turkish Lira commercial loans, such loan growth rate was increased to 2.5% for SME loans and reduced to 1.5% for other commercial loans, and (2) sustainability loans extended to SMEs and funded by either the Small and Medium Enterprises Development Organisation (KOSGEB) or international development finance institutions are exempt from such calculations, and (B) as per an amendment to the Communiqué Regarding Reserve Requirements, if a bank's loan disbursement exceeds the limit set by the Central Bank, then such excess amount (provided it is taken into consideration in the next period's growth rate calculations) shall be exempt from reserve requirements (on 9 May 2024, the Central Bank amended the Communiqué Regarding Reserve Requirements so that this reserve requirement does not apply to banks and financing companies that are below a benchmark ratio (to be determined by the Central Bank) of loans to the total size of the balance sheet) (see "Turkish Regulatory Environment - Liquidity and Reserve Requirements" for more information regarding the Communiqué Regarding Reserve Requirements).

The section titled "Risk Factors - Risks Relating to the Group and its Business" starting on page 25 of the Original Offering Circular (as amended by the First Supplement, the Second Supplement and the Third Supplement) is hereby amended to read as set out in Exhibit B.

### **BANK DESCRIPTION**

The sections titled "Summary Financial and Other Information," "Capitalisation of the Group," "The Group and its Business," "Recent Developments" (as amended by the Third Supplement) and "Risk Management" are hereby amended to read as set out in Exhibit C.

The sections titled "Share Capital and Ownership" and "Related Party Transactions" are hereby amended to read as set out in Exhibit D.

### **TURKISH REGULATORY ENVIRONMENT**

The following sentence is added to the end of the sixth paragraph of the section titled "Turkish Regulatory Environment – Capital Adequacy" starting on page 121 of the Original Offering Circular:

On 19 December 2024, the BRSA amended this rule once more to provide that, until otherwise decided by the BRSA, banks may use the Central Bank's foreign exchange buying rates as of 28 June 2024 in such calculations starting as of 1 January 2025.

The following is added to the end of the seventh paragraph of the section titled "Turkish Regulatory Environment – Capital Adequacy" on page 122 of the Original Offering Circular:

On 19 December 2024, the BRSA cancelled such rule and reinstated the previous risk weights applicable under the Capital Adequacy Regulation.

The ninth paragraph of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" (as amended by the Second Supplement and the Third Supplement) starting on page 131 of the Original Offering Circular is hereby amended to read as follows:

On 15 January 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements so that (starting with the maintenance period starting on 3 February 2023), the reserve requirement rate for Turkish Lira deposit accounts and participation accounts held by certain customers with maturities longer than three months was 0%. The amendment also provided that in the event of an increase (calculated every two weeks and compared to 6 January 2023) in a bank's foreign currency-denominated liabilities with maturities longer than six months provided directly from abroad, the reserve requirement rate for such increased amount was increased to 0%. This reserve requirement rate for increased amounts was initially applicable until 20 December 2024, but on 19 December 2024, the rate was extended until 19 December 2025 and based upon the increase in a bank's foreign currency-denominated liabilities, other than deposits/participation funds (excluding those belonging to banks abroad), with maturities longer than one year provided directly from abroad. On 24 May 2024, the Central Bank amended certain reserve requirement

rates (effective retroactively to 10 May 2024) as follows: (a) the mandatory reserve requirement rate for on demand deposits, notice deposit, deposits with a maturity of up to (and including) three months was increased to 12% from 8% and (b) the mandatory reserve requirement rate for deposits and participation accounts with a maturity longer than three months was increased to 8% from 0%.

The eleventh paragraph of the section titled “Turkish Regulatory Environment – Liquidity and Reserve Requirements” (as amended by the Second Supplement and the Third Supplement) on page 132 of the Original Offering Circular is hereby amended to read as follows:

On 20 August 2023, the Central Bank again amended the Communiqué Regarding Reserve Requirements (effective as of 18 August 2023) to increase reserve requirement ratios for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) on demand or with a maturity up to (and including) one month from 25% to 29%, and on 2 November 2023 (effective as of 27 October 2023) increased again from 29% to 30%. In addition to such funds, on 2 November 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 27 October 2023) to increase reserve requirement ratios also for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) with a maturity of: (a) more than one month up to (but excluding) one year from 25% to 26% and (b) one year or greater from 19% to 20% and also introduced an additional reserve requirement of 4% (to be deposited in Turkish Lira) for all foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) regardless of their maturities, which was then increased to 8% by an amendment to the Communiqué Regarding Reserve Requirements on 30 January 2024 and then reduced to 5% as of 13 September 2024 and 4% as of 22 November 2024 (to be reserved starting from 6 December 2024). On 4 February 2025, the Central Bank increased the reserve requirement rate to 12% for Turkish Lira-denominated liabilities with a maturity up to (and including) one year in relation to: (i) deposits and participation funds obtained from banks abroad, (ii) funds obtained through foreign repo transactions and (iii) loans obtained from abroad.

On 7 March 2024, the Central Bank again amended the Communiqué Regarding Reserve Requirements so that, if the growth rate for certain categories of cash loans (*i.e.*, general purpose loans, vehicle loans and certain types of commercial loans) extended by a bank or financing company for any four-week calculation period (beginning with the first such period ending 29 March 2024 through the four-week calculation period ending 3 January 2025) exceeds 2% (which itself was amended to 1.5% on 20 July 2024 and then, with respect to foreign currency loans, to 1% on 4 January 2025) (each category of loans being considered separately) when compared to the amount of such category of cash loans as of the end of the previous four-week calculation period, then such bank or financing company is required to maintain additional blocked Turkish Lira reserves in an amount equal to such excess. On 9 May 2024, the Central Bank further amended the Communiqué Regarding Reserve Requirements to exempt from these rules banks and financial institutions that do not meet a threshold based upon the proportion of loans to the size of the balance sheet as determined from time to time by the Central Bank. On 23 May 2024, the Central Bank announced that, if a bank’s monthly foreign currency loan growth exceeds 2% (which was later reduced to 1.5% via the Central Bank’s announcement on 20 July 2024 and then to 1% on 4 January 2025), then it will be required to set aside a mandatory reserve equal to the Turkish Lira-equivalent of the excess amount, with such excessing to be blocked for one year. On 4 January 2025, the Central Bank announced that: (a) beginning with the first calculation period ending 29 March 2025 through the four-week calculation period ending 2 January 2026: (a) such loan growth rate for foreign currency commercial loans was reduced to 1% and (b) for Turkish Lira commercial loans, such loan growth rate was reduced to 2.5% for SME loans and 1.5% for other commercial loans, and (b) sustainability loans extended to SMEs and funded by either the Small and Medium Enterprises Development Organisation (KOSGEB) or international development finance institutions are exempt from such calculations.

The following is hereby inserted at the end of the fifteenth paragraph (after the amendment effected by the First Supplement) of the section titled “Turkish Regulatory Environment – Liquidity and Reserve Requirements” on page 133 of the Original Offering Circular:

On 5 December 2024, the Central Bank announced that the collateral discount rate for CPI-indexed government debt securities and lease certificates was reduced from 80% to 30%.

The last paragraph of the section titled “Turkish Regulatory Environment – Liquidity and Reserve Requirements” on page 133 of the Original Offering Circular (as amended by the First Supplement, the Second Supplement and the Third Supplement) is hereby amended to read as follows:

In 2024, the Central Bank revised the remuneration rate for Turkish Lira-denominated required reserves as follows: (a) if a bank’s renewal and conversion rate to Turkish Lira is at least 60%, then the Central Bank will pay interest on such reserves for foreign exchange protected accounts at a rate equal to 50% of the Central Bank’s then-existing policy rate (such remuneration for reserves for foreign exchange-protected accounts are not applicable to accounts opened or renewed after 20 December 2024), and (b) the Central Bank will pay interest on Turkish Lira required reserves deposited for up to three months at a rate equal to 84% of the Central Bank’s then-existing policy rate.

The following is inserted before the period at the end of the first sentence of the section titled “Turkish Regulatory Environment – Turkish Lira Borrowing Restrictions” on page 146 of the Original Offering Circular:

(which rule was revoked by the BRSA on 6 February 2025, and the following should be understood accordingly)

Clause (a) of the first paragraph of the section titled “Turkish Regulatory Environment – Additional Temporary Measures” on page 146 of the Original Offering Circular is hereby amended to read as follows:

(a) use 31 December 2019 exchange rates in certain capital and other calculations, which was then revised by the BRSA on 8 December 2020 (and further extended on 17 June 2021 and 16 September 2021) to allow banks to use the arithmetic mean of the Central Bank’s foreign exchange buying rates during the previous 252 business days as of the calculation date until such date as determined by the BRSA (on 21 December 2021, the BRSA announced that banks shall (if using this approach) use the average of the Central Bank’s foreign exchange buying rates during the 252 business days ending on 31 December 2021; on 28 April 2022, the BRSA amended this rule so that, until such date as determined by the BRSA, banks may use the Central Bank’s foreign exchange buying rates as of 31 December 2021 in certain capital and other calculations; on 31 January 2023, the BRSA further amended this rule so that, until such date as determined by the BRSA, banks may use the Central Bank’s foreign exchange buying rates as of 30 December 2022 in such calculations), which was then amended again on: (i) 12 December 2023 to provide that banks may use the Central Bank’s foreign exchange buying rates as of 26 June 2023 in such calculations starting as of 1 January 2024 and (ii) 19 December 2024 to provide that banks may use the Central Bank’s foreign exchange buying rates as of 28 June 2024 in such calculations starting as of 1 January 2025),

## **OTHER GENERAL INFORMATION**

The section titled “Other General Information – No Material Adverse Change or Significant Change” on page 260 of the Original Offering Circular is hereby amended to read as follows:

As of 18 February 2025, the Issuer hereby confirms that, other than to the extent described in (including in the information incorporated by reference into) this Offering Circular, there has been: (a) no material adverse change in the prospects of the Issuer since the end of the last financial period for which audited BRSA Financial Statements have been published and (b) no significant change in the financial or trading position of the Issuer or the Group since the end of the last financial period for which BRSA Financial Statements have been published. As of 18 February 2025, each of such date and period ends is 31 December 2024.

## EXHIBIT A

### The Group

*The following overview should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Offering Circular, including in the BRSA Financial Statements (including the notes thereto) incorporated by reference into this Offering Circular.*

#### General

The Bank is a Turkish private commercial bank that provides banking products and services to retail, corporate, commercial and SME banking and other customers through a network of branches operating in major cities throughout Türkiye. As of 31 December 2024, according to the most recent statistics published before 18 February 2025 on the Public Disclosure Platform (*Kamuyu Aydınlatma Platformu*) ([www.kap.gov.tr](http://www.kap.gov.tr)) (“*Public Disclosure Platform*”), the Bank was the fifth largest private bank in Türkiye in terms of Bank-only total assets with TL 1.51 billion of total assets. The Bank is a subsidiary of Qatar National Bank (“*QNB*” and, with its group members, the “*QNB Group*”), which purchased a 99.81% stake in the Bank from the National Bank of Greece (“*NBG*”) on 15 June 2016 pursuant to a share purchase agreement (the “*Share Purchase Agreement*”). In accordance with the Communiqué No. II-27.2 on Squeeze-Out and Sell-Out Rights (the “*Squeeze-Out and Sell-Out Communiqué*”), the shareholders of the Bank (other than QNB) had a right to sell their shares in the Bank to QNB within a three-month period starting on 16 June 2016. At the end of such period (*i.e.*, as of 16 September 2016) 99.88% of the shares of the Bank were owned by QNB (which continues to hold such percentage) and the remaining shares were traded on the Borsa İstanbul.

Since its initial entry to the Turkish banking market in 1987, the Bank has grown its branch network significantly, with 427 branches (including one branch in Bahrain) as of 31 December 2024. As of such date, the Bank’s branch network consisted of 392 full-service branches, 21 retail-only branches, three corporate-only branches and 11 commercial-only branches located in 53 commercial centres in Türkiye, mainly in İstanbul, İzmir, Ankara and Antalya. The Group aims to maintain the number of its branches at approximately the current levels. The Group, through the Bank and its subsidiaries and other affiliates, also undertakes leasing, factoring, insurance and investment banking activities. As of 31 December 2024, the Group had total assets of TL 1.6 billion, total loans and receivables (net) of TL 911.2 billion, total deposits of TL 878.4 billion and total equity of TL 119.0 billion.

In addition to its branch network, the Group has made significant investments in alternative delivery channels such as automated teller machine (“*ATM*”) and point-of-sale (“*POS*”) networks, internet banking, mobile banking and a call centre. In October 2012, the Group launched Enpara.com, an online banking platform designed to provide banking and payment services to retail customers in Türkiye without the use of any physical branches. Since its establishment, Enpara.com has grown its registered customer base from 18,000 customers in 2012 to 7.4 million customers as of 31 December 2024, with 59.0% of such customers not having been pre-existing customers of the Group.

The Group has three main business segments: retail, affluent and private banking, SME banking and corporate and commercial banking, additional information about each of which is provided below:

- *Retail, Affluent and Private Banking.* The Group’s retail, affluent and private banking activities consist primarily of mortgages, consumer lending, credit and debit card services, deposits, investments and insurance products. The Group’s offerings to retail customers are divided into three main further sub-groups: (a) private banking, which serves individuals with liquid assets under management exceeding TL 8,000,000 through customised service offerings, (b) the affluent segment, which serves individuals with assets under management from TL 800,000 to TL 8,000,000, offering features such as dedicated relationship managers and a diverse set of banking and non-banking services and benefits, and (c) the mass banking with a wide variety of products and services. Retail, affluent and private banking has been one of the principal drivers of the Group’s growth during recent years. As of 31 December 2024, the Group had approximately 7.6 million retail, affluent and private banking customers (excluding credit card customers) and the Group had performing retail loans and receivables (including mortgage, retail credit card and consumer loans (which comprise personal need loans, overdrafts and auto loans)) of TL 405 billion, representing 45.7% of the Group’s performing loans and receivables (representing total

gross loans, including financial assets measured at fair value through profit and loss, *minus* specific provisions).

- *SME Banking.* The Bank’s SME banking activities consist primarily of revolving credit lines, instalment loans, overdrafts, business housing loans and demand deposits. As one of the first banks in Türkiye to focus on this segment, the Bank started its SME banking operations at the beginning of 2003 to support Turkish small businesses. The SME banking segment consists of: (a) Small Business Banking, which serves enterprises with annual revenues of up to TL 40.0 million, and (b) Medium-sized Enterprises Banking, which serves enterprises with annual revenues exceeding TL 40.0 million and up to TL 400.0 million. In recent years, SME banking has represented an increasingly important part of the Group’s overall loan portfolio. As of 31 December 2024, the Group’s SME banking operations had 386,183 active customers and performing loans and receivables of TL 127.2 billion, representing 14.3% of the Group’s performing loans and receivables.
- *Corporate and Commercial Banking.* The Group’s corporate and commercial banking activities primarily consist of traditional and non-cash lending, project and structured finance, trade finance, foreign trade, cash management, corporate syndication, secondary market transactions, deposit taking and certificated debt instruments. The corporate and commercial banking segment consists of: (a) corporate banking, which serves large businesses (including multinational corporations), and (b) commercial banking, which serves enterprises with annual revenues exceeding TL 400.0 million and up to TL 4,000.0 million. As of 31 December 2024, the Group’s corporate and commercial banking operations had 11,955 customers and performing loans and receivables of TL 354.2 billion, representing 40.0% of the Group’s performing loans and receivables.

Further to an announcement on 25 November 2022 in which the Bank, considering the rapid development of technology and the enactment of related laws, noted that it was assessing the feasibility of offering the current Enpara banking services through a separate legal entity, the Bank’s management has decided to spin-off the Enpara operations. As of 31 December 2024, the Enpara banking operations that are to be so spun-off represented 10.1% of both the Group’s consolidated assets and liabilities, resulting in no change in the Group’s shareholder’s equity (Enpara Bank A.Ş. has been capitalised by QNB). All of the discussions throughout this Offering Circular include the Enpara operations and, as of 18 February 2025, the timing for such spin-off has not yet been determined. This contemplated corporate action, including its potential impact on the Group’s business, financial condition and/or results of operations, thus should be considered by investors. See “The Group and its Business - Enpara.com.”

The Group also undertakes leasing, factoring, insurance, investment banking and other activities through its subsidiaries and other affiliates.

The Bank’s registered office is located at Esentepe Mahallesi, Büyükdere Cad., Kristal Kule Binası, No:215, Şişli, İstanbul, Türkiye. The telephone number of the Bank is +90-212-318-5155. The Bank’s registration number is 237525.

For information on the Bank’s credit ratings, see “The Group and its Business - Credit Ratings.”

## **Key Strengths**

The Bank’s management believes that the Group has a number of key strengths that enable the Group to compete effectively in the Turkish banking sector. As of February 6, 2025, the Bank’s management sees these key strengths as being:

- *Versatile platform enabling the Group to take advantage of strategic opportunities.* Since its establishment in 1987, the Group has grown into a full-service financial institution with an independent management team and an extensive nationwide distribution network serving approximately 11.2 million active customers as of 31 December 2024. This extensive distribution network, combined with the Group’s focus on traditional banking activities and complemented by the provision of ancillary services (including investment banking, brokerage, leasing, factoring and asset management) and important partnerships with leading financial institutions (*e.g.*, a partnership with Sampo in basic insurance), have allowed the Group to maintain a strong competitive position across all of its key customer segments. The Group also has been able to

refocus its operations in response to changes in the Turkish banking regulatory environment, such as expanding its retail, affluent and private banking network (both in terms of branches and other distribution channels, such as ATMs) in 2005 to 2011 when there was significant growth in Türkiye's retail consumption. Beginning in 2012, Türkiye's widening current account deficit prompted regulatory authorities to take measures to curb retail lending and encourage business lending in order to reduce imports and grow exports, in response to which measures, the Group successfully shifted the concentration of its loan portfolio from retail lending to SME and corporate lending. As of 31 December 2024, 54.3% of the Bank's performing loans and receivables were to SME and corporate and commercial customers, compared to 66.2% and 55.9%, respectively, as of 31 December 2022 and 2023. The Group was able to shift its loan portfolio more towards SME and corporate and commercial lending by: (a) opening new branches and maintaining the existing branches that provide SME services, (b) refocusing certain of its human and other resources to serve SME and corporate and commercial customers, (c) engaging in targeted marketing efforts and using its proprietary credit underwriting framework and behaviour monitoring tools to increase market share and (d) launching new products and utilising new technologies to maximise the customer experience of SME and corporate and commercial clients. The Bank's management believes that its size and the structure of its operations enable it to move more quickly to capitalise on such changes in the market than is possible for many other Turkish banks.

- *Strong capital position and diversified sources of funding.* The Bank has a strong capital position and, as of 31 December 2024, had a common equity tier 1 ("CET1") ratio of 12.7%, which is well above the BRSA's regulatory minimum CET1 ratio of 4.5% (based upon Basel III as adopted by the BRSA), and a total capital adequacy ratio of 17.3%. The Bank's leverage ratio (as calculated pursuant to the Equity Regulation) was 12.7% as of 31 December 2024, in comparison to the average leverage ratio of 10.3% for Türkiye İş Bankası A.Ş. ("İşbank"), Türkiye Garanti Bankası A.Ş. ("Garanti"), Akbank T.A.Ş. ("Akbank") and Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi Bank" and, together with İşbank, Garanti and Akbank, the "Private Sector Peers"). The Bank's management believes that its strong capital position has supported its ability to attract deposits and diversify its sources of funding. The Bank has demonstrated strong deposit growth, with an increased emphasis on demand deposits, which typically have a lower cost of funding than time deposits and that, from 31 December 2014 to 31 December 2024, have grown at a compound annual growth rate ("CAGR") of 33.4% compared to an average of 29.4% for the Group's Private Sector Peers during the same period according to their BRSA financial statements. The Bank's loans-to-deposits ratio has grown to 107.7% as of 31 December 2024 (compared to an average of 86.8% for its Private Sector Peers according to their BRSA financial statements). The Group has also entered into long-term financings in the form of syndicated loans and eurobond issuances, among other transactions, to match the medium- to long-term nature of its loan and investment portfolio. Institutional borrowings (including bank deposits, funds borrowed, money market transactions, marketable securities issued and subordinated loans) constituted 30.6% of the Bank's overall liabilities as of 31 December 2024, compared to an average of 22.5% for the Group's Private Sector Peers as of the same date according to their BRSA financial statements.
- *Sophisticated risk management tools.* A prudent credit risk management practice is instilled at every stage of the Group's credit process. At the origination stage, clients are approved on the basis of scorecards for credit card, consumer and SME segments, and approval score cut-off points are constantly being monitored and revised if necessary depending upon macroeconomic conditions. From the origination stage onwards, credit quality is monitored closely on an ongoing basis via behavioural scorecards, and necessary actions are taken depending upon the changes in behavioural scores. As described elsewhere in this Offering Circular, the Group also employs a conservative provisioning policy with a NPL coverage ratio of 164.9% as of 31 December 2024 compared to an average of 101.2% for the Group's Private Sector Peers as of the same date according to their BRSA bank-only financial statements. In addition to managing credit risk, the Group actively utilises hedging instruments to protect itself from currency and maturity mismatches.
- *Innovative distribution channels and technology platform.* The Bank's management believes that, from the Group's inception, it has been at the forefront of innovation in banking products and services in Türkiye. For example, in 1999 the Bank was the first Turkish bank to introduce a credit card with an instalment structure. More recently, the Bank was the first in Türkiye to establish a pure online banking model (Enpara.com) under its umbrella, which website serves a more affluent

and technologically savvy client base who are more expensive to serve under the traditional branch business model. On the technological front, the Group serves its customers through state-of-the-art alternative delivery channels, including internet and telephone banking platforms that utilise cutting edge technologies such as client-recognising interfaces. As of 31 December 2024, the number of the Group's active internet and mobile banking customers (consisting of all customers with at least one successful log-in within the prior three-month period but excluding Enpara.com-only customers) totalled 3.0 million, representing 27.2% of the Group's total active customers. This innovation is a necessary component of enabling the Group to maintain close relationships with its customers and compete successfully. With respect to Enpara, see "The Group and its Business - Enpara.com."

- *Growth in targeted customer segments.* Following the shift in the regulatory environment towards SME and corporate and commercial lending, the Group has utilised its extensive distribution network and strong focus on customer service to increase its footprint in SME loans, commercial instalment loans and business demand deposits, which grew, on a Bank-only basis, at CAGRs of 26.9%, 21.0% and 43.8%, respectively, from 31 December 2015 to 31 December 2024. The Bank has also benefitted from the government announcement in December 2016 that the Turkish Treasury will provide a guarantee for SME loans up to an aggregate amount of TL 250 billion via the Credit Guarantee Fund (*Kredi Garanti Fonu*) (the "KGF"), which aimed to boost economic growth and support companies with high potential that have difficulty accessing funding due to collateralisation constraints. On 13 August 2022, the total amount of guarantees that may be given by the KGF was increased to TL 1 trillion (additional increases have been implemented that are tailored to specific sectors). Pursuant to Presidential Decree No. 162 dated 11 October 2018, loans guaranteed by the Turkish Treasury under the KGF programme may be restructured up to 96 months for working capital loans and up to 156 months for investment loans. Such Presidential Decree also requires lenders to provide an opportunity to the borrowers to restructure their KGF-guaranteed loans prior to any recourse to the KGF guarantee. The Bank has benefited from the funding of loans guaranteed by the KGF (TL 1.47 billion loans as of 31 December 2024). SME and corporate and commercial banking customers have also been an important component of the Group's demand deposit base, representing 39.9% of the Group's Turkish Lira-denominated demand deposits as of 31 December 2024, compared to 43.5% as of 31 December 2023 and 46.5% as of 31 December 2022.
- *Experienced management team.* The Group benefits from an experienced and committed executive management team that has successfully delivered the Group's growth initiatives and will continue to drive future strategy. The key members of the Group's senior management have served the Group, on average, for 19.5 years as of 18 February 2025, which demonstrates a commitment to the Group and results in continuity in senior management, providing an invaluable asset to the Group. In addition, the Group's senior managers had, on average, 28.8 years of experience in the financial services and related industries, both in Türkiye and abroad, as of 31 December 2024.

## Strategy

The Bank's overall strategy is to establish a leading position in the Turkish banking market, in terms of return on average total assets, while focusing more heavily on its SME and corporate and commercial banking businesses. To this end, the Group aims to build lifelong and successful partnerships with all of its stakeholders through understanding and fulfilling their needs. The key elements of the Group's strategy are set out below:

- *Grow the loan book, primarily across the SME and corporate and commercial segments.* The Group intends to increase the size of its loan book by focusing on growth in its SME and corporate and commercial loan portfolio, while selectively growing its retail loan portfolio. The Group has shifted its primary focus since 2012 to its SME and corporate and commercial banking segments, where it aims to capture additional market share over the medium term. The Group's management believes that there is a significant opportunity to continue to increase its market share in SME and corporate and commercial banking and aims to continue to achieve above-market growth in its SME and corporate and commercial loan business. To achieve this objective, the Group has focused on higher-quality service for its customers. For example, product and service lines previously serving SME businesses in various segments and divisions of the Group were combined into one division, with the marketing and sales activities of these segments streamlined to more

effectively apply best practices and focus on growing the Group's SME banking activities. In the corporate and commercial business segment, the Group has made organisational changes such as branch specialisation and centralisation of operational tasks in an effort to boost cost effectiveness, sales effectiveness and customer service. The Group has made significant progress in executing this aspect of its strategy. The Bank's growth rate of its business loans was 64.2%, 40.6% and 46.7% for 2022, 2023 and 2024, respectively, which compares to 39.8%, 36.4% and 39.8% for its Private Sector Peers for the same periods according to the bank-only financials published in the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)). On a BRSA bank-only basis, the Group's market share in the SME and corporate and commercial loan markets as of 31 December 2024 were 4.48% and 4.08%, respectively, and the Bank's branches represented 4.58% of all bank branches in Türkiye. As of 31 December 2024, the Group had TL 481.6 billion in SME and corporate and commercial performing loans and receivables, compared to TL 328.2 billion as of 31 December 2023 and TL 233.5 billion as of 31 December 2022. As of 31 December 2024, the Group's SME banking and corporate and commercial loans per branch on a BRSA bank-only basis amounted to an average of TL 1,128 million, compared to an average of TL 883 million for the Group's Private Sector Peers according to the bank-only financials published in the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)).

- *Increase net operating income through the maturing of the branch network and its alternative delivery channels.* The Group has in recent years aimed to maintain the number of its branches at approximately the current levels. In 2024, the number of the Group's branches was reduced to 427 branches as a result of routine and ongoing analysis to optimise branch locations. The Group's average branch age (22.0 years as of 31 December 2024) is low compared to its Private Sector Peers (average branch age of 34.5 years as of such date according to statistics published by the Banks Association of Türkiye). Based upon the observed performance of a subset of the Group's branches, the Group's management expects the newer branches to generate more deposits and loans per branch as they mature. In addition to supporting its branch network, the Group intends to continue to increase its investments in alternative delivery channels, particularly in mobile banking and internet-based channels. With respect to Enpara, see "The Group and its Business - Enpara.com."
- *Continue to reduce cost of risk.* Since 2012, the Group has shifted the composition of its loan book towards SME and corporate and commercial loans and reduced its exposure to retail loan products. As of 31 December 2024, the ratio of the Group's performing loans and receivables from credit cards, mortgages, SME loans and corporate and commercial loans to the total performing loans and receivables was 30.5%, 0.5%, 19.4% and 35.2%, respectively, compared to 28.9%, 0.6%, 13.6% and 42.2%, respectively, as of 31 December 2023 and 18.4%, 0.9%, 18.2% and 48.2%, respectively, as of 31 December 2022. As of 18 February 2025, the Bank's management expects the change in the composition of the loan book to help maintain the cost of risk at around current levels. As of 31 December 2024, the specific cost of risk for SME loans and corporate and commercial loans was 0.7% and 0.01%, respectively, and 3.0% and 3.2% for credit cards and consumer loans, respectively.
- *Continue to focus on cost efficiency.* The Group intends to build upon existing cost management policies and initiatives by maintaining its strong focus on cost control and seeking ways to optimise its costs. This focus will be driven by the increase in the Group's scale of operations while aiming to eliminate any inefficiency that may arise as the number of the Group's customers increases. The Group intends to maintain its current number of branches and focus on increasing the productivity of its existing branch network as measured by customer deposits, gross loans and profit per branch. A particular focus is being made to decrease the ratio of operating expenses to total assets through the development of the Bank's newer branches to produce results similar to those demonstrated by the Bank's more established branches. The Group intends to further promote cost efficiency and lower operating expenses by reducing its sales network personnel and increasing the number of loans managed per sales person. The Group expects to achieve this in part due to the relatively lower servicing costs associated with SME and corporate and commercial loans compared to retail credits. The Group's business banking segment also has a higher number of products per customer (3.83 as of 31 December 2024) when compared with the retail segment (3.47 as of such date). For 2023, the Group's other operating expenses (which excludes personnel costs but includes, *inter alia*, operational lease related expenditures, repair and maintenance expenses and advertising and

promotional expenses) of TL 6.4 million increased from TL 4.3 million in 2022, increasing again in 2024 to TL 10.5 million (both of which increases were largely the result of the significant inflation during these years).

- *Maintain diversified sources of funding and a strong capital base.* The Group seeks to maintain its loans-to-deposits ratio (plus its Turkish Lira-denominated bonds) at or around current levels (105.0% as of 31 December 2024 on a Bank-only basis, compared to an average of 85.5% as of such date for its Private Sector Peers on a bank-only basis according to their respective BRSA financial statements). The Bank expects to maintain its capital adequacy ratio (which was 17.35% as of 31 December 2024) above the BRSA's required 12.0% threshold.
- *Continue to attract and develop talent.* Fully aware that its success hinges crucially on the quality, satisfaction and commitment of its workforce, the Group intends continuously to seek to attract top talent and develop its employees throughout their careers so as to help them achieve their full potential. Measures to achieve this objective start at the initial recruitment stage of the employees, followed by educational programmes and training opportunities as their careers progress, and the process is supported by a detailed performance appraisal system. The Group also utilises the experiences of its successful managers through coaching and mentoring programmes for future candidates for managerial positions.

### **Risks Described in Risk Factors**

Investing in the Notes entails risks. Before investing in the Notes, potential investors should carefully review "Risk Factors" below, which sets out certain risks relating to political, economic and legal circumstances, the Turkish banking industry, the Group and its business, the Group's relationship with the Bank's principal shareholders and the Notes themselves. Potential investors in the Notes should not consider the factors discussed under "Risk Factors" to be a complete set of all potential risks or uncertainties of investing in the Notes.

## EXHIBIT B

### Risks Relating to the Group and its Business

While Turkish political, economic, regulatory and other circumstances are the most material category of risks relating to the Group's business, financial condition and results of operations, matters specific to the Group also might have a material impact on the Issuer's ability to make payments due in respect of the Notes, particularly the Group's exposure with respect to the loans and other credits that it extends to borrowers and other counterparties. Such risks that the Issuer's management has identified as having a material impact on the Issuer are set out in this section. The principal sub-categories of the risks relating to the Group and its business are credit risks, market risks, funding risks, operational risks and other Group-related risks, each as set out in their corresponding section below.

#### *Credit Risks*

*Counterparty Credit Risk – The Group is subject to credit risk in relation to its borrowers and other counterparties*

The Group's primary business risk is the inherent risk that its borrowers and other counterparties might not be able to meet their obligations to the Group, which ability is affected by many factors. These counterparties include (*inter alios*) borrowers of loans from the Group, issuers whose securities are held by the Group, trading and hedging counterparties and customers of letters of credit provided by the Group, the Group's exposures to certain of which (particularly for loans for infrastructure and energy projects) are large. Any of these counterparties might default in their obligations to the Group due (*inter alia*) to the factors described in “-Risks Relating to Türkiye” and/or adverse changes in consumer spending, consumer confidence, unemployment levels, corporate restructurings, bankruptcy rates and/or market volatility, including due to local, national and/or global factors. Many of these factors are difficult to anticipate and are outside of the Group's control. If the Group's counterparties are unable to meet their obligations to the Group when due, then this would increase the Group's past due loan portfolio, require the Group to reserve additional provisions and reduce its net profit/(loss) and capital levels, which might have a material adverse effect on the Group's business, financial condition and/or results of operations.

For example, if the Turkish Lira were to further depreciate materially against foreign currencies (such as the 16.6% depreciation against the U.S. dollar in 2024), then it would be more difficult for the Group's customers with income primarily or entirely denominated in Turkish Lira to repay their foreign currency-denominated loans (*e.g.*, in part due to the recent significant depreciation of the Turkish Lira and declining economic growth in Türkiye, some corporate borrowers (including some large corporate borrowers) have restructured their loans; *however*, such borrowers might continue to have difficulties supporting their debt obligations, particularly if the Turkish Lira depreciates further, which might result in additional NPLs).

Compounding this risk, and notwithstanding the credit risk policies and procedures that the Group has in place, the Group might not correctly assess the creditworthiness of its credit applicants or other counterparties (or their financial conditions might change) and, as a result, the Group might suffer material credit losses. If the Group is unable to accurately model the risk associated with counterparties, then this might have a material adverse effect on the Group's business, financial condition and/or results of operations. Furthermore, should any large debtor to the Turkish financial system experience financial difficulties, as has happened in the recent past, then that might have a negative impact on the Group, including indirectly through having a negative impact on the Turkish banking sector.

The Group's financial results can be significantly affected by the amount of provisions for expected credit losses. Determining the amount of such provisions involves the use of numerous estimates and assumptions. As a result, the level of provisions and other reserves that the Group has set aside might prove insufficient and the Group might be required to create significant additional provisions and other reserves in future periods. The Group's NPL ratio changed from 2.5% as of 31 December 2022 to 1.7% as of 31 December 2023 and then 2.7% as of 31 December 2024 and the Stage 2 loans to performing loans ratio changed from 9.8% as of 31 December 2022 to 10.2% as of 31 December 2023 and 10.4% as of 31 December 2024. The Group's expected credit losses increased to TL 17,656 million in 2024 from TL 12,125 million in 2023, which itself had increased from TL 5,096 million in 2022. See “Turkish Regulatory Environment - Expected Credit Losses.” Certain temporary rules have also been enacted for banks as a result of the February 2023 earthquakes, including limitations on requiring payment from certain borrowers in the regions impacted by the earthquakes and reductions in risk-weightings of certain loans to borrowers in such regions.

The Group's exposure to other financial institutions is significant, some of which counterparties might become unable to satisfy their obligations to the Group. Such counterparties might become subject to resolution procedures in their home jurisdictions, such as under Directive 2014/59/EU, as amended by Directive (EU) 2019/879, for certain EU financial institutions or the United Kingdom Banking Act 2009 for certain UK financial institutions, which procedures might materially

negatively impact the amount and/or timing of what the Group would receive from a financial counterparty should it be subject to resolution. The disruptions in the global banking sector in March 2023, including the announcement of the acquisition of Credit Suisse by UBS (and the losses incurred by Credit Suisse investors) and the failure of Silicon Valley Bank and Signature Bank in the United States, have highlighted the risks in the banking sector and there can be no assurance that the sector will not be subject to further strain, particularly given that (as of 18 February 2025) inflation rates remain high and economic activity remains muted. A banking sector crisis might have materially adverse impacts on the Group's business, financial condition and/or results of operations.

The Group's efforts to mitigate credit risk, including through diversification of its assets and requiring collateral for many of its loans, might be insufficient to protect the Group against material credit losses. For example, as described in "Insufficient Collateral" below, if the value of the collateral securing the Group's credit portfolio is insufficient (including through a decline in its value after the original taking of such collateral), then the Group will be exposed to greater credit risk (and an increased risk of non-recovery) if related credit exposures fail to perform.

*Loan Concentrations – The Group's credit portfolio has significant industry and borrower concentrations, particularly in retail and SME loans, which renders it susceptible to any deterioration in the financial condition of such industries and borrowers*

Loans to and receivables from the Group's 20 largest customers as of 31 December 2022, 2023 and 2024 represented 15.9%, 13.9% and 11.5%, respectively, of its total performing loans and receivables. In terms of sector concentration, the: (a) manufacturing, (b) wholesale and retail sale and (c) transportation and telecommunications sectors represented the largest concentrations as of 31 December 2024 (19.3%, 11.5% and 6.0%, respectively, of the Group's total loans and receivables).

In addition to sector concentrations, significant percentages of the Group's loan portfolio are represented by loans to retail customers (including mortgages, credit cards and consumer loans) and SMEs. While no one such loan is of significant size, retail and SME customers typically have less financial strength than corporate borrowers and negative developments in the Turkish economy might affect retail and SME customers more significantly than large corporate borrowers. A negative impact on the financial condition of the Group's retail or SME customer base might have a material adverse effect on the Group's business, financial condition and/or results of operations.

The Turkish government announced in December 2016 that the Turkish Treasury would provide a guarantee for SME loans up to an aggregate amount of TL 250 billion under the KGF programme, which aimed to boost economic growth, support high potential companies that have difficulty accessing funding due to collateralisation constraints and help Turkish banks to grow by allowing 0% risk weight to be applied to the guaranteed portion of these loans. On 13 August 2022, the total amount of guarantees that may be given by the KGF was increased to TL 1 trillion (additional increases have been implemented that are tailored to specific sectors). Banks are assigned certain limits to grant these loans and the amount up to 100% of such limit (for both SMEs and non-SMEs) is guaranteed by the Turkish Treasury; *however*, with respect to each such scheme, to the extent that the non-performing loans (calculated in a specific manner applicable to the KGF programme resulting in a "compensation upper-limit ratio") from the loans made under such scheme exceed 7% (8%-10% for certain sub-sectors), the relevant bank will bear the risk for the amount of such non-performing loans in excess of such level. The Bank started granting loans under the KGF programme in January 2017 and, as of 31 December 2024, such loans amounted to TL 1.6 billion, of which 22.9% was granted to guarantee corporate and commercial loans and the balance was used for SME (including micro-enterprises) loans. The total limit of the loans that may be granted by the Bank under the KGF programme is TL 1.4 billion as of 18 February 2025. To the extent that the "compensation upper-limit ratio" of the KGF loans of any scheme exceeds the applicable limit, the Bank would lose the advantages of the KGF programme in terms of collections and risk weights.

Although the Group has put in place policies and procedures to monitor and assess credit risk, taking into account the payment ability and cash generating ability of a borrower in extending credit, the Group might not correctly assess the creditworthiness of its credit applicants. In addition, as the Group's loan portfolio has grown substantially, the Group has extended credit to new customers, many of whom may have more limited credit histories. In particular, the Group has relatively high levels of exposure to retail customers, whose loans generally yield higher interest income but also tend to have higher levels of default than loans to corporate customers (as of 31 December 2024, 48.4% of the Group's total loans were retail loans, including mortgage, credit card and consumer loans). Although such new loans are subject to the Group's credit review and monitoring practices, they might be subject to higher credit risks compared to borrowers with whom the Group has greater experience. Furthermore, the Group's exposures to certain borrowers (particularly for loans for infrastructure and energy projects) are large and the Group is likely to continue making such large loans where such an investment is determined by the Group to be a credit-worthy transaction. Also, should any large Turkish borrower experience financial difficulties, then that might have a negative impact on the Bank, including indirectly through having a negative impact on the Turkish banking sector.

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

*Government Default – The Group has a significant portion of its assets invested in Turkish government obligations, making it highly dependent upon the continued credit quality of, and payment of its obligations by, the Turkish government*

The Group has significant exposure to Turkish governmental and state-controlled entities, including the Central Bank. As of 31 December 2024, 99.8% of the Group's investment securities (net) (17.5% of its total assets and equal to 228.2% of its total shareholders' equity) was invested in Turkish government debt securities (99.6%, 16.8% and 209.3%, respectively, as of 31 December 2023 and 99.7%, 16.4% and 230.1%, respectively, as of 31 December 2022) (the Group did not have any material loans to Turkish government or state-controlled entities as of any of such dates). In 2023 in particular, there was a significant increase in the amount of Turkish governmental bonds held by the Group as a result of regulatory requirements described elsewhere herein (see, e.g., "Turkish Regulatory Environment – Liquidity and Reserve Requirements.")

In addition, the Group has exposure to the Turkish government through the Group's participation in financing state-sponsored infrastructure projects and the KGF-guaranteed loan programme, which might be susceptible to increased credit risk in the event of weakness in Türkiye's macroeconomic condition or deterioration of the Turkish government's creditworthiness. In early 2020, the KGF-guaranteed loan programme was expanded to include retail loans as part of the government's efforts to address the economic impact of the COVID-19 pandemic and the programme was expanded and enlarged in 2021, 2022 and 2023, which increased the credit risk of obligations payable by the Turkish government. Furthermore, the Group maintains significant amounts of reserves (including foreign currency reserves) with the Central Bank, for which it is subject to the Central Bank's ability to return such reserves, and is otherwise dependent upon the Central Bank.

Türkiye's sovereign debt ratings have been subject to various downgrades recently and might be further downgraded. For example, on 19 February 2021, Fitch revised the outlook on Türkiye's long-term foreign currency issuer default credit rating from negative to stable; *however*, the outlook was returned to negative on 2 December 2021. On 3 December 2021, Moody's affirmed Türkiye's sovereign rating at "B2" (with a negative outlook). On 11 February 2022, Fitch downgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a negative outlook), which was followed on 8 July 2022 by a further downgrade to "B" (with a negative outlook). On 12 August 2022, Moody's downgraded Türkiye's sovereign rating to "B3" (with a stable outlook). On 17 March 2023, Fitch affirmed Türkiye's long-term foreign currency issuer default rating at "B" (with a negative outlook). On 8 September 2023, Fitch revised the outlook on Türkiye's sovereign ratings from negative to stable. On 12 January 2024, Moody's revised the outlook on Türkiye's sovereign rating to positive from stable. On 8 March 2024, Fitch upgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a positive outlook). On 19 July 2024, Moody's upgraded Türkiye's sovereign rating to "B1" (with a positive outlook). On 6 September 2024, Fitch upgraded Türkiye's long-term foreign currency issuer default credit rating to "BB-" (with a stable outlook). Note that references to Moody's and Fitch in this paragraph might refer to the applicable affiliate of Moody's and Fitch as defined herein.

In addition to any direct losses that the Group might incur, a default, or the perception of increased risk of default, by Turkish governmental entities in making payments on their debt or a downgrade in Türkiye's credit rating would likely have a significant negative impact on the value of the government debt held by the Group and the Turkish banking system generally and might have a material adverse effect on the Group's business, financial condition and/or results of operations. Enforcing rights against governmental entities might be subject to structural, political or practical limitations.

*Insufficient Collateral – Security interests or loan guarantees provided in favour of the Group might not be sufficient to cover any losses in the event of defaults by debtors and might entail long and costly enforcement proceedings*

While certain of the Group's loans are unsecured, many of the Group's loans have the benefit of collateral and/or a personal guarantee. Accepting collateral and foreclosing on security interests are subject to certain costs and formal limitations under applicable law, with enforcement against any type of collateral potentially involving a long and costly procedure under Turkish or other applicable law. For example, the Group might have difficulty foreclosing on collateral when debtors default on their loans or apply to the courts for *concordat* proceedings, which might temporarily interrupt enforcement or foreclosure

proceedings. In addition, the time and costs associated with enforcing security interests might make it uneconomical for the Group to pursue such proceedings, adversely affecting the Group's ability to recover its loan losses, which might have a direct impact on the Group's financial condition and results.

Deterioration in economic conditions in Türkiye or a decline in the value of certain markets might reduce the value and/or liquidity of the collateral securing the Group's loans (and/or the ability of borrowers to post additional collateral), increasing the risk that the Group would not be able to recover the full amount of any such loans in a default. If the Group seeks to realise on any such collateral, then it might be difficult to find a buyer and/or the collateral might be sold for significantly less than its appraised or actual value.

### ***Market Risks***

The Group is subject to risks that arise from open positions in currency, interest rate and (to a lesser extent) equity products, all of which are exposed to general and specific market movements. While the Group seeks to manage its market risk exposure through a range of measures (see "Risk Management – Market Risk" for further information), such measures might not be successful in mitigating all market risk. The Group's exposure to market risks might lead to a material adverse effect on the Group's business, financial condition and/or results of operations. Certain of these risks are described below.

*Foreign Exchange and Currency Risk – The Group is exposed to foreign currency exchange rate fluctuations, which might have a material adverse effect on the Group*

As a significant portion of the Group's assets and liabilities (including off-balance sheet commitments such as letters of credit) is denominated in, or indexed to, foreign currencies (primarily U.S. dollars and euro), the Group is exposed to the effects of fluctuation in foreign currency exchange rates, which can have a material impact on its business, financial condition (including capitalisation) and/or results of operations. These risks are both systemic (e.g., the impact of exchange rate volatility on the markets generally, including on the Group's borrowers) and specific to the Group (e.g., due to the Group's own net currency positions). Although the Group has adopted procedures and policies aimed at minimising foreign exchange risks (see "Risk Management – Management of Specific Risks – Foreign Exchange Risks"), these measures might not adequately protect the Group's business, financial condition and/or results of operations from the effect of exchange rate fluctuations and/or might limit any benefit that the Bank might otherwise receive from favourable movements in exchange rates.

If the Turkish Lira depreciates, then (when translated into Turkish Lira) the Group would incur currency translation losses on its liabilities denominated in (or indexed to) foreign currencies (such as the Group's U.S. dollar-denominated long-term loans and other debt) and would experience currency translation gains on its assets denominated in (or indexed to) foreign currencies. Furthermore, a significant depreciation of the Turkish Lira might affect the Group's ability to attract customers on such terms or to charge rates indexed to foreign currencies. As a reference, the Turkish Lira depreciated against the U.S. dollar by 28.7% in 2022, 36.6% in 2023 and 16.6% in 2024. The overall effect of exchange rate movements on the Group's financial condition and results of operations depends upon the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies.

The Group seeks to manage the gap between its foreign currency-denominated assets and liabilities by (among other things) matching the volumes and maturities of its foreign currency-denominated loans against its foreign currency-denominated deposits and other funding or by entering into currency hedges. If the Group is unable to manage this gap, then volatility in exchange rates might have a negative effect on the value of the Group's assets and/or lead to increased expenses, which might have a material adverse effect on the Group's business, financial condition and/or results of operations. For example, in recent years, the Bank has had significant excess foreign exchange liquidity as a result of customers' preference to hold foreign exchange-denominated deposits while foreign exchange-denominated lending has been limited due to measures to limit foreign exchange lending, slower economic conditions and foreign exchange rate volatility. To support its Turkish Lira-denominated business, the Bank has swapped foreign currencies for Turkish Lira, which has increased the Bank's swap costs (which was compounded by market volatility and higher interest rates) and thereby had a negative impact on net interest margin (for example, in 2024, such swaps had a 346 basis point negative impact on the Bank's net interest margin).

In preparing its BRSA Financial Statements, transactions in currencies other than Turkish Lira are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on such balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. As a result, the Group's balance sheet and net profit/(loss) are affected by changes in the value of the Turkish Lira with respect to foreign currencies. The overall effect of exchange rate movements on the Group's balance sheet and results of operations

primarily depends upon the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies. For example, as a result of the depreciation of the Turkish Lira by 16.6% against the U.S. dollar in 2024, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased significantly in 2024.

The share of Turkish Lira-denominated assets and liabilities in the Group's balance sheet changed from 39.5% and 46.7%, respectively, as of 31 December 2022 to 36.0% and 46.5%, respectively, as of 31 December 2023 and then to 31.3% and 39.0%, respectively, as of 31 December 2024, in both years largely due to the depreciation of the Turkish Lira (foreign exchange-denominated deposits increased 54.2% and 12.4%, respectively, in Turkish Lira terms in 2023 and 2024 while foreign exchange-denominated loans increased by 65.2% and 48.8%, respectively, in Turkish Lira terms during such years). As the depreciation of the Turkish Lira leads to an increase in the Turkish Lira-equivalent of the Group's foreign currency-denominated risk-weighted assets, this might adversely affect the Group's capital adequacy ratios absent a corresponding increase in capital or additional risk mitigation measures.

From a systemic perspective, if the Turkish Lira were to depreciate materially against the U.S. dollar or the euro (which represent a significant portion of the foreign currency debt of the Group's corporate customers), then it would be more difficult for the Group's customers with income primarily or entirely denominated in Turkish Lira to repay their foreign currency-denominated debt (including to the Group) and this reduced repayment capacity of such customers might have a material negative impact on the Group's financial condition (including its capitalisation). A number of Turkish banks and other entities have significant amounts of debt denominated in foreign currency and thus are susceptible to this risk and certain foreign currency-denominated loans in the Turkish market have been (or are in the process of being) restructured. As of 31 December 2024, foreign currency-denominated loans (including applicable lease receivables and factoring receivables) comprised 31.5% of the Group's loan portfolio (of which U.S. dollar-denominated obligations were the most significant) (31.7% and 31.5%, respectively, as of 31 December 2022 and 2023).

Compounding the impact of normal market movements, any actions taken by the Central Bank or other authorities to intervene in the value of the Turkish Lira (such as via increased interest rates or capital controls) might have a material negative effect on the Group's business, financial condition and/or results of operations. The Central Bank's monetary policy is subject to a number of uncertainties, including global macroeconomic conditions, the conflict between Russia and Ukraine and political conditions in Türkiye. As global conditions have been volatile in recent years, including as a result of, among other factors, expectations regarding slower growth and low commodity and oil prices, monetary policy remains subject to uncertainty.

#### *Interest Rate Risk – The Group might be negatively affected by volatility in interest rates*

The Group's results of operations depend significantly upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. Net interest income is the principal source of income for the Group, contributing 73.6% of the Group's operating income for 2024 (82.6% and 51.3%, respectively, for 2022 and 2023) and the net interest margin was 7.2% in 2024 (9.7% and 5.9%, respectively, in 2022 and 2023). As a result, the differential between the average interest rates that the Group charges on interest-earning assets and the average interest rates that it accrues on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have the most significant impact on the Bank's results of operations.

Interest rates are highly sensitive to many factors beyond the Group's control, including monetary policies pursued by the Central Bank, fiscal policies of the Turkish government and domestic and international economic and political conditions, and the Group might be unable to take actions to mitigate any adverse effects of interest rate movements. In particular, the Group might be affected by the Central Bank's policies with respect to interest rates and reserve requirements. Changes in market interest rates might affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities, thereby affecting the Group's results of operations.

For example, an increase in interest rates (such as the large increases that the Central Bank implemented in the last half of 2023 to combat high inflation and the depreciation of the Turkish Lira) might cause the interest expense on deposits (which are typically short-term and repriced frequently) to increase more significantly and/or quickly than interest income on loans (which are short-, medium- and long-term), resulting in a potential short-term reduction in net interest income and net interest margin. Moreover, an increase in interest rates might reduce demand for loans from the Bank, potentially resulting in reductions to interest income. In addition, a significant decline in average interest rates charged on loans to customers that is not fully matched by a decrease in interest rates on funding sources, or a significant increase in interest rates on funding sources that is not fully matched by a rise in interest rates charged, to the extent such exposures are not hedged, might have a material adverse effect on the Group's business, financial condition and/or results of operations; *however*, the impact will

depend upon the respective repricing of loans and funding (for example, in a time of generally declining interest rates, banks generally benefit for a period as deposits reprice more quickly than loan portfolios).

Although the Group uses various instruments and measures to manage exposures to interest rate risk (see “Risk Management – Interest Rate Risk”), these instruments and measures might not protect the Group from the risks of changing interest rates. Customers might also alter their preferences for one product over another or alter their demand for loans and other credit products if interest rates change.

*Reduction in Earnings on Investment Securities – The Group might be unable to sustain the level of earnings on its investment securities obtained during recent years*

The Group has historically generated a portion of its interest income from its investment securities, with interest income derived from the Group’s investment securities in 2022, 2023 and 2024 accounting for 33.7%, 27.3% and 20.7%, respectively, of its total interest income and 29.7%, 22.4% and 16.9%, respectively, of its gross operating income (*i.e.*, total interest income and fees and commission income before deducting interest expense and fee and commission expense). The Group also has obtained large realised gains from the sale of securities in its available-for-sale portfolio.

The CPI-linked securities in the Group’s portfolio of investment securities provided high real yields compared to other government securities in each of such years, benefitting from the high inflation environment, but their impact on the Group’s earnings might vary as inflation rates change. Changes in inflation rates directly impact the returns on the Group’s portfolio of CPI-linked securities, which constituted 5.4% of the Group’s assets as of 31 December 2024, and any moderation in inflation is likely to have a negative impact on this contribution, thus potentially having a negative impact on the Group’s profitability and net interest margins.

While the contribution of income from the Group’s securities portfolio has been significant over recent years, such income might not be as large in coming years. As securities in its portfolio are repaid, the Group might not be able to re-invest in assets with a comparable return. As such, the Group might experience declining levels of earnings from its securities portfolio. If the Group is unable to sustain its level of earnings from its securities portfolio, then this might have a material adverse effect on its business, financial condition and/or results of operations.

### ***Funding Risks***

*Liquidity Risk – The Group might have difficulty borrowing funds on acceptable terms, if at all*

Liquidity risk comprises uncertainties in relation to the Group’s ability, under adverse conditions, to access funding necessary to cover obligations to customers, meet payment obligations on time and satisfy regulatory capital requirements. It includes (*inter alia*) the risk of lack of access to funding (other than from the reserves held with the Central Bank and limits granted to the Bank by the Central Bank both in Turkish Lira and foreign currency), the risk of unexpected increases in the cost of financing and the risk of not being able to structure the maturity dates of the Group’s liabilities reasonably in line with its assets (an asset-liability maturity gap). The Group’s inability to meet its net funding requirements due to inadequate liquidity would likely materially adversely affect its business, financial condition and/or results of operations.

There can be no assurance that the Group will not experience liquidity issues. In the event that the Group experiences liquidity issues, its ability to access certain sources of funding at such time might be negatively impacted by factors that are not specific to its operations, such as general market conditions, disruptions of the financial markets or sovereign credit rating downgrades. For example, in the case of a global liquidity crisis, wholesale funding would likely become increasingly costly and more difficult to obtain for the Group, which might adversely affect borrowing using capital market instruments.

The Group relies primarily on short-term liabilities in the form of deposits (typically deposits with terms of zero to 70 days) as its source of funding and has a mix of short-, medium- and long-term assets in the form (*inter alia*) of retail loans and loans to corporations (including mortgages and credit cards) and investment securities, which might result in asset-liability maturity gaps and liquidity problems. In addition, depositors might withdraw their funds at a rate faster than the rate at which borrowers repay. The Group’s loans-to-deposits ratio was 94.4%, 98.2% and 105.6%, respectively, as of 31 December 2022, 2023 and 2024. If the Group’s retail customers become or remain unemployed or earn declining amounts, then they might save less or consume more of their money deposited with the Group, which might negatively affect the Group’s access to deposit-based funding. Similarly, if the Group’s corporate customers face liquidity problems, then they might draw down their deposits with the Group. An inability on the Group’s part to access such funds might put the Group’s liquidity at risk and lead the Group to be unable to finance its operations and growth plans adequately or within required regulatory limits.

While the Bank's principal source of funding comes from deposits, these funds are short-term by nature and thus do not enable the Bank to match fund its medium- and long-term assets. In addition, price competition for wholesale deposits has made such deposits less attractive. As a result, the Bank seeks to extend the average maturity of its liabilities in order to manage the maturity mismatch between assets and liabilities, to manage its liquidity coverage ratio requirements and to provide diversity in its funding. The Bank has raised (and likely will seek to continue to raise) longer-term funds from syndicated and bilateral loans, "future flow" transactions, bond issuances and other transactions, many of which are denominated in foreign currencies. The Group's non-deposit funding (which includes repos and money market funds, funds borrowed, subordinated loans and marketable securities issued) was equivalent to 20.5%, 23.3% and 28.4%, respectively, of its assets as of 31 December 2022, 2023 and 2024. If growth in the Group's deposit portfolio does not keep pace with growth in its loan portfolio, then the Group might need to become more reliant upon non-deposit funding sources such as securities offerings, some of which might create additional risks of their own such as increased liquidity and/or interest rate gaps and exposure to volatility in international capital markets. If conditions in the international capital markets or interbank lending market, or the Group's and/or Türkiye's credit ratings, were to deteriorate, then the Group might be unable to secure funding through international sources.

As noted above, a portion of the Group's wholesale fundraising is denominated in foreign currencies. The Group's total foreign currency-denominated borrowings (*i.e.*, the sum of foreign currency-denominated funds borrowed, money market funds, marketable securities issued and subordinated debt) equalled 17.9%, 21.0% and 20.5%, respectively, of its assets as of 31 December 2022, 2023 and 2024. While the Group has been successful in extending, at a relatively low cost, the maturity profile of its funding base, even during times of volatility in international markets, this might not continue in the future (including if investor confidence in Türkiye decreases as a result of political, economic or other factors). Particularly in light of the historical volatility of emerging market financings, the Group might have difficulty extending and/or refinancing its existing foreign currency-denominated indebtedness, hindering its ability to avoid the interest rate risk inherent in asset-liability maturity gaps. Should these risks materialise, these circumstances might have a material adverse effect on the Group's business, financial condition and/or results of operations. These risks might increase as the Group seeks to increase medium- and long-term lending to its customers, including mortgages and project financings, the funding for much of which is likely to be made through borrowings in foreign currency (including refinancing of its foreign currency borrowings).

In addition, a rising interest rate environment (such as might occur at a time of increasing inflation and resultant tightening by central banks) might compound the risk of the Group not being able to access funds at favourable rates or at all. Moreover, regulatory changes (such as the Central Bank's regulation requiring Turkish banks to hold a certain percentage of Turkish Lira deposits) might increase competition among banks for deposits, resulting in increased costs of funding. These and other factors might lead creditors to form a negative view of the Group's liquidity, which might result in lower credit ratings, higher borrowing costs and/or decreased access to funds.

While the Group aims to maintain at any given time an adequate level of liquidity reserves, strains on liquidity caused by any of these factors or otherwise (including as a result of the requirement to repay any indebtedness, whether on a scheduled basis or as a result of an acceleration due to a default or other event) might adversely affect the Group's business, financial condition and/or results of operations.

*Access to Capital – The Group might have difficulty raising capital on acceptable terms, if at all*

By law, each of the Bank and the Group is required to maintain certain capital levels and capital adequacy ratios in connection with its business, which capital adequacy ratios depend in part upon the level of risk-weighted assets. Any continued growth in the Group's lending (both in absolute terms as well as proportionately in comparison to the Group's zero risk-weighted investment in Turkish government securities) will likely result in an increase in the Group's risk-weighted assets, which might adversely affect the Group's capital adequacy ratios absent a corresponding increase in capital.

Any changes relating to Basel III or any other capital adequacy-related revisions might impact the manner in which the Bank and/or the Group calculates its capital ratios and might impose higher capital requirements, which might in turn require the Group to raise additional capital and/or reduce its balance sheet to ensure that it has sufficient capital reserves, which might have a material adverse effect on the Group's business, financial condition and/or results of operations. Additionally, it is possible that the Group's capital levels might decline due to (*inter alia*) credit losses, loan provisions, currency fluctuations or dividend payments. The Group also might need to raise additional capital to ensure that it has sufficient capital to support growth in its assets. Should the Group wish or be required to raise additional capital, it might not be in a position to do so at all or at prices that the Group considers to be reasonable. If any or all of these risks materialise, then this might have a material adverse effect on the Group's liquidity, business, financial condition and/or results of operations.

## ***Operational Risks***

### *Competition in the Turkish Banking Sector – Intense competition in the Turkish banking sector might have a material adverse effect on the Group*

The Group faces significant competition from other participants in the Turkish banking sector, including both state-controlled and non-governmental banks in Türkiye as well as many subsidiaries and branches of foreign banks and joint ventures between Turkish and foreign shareholders. A small number of these banks dominate the banking industry in Türkiye. As of 30 September 2024 (the last date for which such information is available as of 18 February 2025) (according to the Banks Association of Türkiye), the top seven banking groups in Türkiye, three of which were state-controlled, held 77.5% of the Turkish banking sector's total loan portfolio in Türkiye, 76.2% of the total bank assets in Türkiye and 84.6% of the total deposits in Türkiye (in each case, excluding participation banks and development and investment banks). Further entries into the sector by foreign competitors, either directly or in collaboration with existing Turkish financial institutions, might increase competition in the market, particularly as foreign competitors might have greater resources and more cost-effective funding sources (particularly for foreign currency) than the Group.

The Group faces competition from state-controlled financial institutions such as T.C. Ziraat Bankası A.Ş. (“Ziraat”), Türkiye Vakıflar Bankası T.A.O (“Vakıfbank”) and Halkbank. The government-controlled financial institutions are increasingly focusing on the private sector, leading to increased competition and pressure on margins. In particular, the government-controlled institutions might have preferential access to low cost deposits (on which such institutions pay low or no interest) through “State Economic Enterprises” owned or administered by the Turkish government, which might result in a lower cost of funds that cannot be duplicated by private sector banks. Continued expansion by government-controlled financial institutions, particularly when combined with ongoing competitive pressures from private financial institutions, might put downward pressure on net interest margins.

If competitors (including increasingly new technology companies) can offer better lending rates to clients, higher interest rates on deposits or better customer experiences for services and products, then the Group might (*inter alia*) lose customers or market share, be forced to reduce its margins and/or be forced to seek more expensive sources of funding, any of which might adversely affect the Group's profitability. Increased price competition in the Turkish banking markets through the offer of products at significantly lower prices might also affect customer behaviour and loyalty. Any failure to maintain customer loyalty or to offer customers a wide range of high quality, competitive products with consistently high levels of service might have a material adverse effect on the Group's business, financial condition and/or results of operations.

In August 2021, the BRSA published the Regulation on Operation Principles of Digital Banks and Banking as a Service, which became effective on 1 January 2022 and establishes the regulatory principles for digital-only banks and banking as a service businesses. The increasing transition to digital banking, as reflected in this proposed regulation, presents the likelihood of greater competition in banking services as such digital-only platforms can be established relatively quickly due to their different infrastructure models (*e.g.*, no branches). This new generation of competitors (which might, in the future, include Enpara Bank A.Ş.) might have lower costs, thereby allowing them to offer products and services at prices below those offered by traditional banks such as the Bank.

The Group's exposure to intense competition in each of its key areas of operation might, among other things, limit the Group's ability to increase its client base and expand its operations, reduce its asset growth rate and profit margins on services it provides and increase competition for investment opportunities. There can be no assurance that the continuation of existing levels of competition or increased competition will not have a material adverse effect on the Group's business, financial condition and/or results of operations.

### *Dependence upon Banking and Other Licences – Group members might be unable to maintain or secure the necessary licences for carrying on their business*

Each of the Bank and, to the extent applicable, each of its subsidiaries has a current Turkish and/or other applicable licence for all of its banking and other operations. The Bank's management believes that the Bank and each of its subsidiaries is in compliance with its existing material licence and reporting obligations; nevertheless, if it is incorrect, or if any member of the Group were to suffer a loss of a licence, breach the terms of a licence or fail to obtain any further required licences, then this might have a material adverse effect on the Group's business, financial condition and/or results of operations.

*Restrictive Covenants – Restrictive covenants under the Group’s agreements might adversely affect the Group’s operations and a breach of any of these covenants might result in the counterparty exercising remedies against the applicable member of the Group and/or its properties*

The Group is party to a range of agreements, including in respect of debt raised by the Group, which contain restrictive covenants, such as negative pledges, requirements for the maintenance of certain regulatory authorisations and requirements to refrain from certain transactions with affiliates. These restrictive covenants might adversely affect the Group’s operations, such as its ability to raise funding secured by its properties. In addition, a breach of any of these covenants might result in the counterparty exercising remedies against the applicable member of the Group and/or its properties, and such breach and/or acceleration might cross-trigger to other agreements of the Group, any of which events might have a material adverse effect on the Group’s business, financial condition and/or results of operations. For example, if the Bank is required to prepay a loan, then it might need to use a significant amount of its liquidity, sell assets (potentially at a disadvantageous price) and/or reduce its business in order to satisfy this unexpected prepayment.

*Estimations – Future events might be different from those reflected in the management assumptions and estimates used in the preparation of the Group’s financial statements, which might result in unexpected reductions in profitability*

Pursuant to accounting rules and interpretations, the Group uses certain estimates in preparing its financial statements, including in determining expected credit losses and the accounting value of certain assets and liabilities. Should the estimated values for such items prove to be materially inaccurate, including as a result of unexpected market movements or external developments (in each case, such as relating to the war in Ukraine and events in the Middle East), or if the methods by which such values were determined are revised in future accounting rules or interpretations, then the Group might experience unexpected reductions in profitability and/or such inaccuracies might otherwise have a material adverse effect on the Group’s business, financial condition and/or results of operations. For example, portions of the Group’s provisions for loans are determined based upon assumptions about the Turkish economy and thus (particularly if the Turkish economy underperforms such assumptions) the Group might have taken inadequate provisions for loans.

*Risk Management – The Group’s efforts to identify, control and manage risk might be inadequate*

In the course of its business activities, the Group is exposed to a variety of risks, including (*inter alia*) credit risk, market risk, liquidity risk and operational risk (each as separately discussed in these “*Risk Factors*”). Any material deficiency in the Group’s risk management or other internal control policies or procedures might expose it to significant risk, which in turn might have a material adverse effect on the Group’s business, results of operations and/or financial condition (including due to any negative effect on its reputation). If circumstances arise that the Group has not identified or anticipated adequately, if the security of its risk management systems is compromised or if its risk policies or procedures have material deficiencies, including any of the above relating to the environment (including as a result of the operations of its customers and other counterparties), then the Group’s losses from such risks might be greater than expected, which might have a material adverse effect on the Group’s business, financial condition and/or results of operations.

In addition, some of the Group’s methods of managing risk are based upon its use of historical data, which might not accurately predict future risk exposures. For example, if the Group’s credit risk policies underestimate the negative impact of a recession on the value of Turkish real property, then loans secured by Turkish real property might be undercollateralised and result in material unexpected losses to the Group. See “*Risk Management*.”

*Operational Risk – The Group might be unable to monitor and prevent losses arising from fraud and/or operational errors or disruptions*

The Group employs substantial resources to develop and operate its risk management processes and procedures; *however*, similar to other financial institutions, the Group is susceptible to, among other things, fraud by employees, customers or other third parties, failure of internal processes and systems (including to detect fraud or unlawful transactions), unauthorised transactions by employees and other operational errors (including clerical or record-keeping errors and errors resulting from faulty computer or telecommunications systems). The Group’s risk management and expanded control capabilities are also limited by the information tools and techniques available to the Group. The Group is also subject to service interruptions from time to time caused by third party service providers (such as telecommunications operators) or other service interruptions resulting from events such as natural disasters. Such events might result in interruptions to services to the Group’s branches and/or impact customer service. In addition, given the Group’s high volume of transactions, fraud or errors might be repeated or compounded before they are discovered and rectified. Furthermore, a number of banking transactions are not fully automated, which might further increase the risk that human error or employee tampering will result in losses that might be difficult for the Group to detect quickly or at all. For example, if the Group’s operational risk control

systems do not identify a weakness in the Group's mortgage loan application processing system, then fraud might occur that results in material unexpected losses to the Group. If the Group is unable to successfully monitor and control these or any other operational risks, then this might have a material adverse effect on the Group's reputation, business, financial condition and/or results of operations. See "Risk Management - Operational Risk."

*Dependence upon Information Technology Systems – The Group's operations might be adversely affected by interruptions to or the improper functioning of its information technology systems*

The Group's business, financial performance and ability to meet its strategic objectives (including rapid credit decisions, product rollout and growth) depend to a significant extent upon the functionality of its information technology ("IT") systems and its ability to increase systems capacity (for example, to support the increased digitalisation of banking services). The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other IT systems, as well as the communication networks between its branches and main data processing centres, are critical to the Group's business and its ability to compete. For example, the Group's ability to process credit card and other electronic transactions for its customers is an essential element of its business.

Any failure, interruption or breach in security of the Group's IT systems (including as a result of any cyberattacks, phishing, ransomware or other malicious acts) might result in failures or interruptions in the Group's risk management, general ledger, deposit servicing, loan organisation and/or other important operations. Although the Group has developed back-up systems and a fully equipped disaster recovery centre, and might continue some of its operations through the Bank's branches in case of emergency, if the Group's IT systems failed, even for a short period of time, then it might be unable to serve some or all of its customers' needs on a timely basis and thus might lose business. Likewise, a temporary shutdown of the Group's IT systems might result in costs that are required for information retrieval and verification. In addition, the Group's failure to update and develop its existing IT systems as effectively as its competitors might result in a loss of the competitive advantages that the Group believes its IT systems provide. Such failures or interruptions might occur and/or the Group might not adequately address them if they do occur. For example, if the Group's IT technicians do not identify a programming error in the software running the Group's mortgage application software, then fraud might occur that results in material unexpected losses to the Group. A disruption (even short-term) to the functionality of the Group's IT systems, delays or other problems in increasing the capacity of the Group's IT systems or increased costs associated with such systems might have a material adverse effect on the Group's business, financial condition and/or results of operations. For further information on the Group's IT system, see "The Group and its Business – Information Technology."

*Money Laundering and Terrorist Financing – The Group is subject to risks associated with money laundering or terrorist financing*

Although the Group has adopted various policies and procedures, and has put in place systems (including internal controls, "know your customer" rules and transaction monitoring), aimed at preventing money laundering and terrorist financing, and seeks to adhere to all requirements under Turkish law and international standards aimed at preventing it from being used as a vehicle for money laundering or terrorist financing, these policies and procedures might not be completely effective. Moreover, to a certain extent, the Group must rely upon correspondent banks to maintain and properly apply their own appropriate anti-money laundering, "know your customer" and terrorist financing policies and procedures. If the Group does not comply with timely reporting requirements or other anti-money laundering or anti-terrorist financing laws and/or is associated with money laundering and/or terrorist financing, then its business, financial condition and/or results of operations might be adversely affected, including in manners that significantly exceed the actual value of the underlying transaction. In addition, involvement in such activities might carry criminal penalties or regulatory fines and sanctions (including being put on any "blacklists" that would prohibit certain parties from engaging in transactions with the Group) and might severely harm the Group's reputation, each of which might have a material effect on the Group's business, financial condition and/or results of operations.

*Personnel – The Group's success depends upon retaining key members of its senior management and its ability to recruit, train and motivate qualified personnel*

The Group is dependent upon its senior management to implement its strategy and operate its day-to-day business. In addition, corporate, retail and other relationships of members of senior management are important to the conduct of the Group's business. In a rapidly emerging and developing market such as Türkiye, demand for highly trained and skilled staff, particularly in the Group's İstanbul headquarters, is very high and requires the Group to re-assess continually its compensation and employment policies. If members of the Group's senior management were to leave, particularly if they were to join competitors, then those employees' relationships that have benefited the Group might not continue with the Group.

In addition, the Group's success depends, in part, upon its ability to attract, retain and motivate qualified and experienced banking and management personnel. The Group's failure to recruit and retain necessary personnel or manage its personnel successfully might have a material adverse effect on the Group's business, financial condition and/or results of operations.

### ***Other Group-Related Risks***

*Audit Qualification – The auditor's reports in relation to the Group's and the Bank's financial statements have included a qualification and reports in relation to future financial statements might include similar qualifications*

The independent auditor's report included in each of the BRSA Financial Statements incorporated by reference herein was qualified with respect to free provisions that were allocated by the Bank's management. For example, such report in the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2024 states that the qualification was the result of the fact that these reserves are "not within the requirements of" the BRSA Principles. See also the auditor's report included in each of the BRSA Financial Statements incorporated by reference herein. Similar qualifications might be included in the corresponding audit or review reports for future fiscal periods.

Starting in 2022, the Bank's management has approved free provisions due to the possible effects of adverse situations that might arise from possible changes in the economy and market conditions.

Although free provisions do not impact the Group's level of tax, the Group's capital adequacy ratios and net profit/(loss) might otherwise be higher in the periods in which such provisions are established and lower in the periods in which such provisions are reversed.

*Controlling Shareholder – The interests of the Bank's controlling shareholder might not be aligned with the interests of the investors in the Notes*

As of 18 February 2025, QNB owns 99.88% of the Bank's outstanding shares and has the voting power to influence the Bank's strategy and business significantly, including through its power to elect all of the Bank's Board of Directors and to determine the outcome of almost all matters to be decided by a vote of the Bank's shareholders. The interests of QNB might differ from those of the investors in the Notes and QNB might cause the Bank to take or refrain from taking certain actions (e.g., declaring dividends or entering into corporate transactions) that might adversely affect the Noteholders' investment in the Notes. See "Management" and "Share Capital and Ownership."

In addition, if QNB were to sell some or all of its shares in the Bank (whether in a secondary offering or a block sale to a strategic buyer), then the Bank might become controlled by a new party with different interests than the previous controlling shareholder of the Bank. As the Conditions do not include an Event of Default relating to a change in control of the Bank, investors in the Notes will not be entitled to have their Notes repaid as a result of any such change in control.

*Absence of Governmental Support – The Group's non-deposit obligations are not guaranteed by the Turkish or any other government and there might not be any governmental or other support in the event of illiquidity or insolvency*

The non-deposit obligations of the Group are not guaranteed or otherwise supported by the Turkish or any other government. While rating agencies and others have occasionally included in their analysis of certain banks a view that systemically important banks would likely be supported by the banks' home governments in times of illiquidity and/or insolvency (examples of which sovereign support have been seen in other countries during the global financial crisis), this might not be the case for Türkiye in general or the Group in particular. Investors in the Notes should not place any reliance upon the possibility of the Group being supported by any governmental or other entity at any time, including by providing liquidity or helping to maintain the Group's operations during periods of material market volatility. See "Turkish Regulatory Environment - The Savings Deposit Insurance Fund (SDIF)" for information on the limited government-provided insurance for the Bank's deposit obligations.

## EXHIBIT C

### SUMMARY FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the following summary financial and other information have been extracted (except as noted in the “Key Ratios and Other Information” table) from the Group’s BRSA Financial Statements incorporated by reference herein without material adjustment. The information in this section should be read in conjunction with the information contained in the relevant BRSA Financial Statements (including the notes therein) incorporated by reference herein.

	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Income Statement Data:</b>		<i>(TL thousands)</i>	
Interest income .....	66,995,815	129,595,059	318,891,005
Interest expense .....	(28,428,661)	(91,269,609)	(244,281,622)
<b>Net interest income/(expense) .....</b>	<b>38,567,154</b>	<b>38,325,450</b>	<b>74,609,383</b>
Fees and commissions received.....	9,049,873	28,439,748	70,998,431
Fees and commissions paid .....	(2,361,312)	(8,133,453)	(17,292,740)
<b>Net fees and commissions income/(expenses) .....</b>	<b>6,688,561</b>	<b>20,306,295</b>	<b>53,705,691</b>
Trading income/loss (net).....	1,071,694	13,715,986	(28,306,198)
Other operating income .....	333,926	2,418,546	1,308,335
Dividend income .....	16,976	13,067	23,497
<b>Total operating gross profit .....</b>	<b>46,678,311</b>	<b>74,779,344</b>	<b>101,340,708</b>
Other operating expenses (including other provision expenses and personnel expenses) .....	(11,747,254)	(22,010,865)	(38,667,776)
Expected credit losses.....	(5,096,254)	(12,124,627)	(17,656,169)
Free provisions <sup>(1)</sup> .....	(5,400,000)	(1,400,000)	(2,100,000)
Income/loss from investments under equity accounting.....	219,325	—	—
<b>Operating profit/loss before taxes .....</b>	<b>24,654,128</b>	<b>39,243,852</b>	<b>47,116,763</b>
Provision for taxes of continued operations .....	(7,427,908)	(6,065,918)	(10,935,195)
<b>Net profit/(loss).....</b>	<b>17,226,220</b>	<b>33,177,934</b>	<b>36,181,568</b>

(1) As such free provisions are not permitted under the BRSA Principles, the Group’s independent auditors noted this departure in the BRSA Annual Financial Statements by qualifying their opinion. Should the Bank’s management determine that market conditions have improved to such an extent that such additional provisions are not required, then they might elect to reverse such provisions in future periods, which would have the result of increasing income in such period.

	<b>As of 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Balance Sheet Data:</b>			
Cash and balances with the Central Bank .....	94,537,791	162,579,711	253,100,785
Financial assets measured at fair value through profit or loss (net) ...	17,362,243	14,594,129	22,668,889
Banks .....	11,143,703	17,812,852	20,683,365
Money market placements .....	8,467,980	5,736,581	601,134
Loans and receivables (net) <sup>(1)</sup> .....	363,104,938	602,746,166	911,200,452
Investment securities (net) <sup>(2)</sup> .....	102,200,748	171,456,184	272,110,931
Investment in associates (net) <sup>(3)</sup> .....	462,086	187,930	566,487
Property and Equipment (net) .....	4,790,947	14,610,601	21,488,792
Intangible assets (net) .....	1,054,534	4,023,849	6,489,778
Current tax asset .....	101,935	—	—
Deferred tax assets .....	563,762	6,789,895	5,492,011
Other assets .....	17,353,147	22,884,281	40,689,903
<b>Total assets</b> .....	<b>621,143,814</b>	<b>1,023,422,179</b>	<b>1,555,092,527</b>
Bank deposits .....	10,225,775	25,583,901	57,570,122
Deposits from customers <sup>(4)</sup> .....	382,537,347	605,143,635	820,864,603
Money market borrowings .....	23,078,637	31,098,347	149,765,326
Funds borrowed .....	55,217,357	127,865,163	186,394,699
Other liabilities and provisions <sup>(5)</sup> .....	53,820,450	70,617,363	112,600,808
Securities issued (net) .....	32,016,909	52,036,959	72,613,256
Subordinated debt instruments .....	17,127,724	26,948,856	32,298,839
Current tax liability .....	2,843,483	2,493,475	3,915,992
Deferred tax liability .....	—	—	38,236
<b>Total liabilities</b> .....	<b>576,867,682</b>	<b>941,787,699</b>	<b>1,436,061,881</b>
Paid-in capital .....	3,350,000	3,350,000	3,350,000
Share premium .....	714	714	714
Other comprehensive income/expense items reclassified to profit or loss .....	3,382,391	(439,296)	(2,498,993)
Other comprehensive income/expense items not reclassified to profit or loss .....	(672,157)	7,329,944	10,598,225
Other capital reserves .....	—	—	—
Profit reserves .....	20,979,569	38,203,368	71,376,333
Profit / (loss) .....	17,223,799	33,172,965	36,174,298
<b>Total equity attributable to equityholders of the parent shareholder</b> .....	<b>44,264,316</b>	<b>81,617,695</b>	<b>119,000,577</b>
Minority interest .....	11,816	16,785	30,069
<b>Total shareholders' equity</b> .....	<b>44,276,132</b>	<b>81,634,480</b>	<b>119,030,646</b>
<b>Total liabilities and shareholders' equity</b> .....	<b>621,143,814</b>	<b>1,023,422,179</b>	<b>1,555,092,527</b>
<b>Off-balance sheet commitments and contingencies</b> .....	<b>342,547,583</b>	<b>779,759,713</b>	<b>1,215,940,044</b>

(1) Includes lease receivables and factoring receivables.

(2) Represents the total of investment securities measured at fair value through other comprehensive income (net) and investment securities measured at amortised cost (net).

(3) Represents the total of investment in associates (net), investment in subsidiaries (net) and entities under common control (joint ventures) (net).

(4) Referred to as "other deposits" in the BRSA Financial Statements.

(5) Represents the total of derivative financial liabilities for hedging purposes, derivative financial liabilities for trading, provisions and other liabilities.

The following table includes certain of the Group's key ratios as of and for the years ended 31 December 2022, 2023 and 2024. The basis for the calculation of ratios that are non-GAAP financial measures is set out in "Presentation of Financial and Other Information." Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with the BRSA Principles.

	As of (or for the year ended)		
	31 December		
	2022	2023	2024
<b>Key Ratios:</b>			
<b>Profitability Ratios:</b>			
Net interest margin .....	9.7%	5.9%	7.2%
Other operating expenses as a percentage of total average assets .....	2.3%	2.9%	3.2%
Cost-to-income ratio .....	25.2%	29.4%	38.2%
Return on average total assets .....	3.4%	4.1%	2.8%
Return on average shareholders' equity .....	53.1%	56.0%	36.1%
<b>Balance Sheet Ratios:</b>			
Deposits-to-total assets (total deposits including bank deposits).....	63.2%	61.6%	56.5%
Total loans (net of provisions) to total assets .....	58.5%	58.9%	58.6%
<b>Credit Quality:</b>			
NPL ratio .....	2.5%	1.7%	2.7%
Specific provisions for loan losses to NPLs .....	82.5%	80.8%	77.6%
Specific provisions for loan losses to total loans .....	2.2%	1.5%	2.2%
<b>Capital Adequacy:</b>			
Tier 1 regulatory capital as a percentage of risk-weighted assets and market risk <sup>(1)</sup> ...	11.7%	13.2%	14.1%
Total regulatory capital as a percentage of risk-weighted assets and market risk <sup>(1)</sup> ....	14.5%	15.9%	16.7%
Average shareholders' equity excluding minority interest as a percentage of average total assets.....	6.4%	7.4%	7.7%
<b>Other Information:</b>			
Average employees during the period .....	12,634	13,997	14,585
Branches at period end (Bank-only).....	436	436	427
<b>Inflation rate/GDP</b>			
Producer price index inflation .....	97.7%	44.2%	28.5%
Gross domestic product (% change) <sup>(2)</sup> .....	5.5%	5.1%	3.2%
<b>TL/US\$ Exchange Rate:</b>			
Period end.....	18.6966	29.4382	35,2803

(1) Capital adequacy ratios calculated in accordance with BRSA guidelines.

(2) Represents the growth of GDP. For 2024, this represents growth during the first nine months of 2024 compared to the same period of the previous year.

## CAPITALISATION OF THE GROUP

The following table sets forth the capitalisation of the Group as of the indicated dates. The following financial information has been extracted from the Group's BRSA Financial Statements incorporated by reference herein without material adjustment. This table should be read in conjunction with the Group's BRSA Financial Statements (including the notes therein) incorporated by reference herein.

	<b>As of 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
		<i>(TL thousands)</i>	
Paid-in capital .....	3,350,000	3,350,000	3,350,000
Share premium .....	714	714	714
Other comprehensive income/expense items reclassified to profit or loss .....	3,382,391	(439,296)	(2,498,993)
Other comprehensive income/expense items not reclassified to profit or loss .....	(672,157)	7,329,944	10,598,225
Minority interest .....	11,816	16,785	30,069
Net profit and retained earnings .....	38,203,368	71,376,333	107,550,631
<b>Total shareholders' equity</b> .....	<b>44,276,132</b>	<b>81,634,480</b>	<b>119,030,646</b>
Funds borrowed (medium/long-term) <sup>(1)(2)</sup> .....	41,381,544	105,142,300	137,489,614
Debt securities issued (medium/long-term) <sup>(1)</sup> .....	17,703,865	29,989,428	47,727,631
<b>Total capitalisation</b> .....	<b>103,361,541</b>	<b>216,766,208</b>	<b>304,247,891</b>

(1) Funds borrowed and debt securities issued do not include short-term (less than one year) borrowed funds and debt securities issued.

(2) Includes the Bank's US\$910.0 million of tier 2 subordinated debt instruments.

## THE GROUP AND ITS BUSINESS

### General

The Bank is a Turkish private commercial bank that provides banking products and services to retail, corporate, commercial and SME banking and other customers through a network of branches operating in major cities throughout Türkiye. As of 31 December 2024, according to the most recent statistics published before 18 February 2025 on the Public Disclosure Platform, the Bank was the fifth largest private bank in Türkiye in terms of Bank-only total assets with TL 1.51 billion of total assets. Since 15 June 2016, following the completion of the transfer of shares from the NBG Group to QNB, the Bank has been a subsidiary of QNB. QNB, together with its subsidiaries and associate companies, is a leading banking group operating in 28 countries around the world, primarily in the Middle East and North Africa region. See “Share Capital and Ownership – Ownership.”

Since its initial entry to the Turkish banking market in 1987, the Bank has grown its branch network significantly, with 427 branches (including one branch in Bahrain) as of 31 December 2024. As of such date, the Bank’s branch network consisted of 392 full-service branches, 21 retail-only branches, three corporate-only branches and 11 commercial-only branches located in 53 commercial centres in Türkiye, mainly in İstanbul, İzmir, Ankara and Antalya. The Group aims to maintain the number of its branches at approximately the current levels. The Group, through the Bank and its subsidiaries and other affiliates, also undertakes leasing, factoring, insurance and investment banking activities. As of 31 December 2024, the Group had total assets of TL 1,555.1 billion, total loans and receivables (net) of TL 911.2 billion, total deposits of TL 878.4 billion and total equity of TL 119.0 billion.

In addition to its branch network, the Group has made significant investments in alternative delivery channels such as ATMs, a POS network, internet banking, mobile banking and a call centre. In October 2012, the Group launched Enpara.com, an online banking platform designed to provide banking and payment services to retail customers in Türkiye without the use of any physical branches. Since its establishment, Enpara.com has grown its registered customer base from 18,000 customers in 2012 to 7.4 million customers as of 31 December 2024, with 59.0% of such customers not having been pre-existing customers of the Group. With respect to Enpara, see “The Group and its Business - Enpara.com” below.

The Group has three main business segments: retail, affluent and private banking, SME banking and corporate and commercial banking, additional information about each of which is provided below:

- *Retail, Affluent and Private Banking.* The Group’s retail, affluent and private banking activities consist primarily of mortgages, consumer lending, credit and debit card services, deposits, investments and insurance products. The Group’s offerings to retail customers are divided into three main further sub-groups: (a) private banking, which serves individuals with liquid assets under management exceeding TL 8,000,000 through customised service offerings, (b) the affluent segment, which serves individuals with assets under management from TL 800,000 to TL 8,000,000, offering features such as dedicated relationship managers and a diverse set of banking and non-banking services and benefits, and (c) the mass banking with a wide variety of products and services. Retail, affluent and private banking has been one of the principal drivers of the Group’s growth during recent years. As of 31 December 2024, the Group had approximately 7.6 million retail, affluent and private banking customers (excluding credit card customers) and the Group had performing retail loans and receivables (including mortgage, retail credit card and consumer loans (which comprise personal need loans, overdrafts and auto loans)) of TL 405 billion, representing 45.7% of the Group’s performing loans and receivables (representing total gross loans, including financial assets measured at fair value through profit and loss, *minus* specific provisions).
- *SME Banking.* The Bank’s SME banking activities consist primarily of revolving credit lines, instalment loans, overdrafts, business housing loans and demand deposits. As one of the first banks in Türkiye to focus on this segment, the Bank started its SME banking operations at the beginning of 2003 to support Turkish small businesses. The SME banking segment consists of: (a) Small Business Banking, which serves enterprises with annual revenues of up to TL 40.0 million, and (b) Medium-sized Enterprises Banking, which serves enterprises with annual revenues exceeding TL 40.0 million and up to TL 400.0 million. In recent years, SME banking has represented an increasingly important part of the Group’s overall loan portfolio. As of 31 December 2024, the Group’s SME banking operations had 386,183 active customers and performing loans and receivables of TL 127.2 billion, representing 14.3% of the Group’s performing loans and receivables.

- *Corporate and Commercial Banking.* The Group’s corporate and commercial banking activities primarily consist of traditional and non-cash lending, project and structured finance, trade finance, foreign trade, cash management, corporate syndication, secondary market transactions, deposit taking and certificated debt instruments. The corporate and commercial banking segment consists of: (a) corporate banking, which serves large businesses (including multinational corporations), and (b) commercial banking, which serves enterprises with annual revenues exceeding TL 400.0 million and up to TL 4,000.0 million. As of 31 December 2024, the Group’s corporate and commercial banking operations had 11,955 customers and performing loans and receivables of TL 354.2 billion, representing 40.0% of the Group’s performing loans and receivables.

The Group also undertakes leasing, factoring, insurance, investment banking and other activities through its subsidiaries and other affiliates.

## History

The Bank was founded in İstanbul on 23 September 1987 and its primary focus originally was to provide wholesale banking services to large Turkish corporations, in particular the financing of trade activities and working capital and the issuance of guarantees to and on behalf of large Turkish corporations. The Bank also provided investment banking services, concentrating initially on the sale and trading of Treasury bills and debt and equity instruments and corporate finance advisory activities. Since 1987, the Bank has significantly expanded the range of services that it offers to its corporate customers located in Türkiye and abroad. As a provider of wholesale banking services, the Bank initially operated through four offices (two in İstanbul and one each in Ankara and İzmir) until 1995.

In 1995, the Bank made a strategic decision to expand its branch network, and to enter the retail banking sector, concentrating on upper-middle income individuals. At the same time, corporate banking activities were expanded geographically with the establishment of new branches in additional commercial centres. In January 1997, the Bank’s investment banking activities were transferred, in accordance with CMB regulations, to QNB Invest, a subsidiary established exclusively for that purpose.

In June 1999, the Turkish and Bahraini banking authorities granted a banking licence to allow the Bank to establish a branch office in Manama, Bahrain. This branch office, which commenced operations in July 1999, allows the Bank to capitalise on the tax advantages afforded by Bahrain and provides the Bank with greater access to countries in the Persian Gulf region.

NBG acquired 46.0% of the Bank’s ordinary shares and 100.0% of its founder dividend shares in August 2006, which founder dividend shares are to be redeemed in accordance with the Bank’s Board of Directors resolution, dated 16 September 2014. In January 2007, NBG acquired a further 43.4% of the Bank’s outstanding ordinary shares through a tender offer required by its initial acquisition.

In April 2007, following an agreement signed in January of the same year, NBG disposed of 5.0% of the Bank’s ordinary shares to the International Finance Corporation (the “*IFC*”). During 2007, NBG acquired a further 0.5% of the outstanding share capital of the Bank.

On 9 November 2012, the Bank disposed of 51.0% of Finans Emeklilik ve Hayat Anonim Şirketi (“*Finans Pension*”) to Cigna for TL 202.9 million and also established a so-called earn-out structure of preference dividends paid to the Bank. As of 18 February 2025, the Bank held 49.0% of the shares of Finans Pension. Following the sale transaction, Finans Pension has been accounted for in the Group’s financial statements using the equity method. In 2012, the Bank and Finans Pension signed an exclusive agency agreement for the duration of 15 years that covers the Bank’s distribution of Finans Pension’s life insurance and pension products. In 2013, Finans Pension’s title was changed to Cigna Finans Emeklilik ve Hayat Anonim Şirketi and, in October 2020, the title was further changed to QNB Sağlık, Hayat Sigorta ve Emeklilik Anonim Şirketi (“*QNB Health, Life Insurance and Pension*”). On 14 January 2023, the Bank reacquired all of the interests in the company.

On 16 November 2012, the Bank executed a share purchase agreement with Banque PSA Finance SA for the disposal of 100.0% of the shares of Finans Consumer Finance for TL 4.3 million. Finans Consumer Finance was established in 2008 and its primary focus was to provide loans to consumers for the purchase of certain goods and services from merchants with whom the Company has a partnership agreement.

The Bank's ordinary shares were listed for the first time on the Borsa İstanbul on 3 February 1990. The Bank undertook a secondary public offering on 3 June 1998 when Global Depository Receipts, representing its ordinary shares, were listed on the London Stock Exchange.

On 29 March 2007, NBG and the IFC entered into a put and call option agreement relating to the IFC's shares in the Bank. On 26 September 2014, the IFC exercised its put option under this agreement and sold to NBG 1,417,499,438.73 shares that it held in the Bank, representing 5.0% of the ordinary shares of the Bank, in exchange for US\$343,060,696.50.

On 9 November 2015, the BRSA approved the Bank's acquisition of the shares that Banque PSA Finans SA held in Hemenal Finansman A.Ş. ("*Hemenal Finansman*"), a company providing consumer finance loans. Such share transfer was finalised on 14 December 2015.

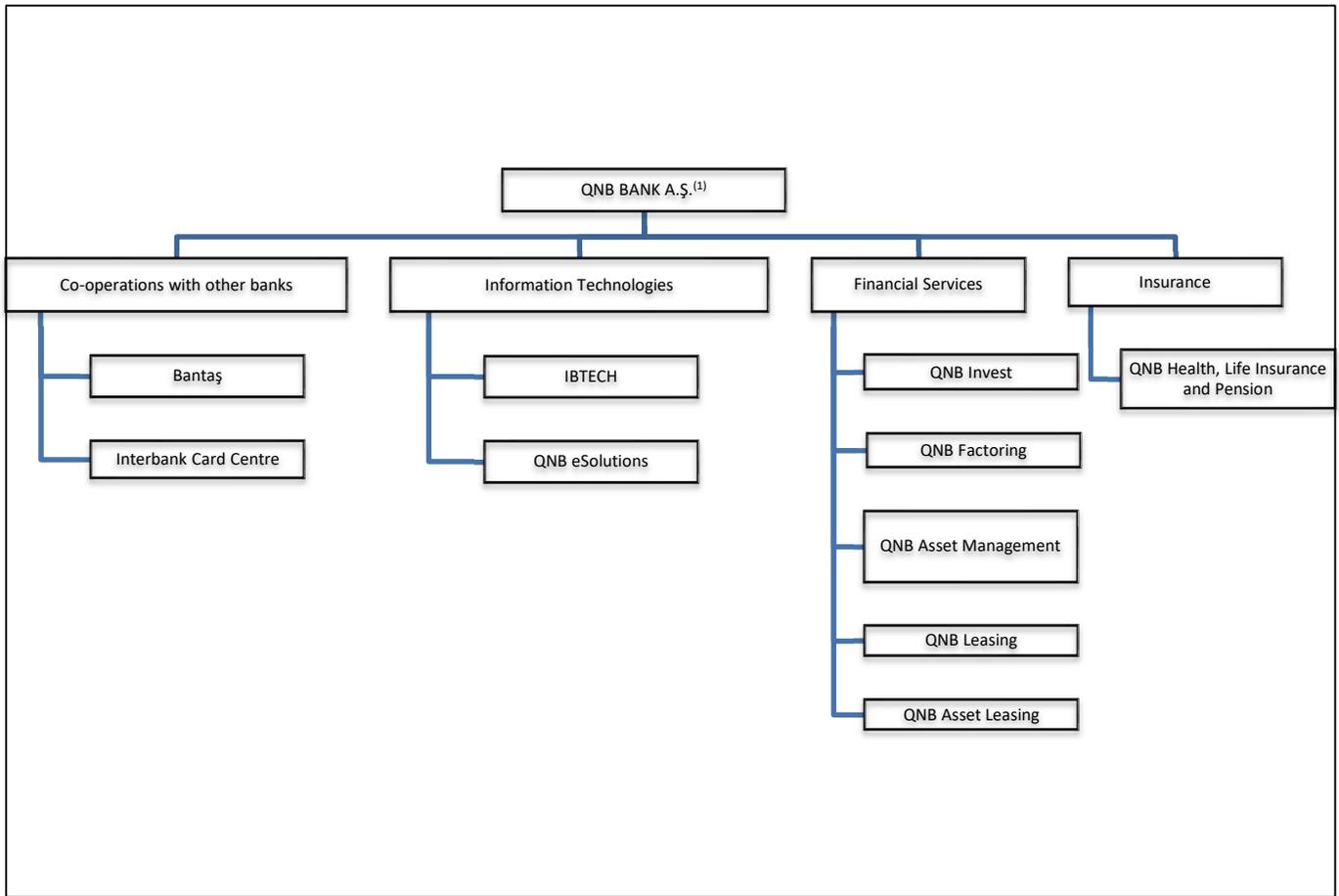
On 21 December 2015, NBG entered into the Share Purchase Agreement with QNB regarding the sale of its direct and indirect 99.81% stake in the Bank. On 15 June 2016, NBG and its subsidiaries holding shares in the Bank and other NBG Group companies transferred all of their shares to QNB, which shares, as of such date, corresponded to: (a) 99.81% of the share capital of the Bank, (b) 0.2% of the share capital of QNB Invest, (c) 0.02% of the share capital of Finans Asset Management and (d) 29.87% of the share capital of QNB Leasing. In accordance with the Squeeze-Out and Sell-Out Communiqué, the shareholders of the Bank (other than QNB) had a right to sell their shares in the Bank to QNB within a three-month period starting on 16 June 2016. At the end of such period, as of 16 September 2016, 99.88% of the shares of the Bank were owned by QNB and the remaining shares were traded on the Borsa İstanbul. See "Share Capital and Ownership."

Further to an announcement on 25 November 2022 in which the Bank, considering the rapid development of technology and the enactment of related laws, noted that it was assessing the feasibility of offering the current Enpara banking services through a separate legal entity, the Bank's management has decided to spin-off the Enpara operations. As of 31 December 2024, the Enpara banking operations that are to be so spun-off represented 10.0% of both the Group's consolidated assets and liabilities, resulting in no change in the Group's shareholder's equity (Enpara Bank A.Ş. has been capitalised by QNB). See "Enpara.com" below.

The marketing name of the Bank was changed to "QNB Finansbank" on 20 October 2016 and the Bank's legal name was changed to "QNB Finansbank A.Ş." on 19 January 2018. On 11 October 2024, the Bank's legal name was changed to "QNB Bank A.Ş."

## Corporate Structure

The following chart shows the subsidiaries and joint ventures of the Group as of 18 February 2025.



(1) The Bank operates a foreign branch office in Manama, Bahrain.

## Retail, Affluent and Private Banking

### Overview

The Group's retail, affluent and private banking activities consist primarily of mortgages, consumer lending, credit and debit card services, deposits and investment management, and insurance products. Income from the Group's retail, affluent and private banking activities includes net interest income on loans and receivables to/from retail customers and deposits collected from individuals, as well as fee and commission income received from loan underwriting, asset management services, life insurance and property and casualty insurance products, credit and debit card-related services, settlements and cash-related transactions with or for individuals. Even though the Group has been reducing its exposure to retail customers since 2012, retail, affluent and private banking has been one of the principal drivers of the Group's growth in recent years. As of 31 December 2024, the Group had approximately 7.6 million active retail, affluent and private banking customers (excluding credit card customers) compared to approximately 7.1 million as of 31 December 2023 and 6.1 million as of 31 December 2022 and had performing retail loans and receivables (including mortgage, credit card and consumer loans (which comprise personal need loans, overdrafts and auto loans)) of TL 404.8 billion, representing 45.7% of the Group's performing loans and receivables (representing total gross loans, including financial assets measured at fair value through profit and loss, *minus* specific provisions).

Since entering the Turkish retail, affluent and private banking market in 1995, the Bank has developed a network of branches that are designed to sell a full range of the Group's financial products dedicated exclusively to retail and corporate customers. The Bank offers a full range of retail and corporate banking and related financial services through all 392 of its

full-service branches, as well as 21 retail-only financial services, as of 31 December 2024. The Bank’s policy is to make all of its retail products available at all of its branches (excluding four corporate branches and one branch in Bahrain) and have a retail customer representative or relationship manager in each branch.

The Bank’s management believes that its approach of combining branches with alternative delivery channels has resulted in a network that is both productive and efficient. As of 31 December 2024, the Group’s retail branches had an average retail loan volume of TL 948.0 million and, according to the Banks Association of Türkiye, the Group had (as of such date) the most productive branch network in Türkiye in terms of branch retail loan volumes, even though it was the youngest network among its Private Sector Peers with an average branch age of 22.0 years. See also “– Branches.”

The Bank’s goal for its retail, affluent and private banking operations is to become the bank of choice for individuals, providing fast, efficient and relationship-oriented services, addressing customer needs and differentiating its offerings so as to steer away from spread compression in the market. The key pillars of the Bank’s retail, affluent and private banking strategy are a dynamic sales network consisting of high productivity branches and what the Bank believes are market-leading alternative sales and distribution channels, a marketing engine continuously deploying innovative products and campaigns, unparalleled customer and product analytics boosting both customer and product profitability, and state of the art risk management supporting healthy business growth.

The Group’s retail, affluent and private banking operations are divided into two main groups: Consumer Banking and Credit Cards. Consumer Banking operations are further divided into three sub-groups, namely private banking, affluent segment and mass banking, each of which is described as follows:

- *Private Banking:* This segment, which had 12,982 active customers and represented 0.1% of the Group’s retail loans and receivables (and 22.4% of the Group’s retail deposit base) as of 31 December 2024, assists customers build and preserve their financial wealth through tailored investment strategies and offers its customers time deposits, mutual funds, emerging market bonds, domestic and international equities, government bonds, corporate bonds, currency exchange, forward contracts, futures, options and structured products. The private banking sub-segment also creates and implements mid- to long-term asset allocation in line with each customer’s particular risk tolerance. This segment serves customers with assets under management exceeding TL 8,000,000 (or the Turkish Lira-equivalent of such amount in one or more currencies) at the Bank. The private banking sub-segment supports all of the Group’s business lines (retail, corporate and commercial) and cooperates with QNB Asset Management and QNB Invest to execute and advise clients’ transactions.
- *Affluent Segment:* This segment, branded as “Xclusive Banking,” had 105,360 active customers and represented 0.5% of the Group’s retail loans and receivables (and 50.3% of the Group’s retail deposit base) as of 31 December 2024. “Xclusive Banking” was launched at the beginning of 2009 and serves customers with assets under management exceeding TL 800,000 and up to TL 8,000,000. The service offering to affluent segment customers is centred on dedicated relationship managers in branches supported by dedicated agents at the call centre, offering a diverse and exhaustive set of banking and non-banking benefits. Given the focus of the segment towards higher income customers, the customers are provided with daily investment advisory and investment products targeted to the segment. The Bank is the only bank in Türkiye to have established a Retail Sector Banking Unit focused on developing banking relationships with medical doctors.
- *Mass Banking:* This segment, which had approximately 7.6 million active customers and represented 27.6% of the Group’s retail loans and receivables (and 27.3% of the Group’s retail deposit base) as of 31 December 2024, is served through a more standardised product set and packaged offerings. Customer acquisition in the mass banking is mostly executed through consumer loan, credit card, mortgage sales and salary account relations. Although cross-sales at the point of acquisition are a key part of customer profitability improvement, strong central customer analytics-driven portfolio management activities further boost customer profitability and retention. Such activities are executed by central outbound and inbound call centre teams and other alternative delivery channels such as Internet and mobile banking in addition to the branch sales efforts. Moreover, packaged offers designed for mass banking customers help to improve additional product penetration across the customer portfolio. Sub-segment programmes such as the retiree package and the salary-account package serve the same purpose while creating a good platform for customer communication. As of 31 December 2024, the mass banking segment had 328 customer representatives operating out of 395 retail branches.

The Group offers loans, deposits and other services to its retail customers as described in the following sections.

## Loans

The following table sets forth the Group's retail loans per category as of the indicated dates.

	<b>As of 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(TL thousands)</i>		
Mortgages.....	3,334,895	3,422,943	4,293,012
Retail credit card loans.....	48,424,475	145,344,518	234,807,710
Personal need loans.....	61,805,106	93,627,232	129,173,236
Auto loans.....	25,381	32,531	10,188
Overdrafts and other loans.....	5,394,470	16,973,913	36,476,340
<b>Total retail loans.....</b>	<b>118,984,327</b>	<b>259,401,137</b>	<b>404,760,486</b>

**Mortgages:** The Group offers a variety of mortgage products covering mortgage loans of up to 180 months, with outstanding mortgages having an average outstanding principal amount of TL 4.3 billion and an average mortgage loan size of TL 3,393 as of 31 December 2024. The Group has pioneered a number of mortgage products in the Turkish market, including low instalment mortgages, no commission mortgages and investment mortgages, and the Bank was also the first bank in Türkiye to initiate partnerships with real estate developers for mortgage sales during the construction phase. Each of the Group's mortgage loans is secured with collateral that is required to have a value in excess of the relevant loan at all times. As of 31 December 2024, the Group had outstanding mortgage loans of TL 4.3 billion, which comprised 1.1% of the Group's retail loan portfolio as of such date.

The Group's loan-to-value ratio for its total mortgage book was approximately 46.1% as of 31 December 2024. The Bank had a 0.9% market share of the retail mortgage loan market in Türkiye as of such date, ranking sixth among private banks in the Turkish banking sector according to statistics published by the BRSA. Having gained significant market share in mortgages between by 2010, the Group began to decelerate its growth in mortgages, even before its overall shift away from the retail segment, due to limited opportunities to grow profitability further in the mortgage market.

**Credit Card Loans:** The Bank issues credit cards under the QNB Kart brand. The Bank earns interest income on outstanding credit balances, transaction commissions from merchants, cash withdrawal fees, annual membership fees from cardholders and other service-based fees such as insurance fees and payment fees. As of 31 December 2024, the number of retail credit cards issued by the Group exceeded 13 million and, according to statistics published by the Turkish Interbank Card Centre (*Bankalararası Kart Merkezi*) ("*BKM*"), represented 11.0% of the total Turkish retail credit card market. The Group's performing retail credit card loan portfolio was TL 234.8 billion and represented 58.0% of the Group's retail loan portfolio as of such date. For additional information on the Bank's credit card business, see "- Credit Cards" below.

The Bank had a 12.6% market share of the credit card market (by the total loan amount) in Türkiye as of 31 December 2024, according to statistics published by the BRSA, ranking fourth among private banks in the Turkish banking sector. Following adverse regulatory changes that impacted the profitability of the Group's credit card business, the Group's management decided to maintain its overall presence in the Turkish credit card market.

**Personal Need Loans:** Personal need loans are used for a wide spectrum of needs ranging from instant cash needs, home refurbishments, financing vacations and education fees. The Bank offers personal need loans through its retail branches and telesales channel. Customers can also apply for personal need loans using the Bank's SMS-based pre-assessment service that has been specifically developed for this product.

The Bank's market share in personal need loans, overdraft and other loans (by the total loan amount) in Türkiye was 11.2% as of 30 September 2024 (the last date for which such information is available as of 18 February 2025), ranking fifth among private banks in the Turkish banking sector (*i.e.*, excluding state-owned banks) according to statistics published by the BRSA. The Bank's management views personal need loans as an important part of the Bank's retail, affluent and private banking strategy and intends to develop new products and distribution channels to increase market share in personal need loans. The Group has also put in place new risk measures designed to improve the cost of risk associated with the Group's personal need loans business.

**Overdrafts and other Loans:** The Bank provides overdraft loans as an additional feature provided to debit card holders permitting them to access cash instantly and easily. The Bank believes that strong marketing support and central analytics contributed to its 8.3% market share in overdraft products as of 31 December 2024, according to statistics published by the Banks Association of Türkiye. In October 2013, the Bank launched a product named “Ready Credit,” an overdraft product with an instalment feature that contributed to an increase in the Bank’s market share. Total outstanding overdraft and other loans as of 31 December 2024 were TL 36.5 billion, representing 9.0% of the Group’s retail loan portfolio.

**Auto Loans:** The Bank offers term loans to its retail, affluent and private banking customers to finance the acquisition of automobiles, with the Group providing car loans of up to 70.0% of the automobile’s value for new vehicle purchases. As of 31 December 2024, the Group had outstanding auto loans of TL 10.2 million, representing 0.003% of the Group’s retail loan portfolio. The Bank’s market share in Türkiye for auto loans (by the total loan amount) as of such date was 0.02% according to statistics published by the BRSA.

The Group constantly seeks to improve the overall risk profile of its retail, affluent and private banking business. These measures include: (a) setting appropriate consumer loan and credit card score cut-offs to optimise probability of default rates, (b) actively managing lending limits to reduce exposure at default of credit card customers, (c) aggressively using risk-based pricing and targeted advertising for high-quality customers and (d) proactively targeting certain low-risk potential customer groups.

The Group has also undertaken certain key activities to help maintain its overall retail, affluent and private banking market share, particularly in relation to general purpose consumer loans. These activities include: (a) providing general purpose consumer loans with pre-approved limits for customers with a strong existing credit history with the Group, (b) extending instalment loans through the Group’s customer call centre, its ATM network and the internet, (c) extending consumer loans through retail distribution partnerships with other Turkish companies and (d) utilising risk-based pricing criteria more aggressively to increase loans to higher quality customers.

#### *Retail Deposits and Investment Products*

The Bank offers demand deposits, time deposits and investment products to its retail customers, and provides brokerage services and deals in treasury bills and equities on behalf of its retail customers. The Bank also offers its retail customers the opportunity to invest in mutual funds managed by QNB Asset Management. Additionally, the Group, through its joint venture Finans Pension, offers life insurance and retirement income services to groups and individuals as well as bancassurance products.

**Retail Deposits:** The following table sets forth the Group’s retail deposits per category as of the indicated dates.

	<b>As of 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
		<i>(TL thousands)</i>	
Demand deposits .....	59,719,191	106,115,027	43,367,324
Time deposits .....	180,726,217	276,635,220	375,381,667
<b>Total retail (individual) deposits .....</b>	<b>240,445,408</b>	<b>382,750,246</b>	<b>418,748,991</b>

The Group is particularly focused on increasing the demand deposit base from its private and affluent retail, affluent and private banking division customers. In 2024, with the Central Bank’s revised monetary policy and Liraisation strategy that is aimed to increase currency-protected deposit accounts, demand deposits represented 12.2% of the assets under management for private and affluent retail compared to 14.2% and 13.7%, respectively, as of 31 December 2022 and 2023.

The Group has also further centralised the management of its retail customer deposit pricing decisions with the aim of lowering the average interest rate paid on retail deposits. Although pricing decisions for retail deposits historically have been centralised, previously relationship managers or branch managers had some discretion to set rates for certain of the Bank’s retail deposits. Such discretion has been reduced through the development and use of a pricing algorithm, which has resulted in more centralised management of pricing for retail deposits.

As a result of announcements by the Central Bank and the Turkish Treasury near the end of 2021, the Bank launched new deposit products that provide customers holding Turkish Lira and foreign currency accounts the ability to earn returns without losing value in foreign currency terms based upon the exchange rates at the opening and maturity dates of such

accounts. Per the Central Bank’s decision of 29 December 2023, the ability to open such an account ceased as of 1 January 2024.

*Investment products:* Mutual funds have been a growing focus area for the Bank’s retail, affluent and private banking business in a low interest rate environment due to higher returns compared to deposits, and, more importantly, the fact that customers search for alternative investment products in a low-interest environment. The Group also offers its retail customers pension plans. In addition, the Group offers its retail customers a wide range of insurance products such as life insurance, payment protection, health insurance, auto insurance, home insurance and travel insurance. As of 18 February 2025, the Bank’s management expects bancassurance to continue to be one of the key contributors to increasing profitability in upcoming years.

The Group also seeks to create new gold-based investment products for retail customers and sales of Turkish Lira bond issuances to retail customers. With products such as its “gold accumulation account,” “gold-indexed deposit account” and “gold collection day,” each providing specific methods to save and invest in gold or gold-indexed products, the Group had 56,379 gold accumulation accounts that form part of the Group’s deposit base, with 54,324 gold accumulation account customers and 781,625 gold account customers as of 31 December 2024.

### *Credit Cards*

The Bank offers a diverse range of credit cards under the brand name “QNB.” The Bank seeks to appeal to different customer segments with its QNB Kredi Kart, QNB Xtra (upper mass market segment), QNB Emekli (senior citizen segment), QNB First Card (premium segment), Miles&Smiles QNB credit card (airline affinity card), QNB GO (digital card), QNB KOBİ and QNB Corporate (commercial segment) brands as well as co-branded and affinity cards. QNB Kart offers features such as instalments, discounts and MoneyPoints. QNB KOBİ (SME Business Card) addresses the particular needs of SMEs by offering cash advance, instalment credit facility and post-instalment features. QNB Kart KOBİ was launched in February 2010 with postdating transaction, transaction instalment, postdating statement and authorised card user group features to strengthen the position of QNB Kart in SME business services. QNB Corporate is a credit card designed for large businesses, which card eliminates the need for company owners and employees to carry cash for large expenditures such as domestic and international purchases of goods, travel, representation and payments. The Bank launched the Miles&Smiles QNB credit cards in 2019 in collaboration with Miles&Smiles, which is the frequent flyer programme of Türkiye’s flag carrier airline company Turkish Airlines. This card offers features such as the ability to earn miles at an elevated rate for flights on Turkish Airlines and partner airlines as well as earning miles for other purchases, enabling cardholders to earn miles towards flight rewards, upgrades and other benefits. In March 2022, the Bank launched QNB GO, one of the first digital credit cards in the Turkish market, designed exclusively to serve the needs of e-commerce, which card has enabled the Bank to capture an increasing share of payments over digital channels.

The Group’s performing retail credit card loan portfolio was TL 234.8 billion, and represented 26.5% of the Group’s performing loans and receivables and 58.0% of the Group’s performing retail loan portfolio, as of 31 December 2024 (TL 48.4 billion, 13.1% and 40.7%, respectively, as of 31 December 2022 and TL 145.3 billion, 24.7% and 56.3%, respectively, as of 31 December 2023). The Group’s net fee and commissions from credit card operations amounted to TL 40,358.5 million for 2024, or 39.8% of the Group’s total operating gross profit for 2024 (TL 3,699.3 million and 7.9% for 2022 and TL 12,706.0 million and 17.0% for 2023). In addition, interest earned from credit card balances totalled TL 52,745.4 million for 2024, or 47.5%, of the Group’s total net interest income for 2024 (TL 4,462.4 million and 10.3% for 2022 and TL 13,977.5 million and 32.7% for 2023).

BRSA regulations require companies that provide credit card products and services to, among other things, require certain monthly minimum payments required to be paid by cardholders, include credit card receivables in the calculation of the non-performing consumer loans to total consumer loans ratio, offer at least one type of credit card with no annual subscription fee and limit credit card instalment payments for certain types of purchases.

The following table sets forth the market shares of QNB Kart in terms of balances outstanding and total sales for the indicated years.

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Outstanding balance .....	9.8%	10.6%	11.2%
Total sales.....	8.8%	9.4%	9.3%

Source: The Banks Association of Türkiye.

As of 31 December 2024, the total number of credit cards issued by the Group was 13.9 million (representing 10.8% of the total Turkish credit card market according to statistics published by BKM) and the number of member merchants was 163,816. As of the same date, within the Turkish credit card market, the Group was the fifth largest Visa card issuer in terms of the number of cards issued according to statistics published by BKM.

## **SME Banking Department**

The Bank's SME banking activities consist primarily of revolving credit lines, instalment loans, overdrafts, business housing loans and demand deposits. As one of the first banks in Türkiye to focus on this segment, the Bank started its SME banking operations at the beginning of 2003 to support Turkish small businesses. The goal of the SME Banking Department is to achieve sustainable and profitable growth by determining customer needs and providing quick and tailor-made solutions. SME Banking is divided into two sub-segments: (a) Small Business Banking, which serves customers with annual turnover of less than TL 40.0 million, and (b) Medium-sized Enterprises Banking, which serves customers with annual turnover from TL 40.0 million to TL 400.0 million.

According to data published by Small and Medium Enterprises Development of Türkiye (*Küçük ve Orta Ölçekli İşletmeleri Geliştirme ve Destekleme İdaresi Başkanlığı – KOSGEB*), SMEs accounted for 99.7% of all companies in Türkiye, 70.5% of the workforce and 47.4% of Türkiye's business turnover and contributed to 35.0% of Türkiye's exports in 2024. The Group expects SMEs to be the main driver of future growth in the banking sector, particularly given measures by Turkish regulatory authorities to promote lending to SMEs, including under the KGF programme. The Bank's management believes that the banking sector's support to SMEs is essential both for developing SMEs and supporting their contribution to the national economy, as well as sustaining the growth of the banking sector, which faces challenges vis-à-vis competition and legal regulations. Therefore, the Bank's management intends for the Group to continue its focus on SMEs with high growth potential and has offered SMEs training and consulting regarding foreign trade.

Since 2005, SME banking has been the Group's second largest segment by the amount of total loans. The Group was one of the first banks in Türkiye to create an executive vice president position for SME banking and since 2008 has been developing its own SME credit scorecard. As of 31 December 2024, the Group served over 386,000 active customers through its 927 Relationship Managers and Branch Managers in 378 branches. Furthermore, in recent years, the Group has also significantly increased its ability to offer products and services to its SME customers. In 2024, the Group reviewed a daily average of 621 SME loan files. The Group has also created innovative service offerings for its SME customers, such as SME Cloud (described in "SME Banking Department - Products and Services") and internet-based banking services.

On a BRSA Bank-only basis, the Group's share of SME loans as a percentage of business loans has decreased from 57.1% as of 31 December 2015 to 35.6% as of 31 December 2024, compared to a decrease in the overall banking sector in Türkiye from 38.3% to 34.0% as of such dates according to the BRSA, both reflecting in part the impact of the depreciation of the Turkish Lira (which resulted from foreign currency loans, which primarily are made to large corporate and commercial businesses, increasing in Turkish Lira equivalent). The Bank experienced high SME loan growth, growing the volume of its SME loans to TL 166.1 billion as of 31 December 2024 with a market share of 4.43% as of such date according to the bank-only financials published in the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)). Accordingly, the Group's SME loan book has grown significantly without experiencing a disproportionate decrease in the overall asset quality of its SME customers while the SME banking coverage ratio, which is the percentage of SME NPLs that can be covered with the Group's SME provisions, stood at 2.5% as of 31 December 2024. In its SME portfolio, the Group's gross NPLs have changed since 31 December 2022 from TL 3.1 billion as of such date to TL 2.9 billion as of 31 December 2023 and TL 3.7 billion as of 31 December 2024 and its NPL ratio has decreased from 4.05% to 2.46% and 2.25%, respectively, as of such dates. These decreases in the Group's gross NPLs and NPL ratio for SMEs during such period primarily resulted from regulations on monetary policies and restrictions in lending as well as close management of the loan portfolio.

As of 31 December 2024, the Group's SME banking operations had loans and receivables of TL 163.7 billion, which represented 19.0% of the Group's total loans and receivables. As of such date: (a) the Group's loans and receivables from customers of small enterprises (with annual turnover of less than TL 12.0 million) was TL 84.4 billion, (b) total time deposits and demand deposits from the Small Enterprises sub-segment were TL 29.4 billion and TL 23.3 billion, respectively, (c) the Group's loans and receivables from the medium enterprises sub-segment was TL 79.3 billion and (d) the total amount of time deposits and demand deposits from the medium enterprises sub-segment was TL 34.2 billion and TL 21.9 billion, respectively.

## *Products and Services*

The Group has embraced a concept of solution-oriented services tailored to the Group's SME customers, with its wide product array ranging from foreign trade services to loans, deposits and cash flow products. It serves its customers

depending upon their loan repayment ability through a rich range of products, from short-term loans with instalments that can foster the enterprises' need for working capital to long-term loans in large values necessary for large-scale investments.

The Group's overall strategy for the SME market is to focus primarily on two groups of customers: high quality service customers and "market-norm" service customers. High quality service customers provide a high current value and a high potential value to the Group, while market-norm service customers provide either: (a) a low current value and high potential value or (b) a high current value and a low potential value to the Group. Under these categories, the current value of a customer represents the overall current profitability of such customer to the Group and the potential value represents the total amount of loans and POS turnover and credit card limits associated with such customer with all banks in Türkiye.

Typically, high quality service customers are served by the Group's more experienced SME relationship managers, each of whom manages a limited number of customer accounts. In these customer relationships, there is a significant emphasis on fostering customer loyalty by ensuring that the relationship manager is offering assistance and services to the customer on a frequent basis.

Market-norm customers are also served by the Group's SME relationship managers, but the marketing focus of the relationship manager varies based upon the current and potential value of the customer. For customers with a high current value but a low potential value, the relationship manager focuses on providing services in an efficient manner so as to maintain the Group's currently strong relationship with such customer. For customers with a low current value but a high potential value, the focus is on providing high quality service and competitive pricing so as to increase the ability of the Group to obtain more of the customer's business that is currently with other banks in Türkiye.

During 2023, the Bank continued to invest in out-of-branch channels to enhance clients' ability to complete banking transactions in a swift and efficient manner without visiting a physical branch. In particular, such access for SMEs was enhanced through the introduction of the "SME Easy Line," which serves only SMEs and offers responsive and professional support by "remote relationship managers," thereby allowing SMEs to carry on transactions on the phone. The Group believes that SME Cloud provides a cost-efficient way for the Group to provide and cross-sell a wide range of products and services to smaller SME customers. As of 31 December 2024, SME Cloud was serving approximately 105,000 customers per month. The Group was also the first bank in Türkiye to provide SME loans over the telephone, which is done through SME Cloud. Over time, the Bank's management plans to increase the efficiencies of SME Cloud in order to provide products and services to customers with either a high current value or high potential value to the Group. The expansion of SME Cloud might include having dedicated SME Cloud relationship managers in the Group's branches to build long-term relationships with such customers. The Bank continues to enhance its internet and mobile branches, specifically designed with SMEs in mind, such as through improvements in an end-to-end digitised credit underwriting and drawdown system.

In addition to the SME Cloud, other innovative products and services for SMEs include:

(a) the "SME Cash Account" service, which allows customers to withdraw cash from all of the Bank's branches and the Bank's or Single Point ATMs. and enables payment of bills, checks, taxes, social security, loan and credit card balances, even in the absence of sufficient funds in the customer's account; such service includes a maximum limit of TL 25,000 for withdrawals from Single Point ATMs,

(b) the "Salary Loan" service, which makes salary payments of SMEs even if they do not have sufficient funds in their accounts; the maximum amounts of salary payments are determined by the Group's allocations department and generally does not exceed the amount of the customer's salary,

(c) the "POS Opportunity Package," which offers desktop and mobile POS solutions backed with supporting banking operations, cash flow and commercial services and, with this package, member SMEs enjoy certain fee exemptions and attractive commission rates,

(d) the "Limit Machine" service, which enables automatic assessment of credit limits of small business owners; with automatic limit assignments, it is now possible to create a limit for (or update the current limit of) a customer through digital channels without the customer needing to visit a branch,

(e) the "Step by Step Export Program," which was put into place in 2022 to support the financing of exports, with experts assisting customers without charge to address any inquiries about international trade, particularly exports; the Bank's clients are also eligible to obtain services from qualified partners within this program, with favourable price support in a variety of fields including logistics, customs, marketplace, warehousing and training, and

(f) the “Digital Bridge” service, which is the first “banking-as-a-platform” offering in Türkiye and was established in 2019 to transform SMEs’ way of business and prepare them for the digital era through the use of e-commerce, e-transformation, management and financial solutions (by the end of 2024, Digital Bridge had been chosen by approximately 52,000 firms in their digitalisation process).

The Bank’s management believes that the Bank was one of the first banks in the Turkish banking market to introduce risk- and value-based pricing in the SME market. The key principles of risk- and value-based pricing include: (a) using analytical applications and behavioural scoring models to assess a customer’s probability of default on a loan, (b) differentiating the pricing of a loan based upon collateralisation, with lower prices for collateral with higher expected rates of recovery, and (c) differentiating the pricing of SME products and services based upon the current profitability of the customer and that customer’s level of business with the Group.

## **Corporate and Commercial Banking**

### *Overview*

Products and services provided by the Bank’s Corporate and Commercial Banking Department include trade finance, corporate and commercial lending, project finance, corporate syndication and secondary market transactions, deposit taking and the issuance of certificated debt instruments. The primary sources of income of the Bank’s Corporate and Commercial Banking Department consist of interest income attributable to corporate and commercial loans, as well as commission income from letters of credit and guarantees. The Group’s corporate and commercial banking segment had loans and receivables of TL 300 billion as of 31 December 2024, which represented 34.9% of the Group’s total loans and receivables. The corporate and commercial segment also provided the Group with TL 48.2 billion in demand deposits as of such date, compared to TL 24.2 billion and TL 37.6 billion, respectively, as of 31 December 2022 and 2023. The Bank’s management believes that favourable government policies with respect to export-oriented businesses and infrastructure projects offer strong growth potential for the corporate and commercial banking sector, and that corporate and commercial banking has a relatively low NPL risk when compared to other segments.

The Group’s corporate and commercial segment primarily targets medium-sized companies and served 1,169 active customers through a network of 26 relationship managers in seven branches as of 31 December 2024. As of the same date, credit limits were extended to 817 customers and credit exposure was extended to 453 customers.

The Group’s corporate and commercial banking segment is divided into corporate banking and commercial banking sub-segments as described below.

### *Corporate Banking*

The Bank serves its corporate customers, which include large business groups and multinational companies in Türkiye, via three branches located in İstanbul and Ankara and sub-branches in Bursa, İzmir, Antalya and Adana. The Group’s primary focus is the companies above TL 4,000 million in annual turnover and a strong degree of corporate governance.

Since its establishment, the Corporate Banking Department has created a strong customer base by developing customer-specific solutions. Corporate banking works in collaboration with the Bank’s other business units to provide high quality services not only for corporate clients, but also for their partners, employees, dealers and suppliers, aiming to deliver a high level of customer satisfaction throughout the value chain.

Corporate banking attempts to acquire new customers for different business segments and thereby create synergistic benefits within the Bank. Increasing the profitability of the Corporate Banking Department remains a primary goal of the Bank in the competitive Turkish market. In order to increase profitability, the Bank’s Corporate Banking department intends to increase non-risk income, penetrate further into the existing customer base and create additional profit for other business segments.

As of 31 December 2024, the corporate banking department had a total credit and non-credit active customer base of 457 companies, of which 364 had credit limits. The corporate banking segment also generates business from larger businesses through low-yield loans and large infrastructure projects, as well as from certain investment loan and project finance transactions based upon profitability.

## *Commercial Banking*

Commercial banking serves customers that have an annual turnover exceeding TL 400.0 million and up to TL 4,500.0 million. The number of active customers in this segment was 10,786 as of 31 December 2024. The goal of commercial banking is to achieve sustainable and profitable growth by understanding customer needs and providing tailor-made solutions. Commercial banking aims to increase the number of new customers in order to increase credits, usage of the Group's products, cash flow and funds. In addition to offering customers financing solutions suited to their financial structure, commercial banking offers a product support function called "Cash Management & Foreign Trade," which delivers cash management services based upon customers' requests that include collection and payment services.

As of 31 December 2024, the Group's commercial banking department served its customers through three regional offices, 22 branches and 143 portfolio managers. The branches are full-service branches in which retail and commercial customers are served together.

In August 2013, the commercial banking organisation was restructured in order to provide a holistic approach to its customers and to improve relationship banking, thereby increasing opportunities for cross-selling and expanding the existing trade network. To support this strategy, business lines were structured to operate under corporate and commercial banking relationships. The Commercial Banking Department focuses on increasing the number of active customers, sustainable growth by balancing wallet share/loan share and demand deposit volume. The Group provides cash management solutions and trade finance products insurance services and coordinates subsidiary transactions to expand its business with customers and increase its risk-free income.

### *Corporate and Commercial Banking Products and Services*

*Loans and Receivables and Non-cash Loans.* The Bank offers loan facilities predominantly in Turkish Lira, U.S. dollars and euro. Turkish Lira loans are generally short-term in nature, usually with maturities ranging from overnight to 365 days, and are principally for working capital financing; *however*, the Bank also extends medium-term loans with maturities between 365 and 730 days mainly to finance working capital requirements. The Bank has also introduced "Commercial Credits in the Form of Instalments," which are in essence Turkish Lira- or foreign currency-indexed instalment loans. Moreover, the Bank provides foreign currency principally for financing exports from Türkiye. The Bank also extends longer term facilities to corporate customers in Türkiye for industrial and manufacturing investment purposes in different sectors and project financing. In relation to both its domestic and foreign operations, the Bank provides non-cash facilities to companies in various industries through letters of guarantee, bid bonds and foreign trade non-cash products. By using conventional banking products as well as cash management products and by applying competitive pricing, the Bank aims to increase its market share in cash and non-cash loans.

The Group's cash loans to corporate and commercial customers increased from TL 142.5 billion as of 31 December 2022 to TL 205.7 billion as of 31 December 2023 and TL 288.7 billion as of 31 December 2024. The Group's non-cash loans to corporate and commercial customers increased from TL 92.4 billion as of 31 December 2022 to TL 92.4 billion as of 31 December 2023 and TL 59.0 billion as of 31 December 2024. As a major foreign currency-generating industry, the construction and contracting sector has been a focus of the Corporate and Commercial Banking Department since the Group's establishment. As of 31 December 2024, loans to the construction and contracting industry represented 2.5% of the Group's performing corporate and commercial loan portfolio, loans to the financial industry represented 1.9%, loans to the textile and fabrics industry represented 19.4% and loans to the food, alcohol and tobacco industry represented 1.8%.

### *Project and Structured Finance*

The Group's project and structured finance business has taken an active role mainly as lead arranger in financing many important projects, including privatisations, public-private partnerships, acquisitions and infrastructure projects, which have contributed to the growth of the Turkish economy. The project and structured finance division prepares loan proposals and project evaluation reports, including cash flow projections, and manages the Credit Committee approval process. Once loans are approved, the project and structured finance division manages legal documentation and disbursement phases as well as the bank-to-bank relationships. Throughout the maturity of all loans under its responsibility, the project and structured finance division performs the initial evaluation of all waiver and amendment requests, before passing them along to the Credit Committee should any formal approval be required.

As of 31 December 2024, there was TL 106.8 billion in outstanding risk of cash and non-cash project finance syndications. The Group focuses on medium-sized project finance transactions, using the "economic value added" concept to

measure the profitability of each deal, and participates in larger-sized landmark projects only if such projects generate a positive economic value-added return.

The Group's project and structured finance clients are concentrated in the infrastructure, energy and commercial real estate sectors.

### *Cash Management and Trade Finance*

In addition to providing credit facilities, the Group provides cash management services to its corporate, commercial and retail customers. Cash management is an important part of the Group's overall business and a key element of its strategy to increase demand deposits and service-related revenues. Cash management services include direct debiting for payment of invoices, supplier finance systems, utility bills, social security, tax payments, cash-in-transit services and providing foreign exchange transfers and remittance services as well as cash management solutions tailored for individual customers. The Group's trade financing activities consist of pre-export financing, import financing, issuing, confirming and discounting export and import letters of credit and letters of guarantee, and availing and discounting export and import drafts and promissory notes.

The overall mission of the Cash Management and Trade Finance group is to: (a) provide cost efficient and innovative cash flow and payment solutions that can be customised according to client size and (b) create partnerships with large corporations utilising the Group's wide branch network and technological capability. The Cash Management and Trade Finance division also has a cooperation agreement with Citibank to focus on the sophisticated cash flow management needs of large corporate customers in Türkiye.

In line with this strategy, as of 31 December 2024, the Group provided direct debit services to 21,074 companies and had 166,000 customers using the Bank's checks (resulting in a market share of 5.66%) and 16,900 customers with other banks' checks (resulting in a market share of 5.83%) (*source of market shares*: Interbank Check Clearing House). As of such date, the Bank provided automatic payment by standing order services to more than 210,000 companies and more than 2.2 million individual customers. In addition, the Bank is one of the banks in Türkiye authorised to collect social security contributions on behalf of the government from domestic corporate entities and businesses.

The Group's trade finance activities are funded through correspondent bank facilities matched in terms of currency and maturity and through general term loan facilities. As of 31 December 2024, the Bank had an international correspondent banking network of more than 1,000 banks and a trade finance volume of approximately US\$43.4 billion (resulting in a market share of 6.9%). The Bank also participates in various export credit programmes provided by overseas export credit agencies.

The trade finance sales team consisted of 26 people, 20 located in different regions and six located in the Group's headquarters, as of 31 December 2024. The Group's trade finance business is also active in utilising the Turkish Eximbank cash and non-cash loans, as well as the Central Bank's rediscount programme, all of which are to finance exporters.

### *E-Invoice*

"E-Invoice" is a tax-compliant electronic document system that was established by "QNB eSolutions" (*i.e.*, QNB eSolutions Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.) to provide e-invoicing services in line with the requirements of Turkish fiscal regulations. "QNB eSolutions" provides online solutions for Turkish taxpayers by means of electronic invoice, similar payment and taxation-related documents along with electronic ledger applications offering creation and archival services through its electronic trade portal and web services. Electronic invoice filing allows for much faster processing time when compared to traditional invoicing methods, measured from the time of the initial invoicing to registration of the invoice, and also serves as data for credit ratings and analysis. The Group was the first banking group to establish a subsidiary (*i.e.*, QNB eSolutions) in Türkiye offering a dedicated electronic invoice service and, as of 18 February 2025, the Bank remains the only Turkish bank having a subsidiary providing electronic invoice, ledger, archive invoice, waybill, receipt, insurance commission expense document and registered e-mail (REM) services via software programs owned and fully controlled by a banking group. In addition, QNB eSolutions is one of the biggest solution partners of the Digital Bridge platform serving SMEs. As of 18 February 2025, the Bank held all of the shares of QNB eSolutions.

The total transactions processed by QNB eSolutions exceeded 133 million e-Invoice transactions, 313 million e-Archive invoice transactions, 99 million e-waybill transactions and 2.29 terabyte e-Ledger transactions (*i.e.*, an electronic general ledger in which accounting entries are recorded) in 2024. The total customers of QNB eSolutions was approximately 99,954 as of 31 December 2024 (with QNB eSolutions' objective for 2025 being to have processed at least 165 million

e-invoice transactions, 400 million e-archive transactions, 122 million e-waybill transactions and 5.46 terabyte e-ledger transactions during the year).

The Group offers e-invoice-guaranteed cash loans, under which corporate customers are permitted to borrow funds by assigning their long-term e-invoices issued through the QNB eSolutions system as collateral. When a corporate customer applies for an e-invoice-collateralised cash loan, the Bank commences a standard credit assessment process, through which a limit is allocated based upon such customer's creditability. The maximum maturity of the loan must not be greater than the maximum maturity of the e-invoices assigned as collateral. Payments from customers under e-finance-collateralised cash loans are made through the Bank's internal banking system, thus simplifying the process for making loan collections.

*Bancassurance.* In 2011, the Bank established the SME Middle Size Enterprise Insurance Management unit under the Commercial Marketing Group. The unit serves the insurance needs of Corporate, Commercial and SME Banking customers. As of 31 December 2024, this unit worked with 28 insurance companies operating in Türkiye, using the branch network of the Bank to provide tailor-made solutions for the needs of customers. Furthermore, the SME Middle Size Enterprise Insurance Management unit seeks to mediate the Bank's risk management by better controlling debt exposure by insuring loan collaterals.

## **Treasury Department**

The Bank's management believes that the Treasury Department is one of the largest treasury operations in Türkiye, which employed 69 professionals as of 31 December 2024. The primary mission of the Treasury Department is to manage the Bank's liquidity, foreign exchange and interest rate risks. The Treasury Department concentrates in key markets, namely money and currency markets, fixed income and derivative markets in Türkiye and other countries. Liquidity, exchange rate and interest rate risks are managed according to the decisions taken by the Bank's Assets and Liabilities Committee (the "ALCO"). Services provided by the Treasury Department include supplying prices in all instruments to local branches of the Bank or selected customers of the Group, providing consulting services to international customers investing in domestic markets and providing risk management services to selected customers in Türkiye.

The Treasury Department consists of three groups: the International Banking and Sales Group, the Foreign Exchange and Fixed Income Markets Group and the Balance Sheet Management Group, each of which is described below.

*International Banking and Sales Group:* The International Banking and Sales Group is comprised of the Bank's Correspondent Banking Group, Structured Funding Group and Sales Group, each as described below.

The Correspondent Banking Group primarily focuses on international trade through a variety of products and services, including acting as an intermediary for international payments of the Bank's clients, and coordinates the Bank's relationship with foreign banks. This role includes raising wholesale funding for the Bank, such as trade loans, post financing, bilateral loans, murabaha and syndicated loan facilities, including two syndicated loan facilities obtained in May and November 2024 amounting to US\$400 and US\$650 million-equivalent, respectively.

The Bank's Structured Funding Division continued its focus on diversifying the Bank's funding portfolio with new funding instruments and enhancing the correspondence with the Bank's investors and creditors. For example, a new loan agreement was signed in 2023 with the European Bank for Reconstruction and Development (the "EBRD") under its Disaster Response Facility for US\$110 million and with a maturity of two years, which funds are being on-lent to SMEs and individuals that are affected by the February 2023 earthquakes. In addition, the Bank signed an agreement with IFC under its Earthquake Relief Fund (together with Proparco, a subsidiary of Agence Française de Développement Group, and European Fund for Southeast Europe), which facility provided US\$110 million with a maturity of three years, which funds are also being on-lent to SMEs and individuals affected by the earthquakes. Also in 2023, the Bank issued a Tier 2 eurobond in the amount of US\$300 million with a call option on the fifth year and a final maturity 10 years from the issue date. In 2024, the Bank issued a senior unsecured US\$500 million, five year, eurobond, which was the Bank's first sustainable public eurobond. A second tranche of the abovementioned EBRD facility was utilised in the amount of US\$42 million with a maturity of one year (with an option to extend for one more year). In addition, the Bank rolled over the abovementioned IFC facility. The Bank also issued to IFC Türkiye's first "blue bond" in the amount of US\$25 million with a maturity of five years and US\$120 million of Green Bonds to IFC, EBRD and Responsibility Fund, each having a five-year bullet tenor. Furthermore, the Bank issued its first ever Social Bond, which had a six-month tenor and was in the amount of US\$40 million. The Bank also issued various private placements under the Programme, raised funding from alternative funding instruments and expanded its bank/financial institution counterparty network. Portions of the Bank's funding are also targeted for financing SMEs, agri-businesses, energy and resource efficiency projects.

*Foreign Exchange and Fixed Income Markets Group:* This group consists of three trading desks: Foreign Exchange, Derivatives and Fixed Income. The Foreign Exchange Desk manages the Group’s foreign exchange exposure and engages in proprietary foreign exchange trading. The traders closely monitor domestic and international markets in order to benefit from currency movements and act as a market maker in Turkish Lira pairs to both customers and other banks. The Derivatives Desk has the mandate of trading Foreign Exchange and Equity Index derivatives. This desk manages the Group’s volatility book and provides pricing of foreign exchange options, forwards and Equity Index derivatives to customers and other banks. The Fixed Income Desk is responsible for execution of all fixed income and interest rate derivatives transactions. Since the Bank is one of the primary dealers in the Turkish local currency government bond market, the Fixed Income desk is quite active in the local bond market. All trading desks have predetermined risk exposure limits, which are closely monitored by the Risk Management department.

*Balance Sheet Management Group:* The Balance Sheet Management Group, which includes the Liquidity Management Group, is responsible for balance sheet risk management, liquidity and funds transfer pricing. The Asset and Liability Management Department is responsible for executing the hedging strategy set by the ALCO and assessing potential exposures to risks in the balance sheet of the Bank, especially credits and deposits, in terms of maturity and costs and evaluating developments in terms of risk and hedging. The Balance Sheet Management Group uses interest rate swaps, cross currency swaps, swaptions and other interest rate risk management instruments to hedge various types of exposures. The Balance Sheet Management Group is also responsible for determining medium-term note pricing and deposit and loan transfer pricing in main currencies for all tenors in order to ensure fair profit sharing among business lines and realistic pricing in products. The Liquidity Management Group manages the short- and medium-term liquidity of the Bank and determines interest rates for deposits up to one year. Responsibilities of the Liquidity Management Group also include managing the reserve requirement of the Bank, preparing liquidity projection reports up to one year and monitoring regulatory liquidity ratios.

## Branches

As of 31 December 2024, the Bank maintained a branch network of 427 branches (including one branch in Bahrain), consisting of 392 full-service branches, 21 retail-only branches, three corporate-only branches and 11 commercial-only branches located in 53 commercial centres in Türkiye, mainly in İstanbul, İzmir, Ankara and Antalya. The Bank has dedicated certain branches, which are located primarily in upper-middle-income residential areas, to retail customers.

The Bank’s management believes that its branch network strategy is both productive and efficient. As of 18 February 2025, the Bank’s branch strategy is to optimise its network and organisation in line with the Bank’s growth aspirations and the movement towards digitalisation, monitoring market trends and competitive positioning, both investing in new branch openings where new growth opportunities emerge and also identifying any consolidation possibilities. The following table sets forth information relating to the Bank’s branch network and customer numbers for the periods indicated.

	As of 31 December		
	2022	2023	2024
Total number of branches.....	436	436	427
Full service branches.....	402	402	392
Number of active retail customers.....	7,850,279	9,594,694	10,679,744

Decreases in the number of the Group’s branches is the result of routine and ongoing analyses to optimise branch locations, particularly in light of the transition to digital banking services.

## Enpara.com

In October 2012, the Group launched Enpara.com, which the Bank’s management believes has become one of the most successful online-only banking platforms in Türkiye. Within the Group, “Enpara.com” is managed as a separate banking unit with its own brand and business model. Enpara.com’s customers are offered attractive interest rates on deposit products and offered zero-commissions for many types of banking transactions, such as bill payments, money transfers and foreign exchange.

Since its establishment, “Enpara.com” has grown its registered customer base from 18,000 in October 2012 to over 7.4 million customers as of 31 December 2024, approximately 59.0% of whom were not pre-existing customers of the Group. Enpara.com’s deposit base has also expanded significantly, growing at a CAGR of 46.7% from TL 4.9 billion as of 31 December 2015 to TL 154.0 billion as of 31 December 2024. Enpara.com’s deposit base equalled the Turkish Lira deposits

held by approximately 100 branches of the Group, based upon the average of the total deposits held by the Bank's retail branches (comprising 29.3% of the Group's retail deposit base), as of 31 December 2024. Most of Enpara.com's deposit growth is in "low ticket size" deposits between TL 50,000 and TL 500,000, which historically was much less cost-effective to acquire through a traditional branch network. In August 2014, Enpara.com launched Türkiye's first online-only offering of consumer loans, which allows customers to obtain loans from the Bank without the need of visiting a branch or physically executing any documentation. As of 31 December 2024, approximately 55.7% of the Group's new consumer loan production volume was generated from Enpara.com, which equalled the new consumer loan production volume of approximately 536 branches, based upon the average consumer loans granted by the Bank's branches.

Enpara.com launched its credit card product in December 2017. By the end of 2024, the number of credit card customers reached 2.1 million, with 66.0% of the customers being active.

Enpara.com's customers are predominantly young professionals, which is a customer profile that has been difficult to attract through the traditional branch network in Türkiye. As of 31 December 2024, approximately 82.0% of Enpara.com's customers were under the age of 45 and approximately 80.0% were self-employed or work in the private sector or perform civil service. Enpara.com's customers are targeted through television and digital social media advertising campaigns and they are able to apply for an account online by using a simple form application in which minimal information is required. Applicants receive a visit within one or two business days from a specialist relationship manager, who completes the know-your-customer procedures and is authorised to provide instant approval. Enpara.com accounts are fully managed online or via mobile devices.

After serving retail customers for four years, Enpara.com launched "Enpara.com Şirketim" in October 2016 to serve small businesses with a similar model. "Enpara.com Şirketim" had approximately 260,000 customers as of 31 December 2024, a 284.0% increase from 31 December 2020.

Further to an announcement on 25 November 2022 in which the Bank, considering the rapid development of technology and the enactment of related laws, noted that it was assessing the feasibility of offering the current Enpara banking services through a separate legal entity, the Bank's management has decided to spin-off the Enpara operations. Such spin-off will be effected by: (a) the transfer of the Enpara banking services (currently operated in a branch of the Bank with its own identifiable assets, such as loans, and liabilities, which are primarily deposits) to Enpara Bank A.Ş., an entity established on 4 December 2023 after receipt of the necessary banking license and a subsidiary of QNB (in which all of the Bank's current shareholders (including minority shareholders) have received proportionate shares to their holding in the Bank, and (b) subject to the receipt of regulatory approvals, the spin-off of 100% of such branch (including all of its assets and liabilities) to Enpara Bank A.Ş. On 23 August 2024, Enpara Bank A.Ş. obtained an operational licence from the BRSA and started its operations on 30 December 2024. On 13 January 2025, the Bank's Board of Directors authorised the Bank to make the necessary applications to the BRSA and other authorities from which permission is required to carry out a spin-off of Enpara operations from the Bank.

As of 31 December 2024, the Enpara banking operations that are to be so spun-off represented 10.1% of both the Group's consolidated assets and liabilities, resulting in no change in the Group's shareholder's equity (Enpara Bank A.Ş. has been capitalised by QNB). If such spin-off were to have occurred on 31 December 2024, then the Group's and the Bank's capital adequacy ratios would have been increased by 150 and 164 basis points, respectively, to 18.15% and 19.0%, respectively, which increases reflect the removal of assets and liabilities from the balance sheet without any decline in shareholder's equity. Had such spin-off occurred as of 31 December 2023, the Group's net income for 2024 would have been 11.0% lower. Such transaction will thus benefit the Group by improving its capital levels and removing risks relating to the Enpara operations; *however*, the Group would no longer benefit from the net income of, or any growth in, the Enpara business. It has not been determined what relationship (if any) the Bank would have with Enpara Bank A.Ş. after such spin-off nor whether (other than general competition in the Turkish banking sector that will result from Enpara Bank A.Ş. being operated as a separate bank competition for deposits, loans, etc.) the Bank would compete with such affiliated entity by establishing a new retail e-banking platform; *however*, any related decisions by the Bank (including with respect to any on/going relationship with such entity) will be undertaken on an arms' length basis.

### **Alternative Delivery Channels**

In line with its strategy of offering customers a high level of service, the Bank uses a variety of alternative delivery channels to reach customers, including ATMs, POS terminals, internet banking and the 24-hour call centre. In addition to providing its customers with easy and quick access to banking services, the use of alternative delivery channels contributes to significant cost savings as a result of reduced overhead.

The table below illustrates the Group's position in terms of ATM network and internet banking as well as customers as of and for the periods indicated:

	<b>As of and for the year ended 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>ATMs</b>			
Number of ATMs .....	3,113	3,308	3,437
Number of ATM transactions per period.....	154,748,251	166,099,746	169,901,848
Market share (no. of ATM machines).....	6.0%	6.2%	6.3%
<b>Internet &amp; Mobile Banking</b>			
Number of customers (total users).....	4,748,639	6,194,988	6,872,073
Number of transactions per month.....	41,367,346	59,309,961	66,327,395

In 2024, the Group continued to focus on direct banking to improve customer satisfaction and reduce the operating costs and workload at its branches. The Group established the Marketing and Customer Acquisition Management Unit within the Direct Banking Department during 2014. This unit is responsible for promoting (and directing customers to) ATM, internet banking, mobile banking and credit card internet branch channels.

The Group uses social media to advertise and sell banking products through these channels. In addition to the Bank's web page on Facebook, the QNB Kart, Fix Card, SME Arena and QNB Career web pages went live during 2013. The Group has also made active use of mobile marketing channels, especially for collecting loan applications.

In 2024, the average number of monthly monetary transactions made through internet and mobile banking channels reached 37.7 million with an increase of 42.0% compared to the average number of monthly transactions in 2023. Total average monthly volume increased by 101.0% during 2024 and reached TL 1,056.0 billion. The average monthly transaction volume made through the Group's ATM network increased by 62.1% during 2024, reaching TL 61.0 billion, while the size of the Group's ATM network increased from by 3.9% from 3,308 as of 31 December 2023 to 3,437 as of 31 December 2024.

The Group's call centres, whose over 1,000 telesales and inbound customer representatives address customer requests for banking and investment transactions, credit cards and other banking products, provides service on a continuous basis 24 hours a day, seven days a week. In 2024, the call centre responded to approximately 38 million calls, and approximately 62% of all incoming calls were managed in the interactive voice response (IVR) system. Approximately 19 million interactions were completed in 2024 through the call centres. During 2024, the call centre and telesales completed approximately 35,500 confirmed QNB Kart credit card sales, approximately 115,000 QNB Kart Cash card sales and approximately 151,000 automatic payment orders.

### Subsidiaries and other Affiliated Companies

The following table gives details as of 31 December 2024 for each company in which the Bank had a material equity interest.

<b>Entity</b>	<b>Business</b>	<b>Commenced operations</b>	<b>Percentage held</b>
<b>Subsidiaries</b>			
QNB Leasing .....	Leasing	1990	99.40%
QNB Factoring.....	Factoring	2009	100.00%
QNB Invest .....	Brokerage	1997	100.00%
QNB Asset Management .....	Asset management	2000	100.00%
QNB Asset Leasing .....	Asset Leasing	2018	100.00%
Ibtech .....	Information technology	2005	99.91%
QNB eSolutions .....	E-Invoicing	2013	100.00%
QNB Health, Life Insurance and Pension....	Pension	2007	100.00%
<b>Joint Ventures</b>			
Bantas .....	Cash delivery	2009	33.33%

In the analysis that follows of the Bank's subsidiaries' business, all amounts are before elimination of intercompany transactions and balances with the rest of the Group.

### *QNB Leasing*

QNB Leasing was established in 1990 and is listed on Borsa İstanbul. QNB Leasing's strategy has been to offer financing models in line with the customers' needs. As of 31 December 2024, QNB Leasing had a market share of 11.3% in terms of lease receivable size, according to data provided by the Association of Financial Institutions (*Finansal Kurumlar Birliği*), and it generated new business volume of US\$731 million in 2024. QNB Leasing has a lease portfolio that is diversified across several industries, with its finance lease receivables distributed as of 31 December 2024 as follows: textile 15.0%, building and construction 14.0%, manufacturing 13.0%, services 10.0%, retail and wholesale trade 6.0%, transportation and storage 6.0%, chemicals 6.0%, automotive 5.0%, energy and power 4.0%, food 4.0%, wood and wood products 4.0%, tourism 3.0%, mining and quarrying 3.0%, agriculture, hunting and forestry 2.0% and health and social activities 2.0%. As of 31 December 2024, the total assets of QNB Leasing were TL 31.2 billion, and its net profit for 2024 was TL 1.2 million.

The Group held 99.4% of the shares of QNB Leasing as of 18 February 2025.

### *QNB Factoring*

QNB Factoring, which started its operations in October 2009, has its headquarters in İstanbul and representative offices in Adana, Ankara, Antakya, Antalya, Anadolu Ticari, Avrasya Ticari, Bursa, Denizli, Eskişehir, Gebze, Halkalı, İzmir, Kayseri, Konya, Ostim, Samsun and Gaziantep. As of 31 December 2024, the total assets of QNB Factoring amounted to TL 27.5 billion and its paid-in capital amounted to TL 1,065 million. The company's net profit was TL 1,345 million for 2024, during which year its total factoring receivables amounted to TL 26.8 billion. In terms of total assets, QNB Factoring had a market share of 9.0% as of 31 December 2024 according to the BRSA. In 2024, the number of the company's customers was approximately 8,000. The distribution of factoring receivables for the most significant industry groups as of 31 December 2024 was as follows: wholesale trade and brokering 22%, oil refinery products 16% and chemical, plastic and pharmaceutical industry 9%.

### *QNB Asset Leasing*

QNB Asset Leasing, established on 4 October 2018 as a subsidiary of QNB Invest, is an asset leasing company established for the sole purpose of issuing domestic and foreign lease certificates. As of 31 December 2024, according to audited financial statements, the total assets of the company were TL 1.6 million and its paid in capital was TL 0.2 million.

### *QNB Invest*

QNB Invest was established in December 1996 and began operations in January 1997. As an intermediary institution, QNB Invest provides a wide range of financial services to both individual and institutional investors, including investment counselling and brokerage services, portfolio management, intermediation of derivatives, leveraged transactions (such as foreign exchange, contracts for difference (CFDs)), short-selling and credit sale of capital markets instruments, fund investment services and corporate finance and international investment services. Under the Capital Markets Law, the activities of intermediary institutions are subject to licences issued by the CMB for a specific activity under the name of the intermediary institution. QNB Invest is duly licensed for all capital markets activities. QNB Invest ranked 10th by volume of stocks traded on the Borsa İstanbul with a 3.3% market share, according to a breakdown of stock market transactions by Borsa İstanbul members, in 2024. As of 31 December 2024, the consolidated total assets of QNB Invest were TL 7,172 million and its net consolidated profit for 2024 was TL 1.725 million.

### *QNB Asset Management*

QNB Asset Management, established in September 2000, managed four exchange-traded funds, 17 mutual funds, 24 pension funds, one venture capital fund, 17 hedge funds and 22 private hedge funds, in each case, as of 31 December 2024. QNB Asset Management also manages discretionary portfolios for high net worth individuals and selected institutional customers. As of such date, the total assets of QNB Asset Management amounted to TL 1,178.7 million and its net profit for 2024 was TL 699.4 million.

QNB Asset Management's market share in mutual funds was 6.1% as of 31 December 2024 according to CMB statistics and its assets under management were TL 310.9 billion.

### *QNB Health, Life Insurance and Pension*

QNB Health, Life Insurance and Pension was established in 2007. The operations of QNB Health, Life Insurance and Pension include providing life insurance services, establishing pension mutual funds and conducting private pensions. QNB Health, Life Insurance and Pension started operating in the life and personal accident insurance market in 2007 and in the private pension market in 2008, in each case after obtaining the requisite licences and approvals.

On 9 November 2012, the Bank disposed of 51.0% of Finans Pension to Cigna for TL 202.9 million and also established a so-called earn-out structure of preference dividends paid to the Bank. Following the sale transaction, Finans Pension has been accounted for in the Group's financial statements using the equity method. The Bank and Finans Pension also signed an exclusive agency agreement for the duration of 15 years that covers life insurance and pension products. Finans Pension's title was changed to Cigna Finans Emeklilik ve Hayat A.Ş. in 2013 and then to Cigna Sağlık Hayat ve Emeklilik A.Ş. in 2020. The company's brand name was also changed from "Cigna Finans" to "Cigna."

In 2022, the Bank agreed with Cigna Nederland Gamma B.V., the holder of the previously disposed of 51.0% of the shares of Finans Pension, for the Bank to repurchase all of such shares for TL 981 million. The sale was finalised on 13 January 2023.

At the company's Extraordinary General Assembly Meeting on 30 May 2023, it was decided to change the company's trade name to "QNB Sağlık Hayat Sigorta ve Emeklilik Anonim Şirketi" and its brand name to "QNB Sigorta."

As of 31 December 2024, QNB Health, Life Insurance and Pension had established 23 pension mutual funds and its net assets reached TL 4.565 billion.

### *Ibtech*

Ibtech was established in 2005 and is located in İstanbul. Ibtech's focus is to provide designs and enhancements for software such as Core Banking (Core Finans), credit cards and internet banking and to develop applications for the use of the Bank. As of 31 December 2024, the total assets of Ibtech amounted to TL 591.9 million, and its net profit for 2024 was TL 15.3 million.

### *Bantas*

Bantas was established in 2009. As of 18 February 2025, Bantas was 33.33% owned by the Bank, with Denizbank and Türkiye Ekonomi Bankası A.Ş. each holding 33.33%, and is located in İstanbul. Bantas securely carries assets between branches and cash centres and gives ATM cash support. As of 31 December 2024, the total assets of Bantas amounted to TL 628.6 million.

### *QNB eSolutions*

QNB eSolutions was established in 2013 to provide e-invoicing services. On 25 April 2018, the Bank acquired 2,940,000 shares (representing 49% of the paid-in capital) of QNB eSolutions from Sibertek Danışmanlık Eğitim ve Yatırım A.Ş. for TL 20,000,000 resulting in QNB eSolutions becoming a wholly owned subsidiary of the Bank. QNB eSolutions has two subsidiaries as of 18 February 2025: (a) QnbPay, established in 2020 to provide secure payment solutions and solutions that efficiently accelerate financial decision-making processes, and (b) Lidy, established in 2022 to provide a mobile application-based aggregator platform through which users can get personalised time-deposit account offers for their money in other banks. The consolidated total assets of QNB eSolutions amounted to TL 1.175 million as of 31 December 2024 and its net profit for 2024 was TL 82 million.

## **Intellectual Property**

The Group's operations are not, to any significant extent (other than for the purposes of brand recognition and value), dependent upon any specific intellectual property right. The Group seeks to protect the trademarks and trade names that it deems necessary for its operations, and the Bank's management believes that these rights are sufficiently protected.

## **Insurance**

The Bank has a world-wide bankers blanket bond insurance policy for the Bank's operations in Türkiye and Bahrain. This insurance policy covers cash assets, assets (including cash) in transit, ATMs, and safe deposit boxes, as well as corrupt practices on the part of the Bank employees or use or abuse of the Bank's resources for their own benefit. Third-party fraud, particularly relating to internet banking, electronic funds transfer, securities trading and custody, is also covered. The Bank's automated systems are insured against damage caused by cyber attacks. New branch offices are insured automatically from their date of establishment. The Bank's management believes that the amount of insurance coverage that is presently maintained represents the appropriate level of coverage required to insure the business of the Group. For information on deposit insurance protection for the Bank's depositors, see "Turkish Regulatory Environment – The Savings Deposit Insurance Fund (SDIF)."

## **Competition**

The Group competes with other banks, financial services firms and a wide range of insurance companies in providing banking, mutual fund, capital markets and advisory services and financial and insurance products. As of 31 December 2024, 58 banks (including domestic and foreign banks but excluding the Central Bank) were operating in Türkiye, 38 of these were deposit-taking banks (including the Bank) and the remaining banks were development and investment banks (nine participation banks, which conduct their business under different legislation in accordance with Islamic banking principles, are not included in this analysis). The Group is not a significant operator in Bahrain, the only international market in which it has a presence or a branch. For more information regarding the Bank's competitors, see "The Turkish Banking Sector." See also "Risk Factors – Risks Relating to the Group and its Business – Operational Risks – Competition in the Turkish Banking Sector."

## **Legal Proceedings**

The Bank and its subsidiaries are defendants in certain claims and legal actions arising in the ordinary course of business. Other than the Competition Board investigation described below, the Group is not involved in any litigation, arbitration or other administrative proceedings that, if decided against the Bank or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on its business, results of operations or financial condition. There are no material proceedings pending in which any director of the Bank, any member of its senior management or any of the Bank's affiliates is either a party adverse to the Bank or any of its subsidiaries or has a material interest adverse to the Bank or any of its subsidiaries. As of 31 December 2024, the Group had made provisions for litigation of TL 68.7 million.

### *Competition Law*

The Competition Board initiated an investigation against 12 banks operating in Türkiye, including the Bank, in November 2011 to determine whether they had violated Law No. 4054 on the Protection of Competition (the "*Competition Law*") related to interest rates and fees in the deposit, credit and credit card services markets. The Competition Board announced its final decision with respect to such investigation on 8 March 2013, ruling that all of the defendants had violated Article 4 of the Competition Law and applying fines on each of them based upon their respective 2011 annual gross income. The fine levied against the Bank amounted to 1% of the Bank's annual turnover for 2011, equal to approximately TL 54.0 million. The Bank benefited from a 25% pre-payment discount by paying 75% of the fine (*i.e.*, TL 40.5 million) within one month after the receipt of the reasoned decision of the Competition Board. The Bank has commenced action for annulment of the Competition Board's decision at the Ankara Administrative Court. The action for annulment of the decision was dismissed by the Ankara Administrative Court. Following receipt of the court's decision, the Bank appealed the court's decision at the Council of State on 7 July 2015 and such appeal was rejected. The Bank requested revision of the decision at the Council of State on 15 February 2017, which was also rejected. This decision has been finalised.

Customers have brought claims (including in a class action) against the Bank under Articles 57 and 58 of the Competition Law seeking treble damages. As of 18 February 2025, there have been over 756 legal proceedings initiated against the Bank in this respect based upon decisions of the Competition Board, over 617 of which have been resolved in favour of the Bank, three of which have been resolved against the Bank and three of which resulted in mixed rulings. In general, the courts hold their decision regarding such cases until the final decision of the Council of State is announced.

## **Information Technology**

The Group makes use of recent and innovative technologies, which enables it to provide customers with high service quality and product diversity. The Bank's management believes that innovation and utilisation of technology support the

Group's long-term strategic direction, help accelerate innovation and expand the Group's customer base and satisfaction. The Bank intends to continue to invest in information technology in order to keep and strengthen its competitive position in the sector and increase stockholder value. The Group also operates modern primary and disaster recovery centres, which serve its banking operations and are continuously improved in terms of capacity and cost efficiency.

The Group's total information technology capital expenditure was US\$34.1 million in 2022, US\$57.5 million in 2023 and US\$57.9 million in 2024, which represented 34.0%, 40.7% and 32.8%, respectively, of the Group's total capital expenditure for the applicable year.

The Group's information technology system is centrally managed and controlled by its Enterprise Monitoring and Management Systems (described below). The system is then divided into central operations, which are monitored on an ongoing basis, and branch operations, which comprise digitised teller and back office processes. In 2024, system availability averaged 99.97% without planned downtime (which is scheduled six times a year), reducing to 99.94% when planned work downtime is included.

In line with the Group's strategy to increase cost efficiency, the Group's centralised operations personnel have increased by 2.0% in 2024 compared to 2023 notwithstanding the high level of inflation during the year. The Group seeks further efficiency in its information technology systems through a focus on appropriate allocation of data resources to critical systems. The Group also has a stated objective of decreasing allocation of data resources in its retail and other operations in order to increase allocation of data resources to its growing corporate and commercial banking systems.

### *Ibtech*

In May 2005, the Group established Ibtech, an information technology specialist subsidiary. Ibtech is the only bank information technology firm accredited to be located in the Technology Innovation Zone situated at Kocaeli, where it operates with a special licence under a 45-year lease from the government. Ibtech's location in the Technology Innovation Zone enables it to exchange know-how with government institutions in an efficient manner. As of 31 December 2024, Ibtech had 1,141 full-time employees, with expertise in the banking industry and information technology. See also “-Subsidiaries and other Affiliated Companies.”

### *The Group's IT Programmes*

The Enterprise Monitoring and Management System is the consolidated monitoring infrastructure that integrates the Group's various programmes. The Group uses CoreFinans, a core-banking application that is an all-inclusive in-house-developed application. CoreFinans has been continuously enhanced with new functionality since it was launched in 2002. With its service-oriented architecture, CoreFinans provides flexibility, scalability, ease of use, ease of integration and measurability, which are vital ingredients for the Group's operations. In addition to the core-banking application, the Group's information technology team develops and maintains alternative delivery channel applications, encapsulated with customer data management and infrastructure layers. In 2013, CoreFinans was integrated with the Group's telecommunications infrastructure, enabling branches to hold promotion campaigns and perform sales over the phone.

Over the past few years, the Group has carried out several projects focused on its banking delivery channels and has a number of ongoing projects.

### **Employees**

The Bank places a high priority on recruiting and retaining the highest quality staff in alignment with its long-term business strategies and regards its staff as its most significant resource. For attracting suitable candidates, the Bank's efforts have centred on human resources activities for strengthening the Bank's brand image. The Bank also aims to provide a high level of personal and professional training that is both role-oriented and designed to develop certain skills and competencies and promote a coherent, unified corporate culture. The Bank aims to compensate its employees competitively and operates diversified performance-driven premium and year-end success bonus models as well as several practices for reinforcement of engagement and fulfilment such as appreciation and recognition programmes, internal communication activities and retention plans. With the goal of establishing long-term and efficient relationships with employees, the Bank conducts and analyses employee engagement and satisfaction inventories and turnover studies. It also provides vertical and horizontal career opportunities.

As of 31 December 2024, the Bank employed 11,949 persons, of whom 43% were based in one of the Bank's branches. Among its employees, more than 71% were engaged in sales, with 3,420 employees forming the direct sales force,

as of such date. Additionally, the Bank’s subsidiaries (plus QNB Health, Life Insurance and Pension, which became a fully owned subsidiary in January 2023 as described above) employed 2,592 employees as of such date.

The following table sets forth the number of employees of the Bank by operation as of each of the indicated dates:

<b>By operation</b>	<b>As of 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
Head Office .....	2,865	2,965	3,171
Branches .....	5,159	5,195	5,091
Alternative sales channels .....	3,127	3,306	3,420
Regional offices.....	275	281	267
<b>Total</b> .....	<b>11,426</b>	<b>11,747</b>	<b>11,949</b>

As of 31 December 2024, 87% of the Bank’s employees had associate degrees or above. As of the same date, the Bank’s employees had an average of 9.51 years of experience in the banking sector, an average seniority at the Bank of 8.46 years and an average age of 35 years. The Bank’s management believes that the Bank’s relations with its employees are positive.

### Property

The Bank’s principal properties, including its head office, are located primarily in two areas of İstanbul, Levent (Kristal Kule) and Ümraniye. The Bank’s other material properties are in three other Turkish cities: Erzurum, İzmir and Bursa. The market value of these material properties, based upon external appraisals in December 2024, was TL 11.2 billion. The Bank operates most of its branches based upon medium-term leases, with typical lease periods of five to 10 years. Some of the Bank’s subsidiaries and other affiliated companies own their own properties while others lease the premises in which they operate.

### Anti-Money Laundering, Combatting the Financing of Terrorism and Anti-Bribery Policies

Türkiye is a member country of the FATF and has enacted laws to combat money laundering, terrorist/proliferation financing and other financial crimes. Minimum standards and duties include customer identification, record keeping, suspicious activity reporting, risk management and monitoring activities, employee training, audit functions and designation of a compliance officer. Suspicious transactions must be reported to the Financial Crimes Investigation Board (*Mali Suçları Araştırma Kurulu*) (the “*FCIB*”), which is the Turkish financial intelligence unit. In Türkiye, all banks and their employees are obliged to implement and fulfil certain requirements regarding the treatment of activities that may be referred to as money-laundering or terrorist/proliferation financing.

The main provisions of the applicable law include regulation of: (a) client identification, (b) reporting of suspicious activity, (c) training, internal audit and control, risk management systems and other measures, (d) periodic reporting, (e) information and document disclosure, (f) retention of records and data, (g) data access systems to public records, (h) protection of individuals and legal entities who fulfil certain regulatory requirements (*e.g.*, due diligence and suspicious transactions reporting requirements stipulated under the laws regarding anti-money laundering) and (i) written declaration of beneficial owners by transacting customers, among other provisions. Suspicious transactions must be reported to the FCIB.

It is the policy of the Bank (including its entire domestic and overseas branch network) and each of the Bank’s subsidiaries to act in compliance with all applicable laws and international standards on combatting money laundering and terrorism/proliferation financing, including to prohibit money laundering and any activities facilitating the money laundering process, the financing of terrorism/proliferation or criminal activities; *provided* that the Bank’s overseas branches and subsidiaries must comply with the applicable laws of their host country.

To try to ensure that the Bank and its financial subsidiaries are not used as intermediaries in money laundering and terrorist/proliferation financing, a programme of compliance with the obligations of anti-money laundering, combatting the financing of terrorism and anti-bribery rules (including the standards and recommendations of the FATF), which programme is to be followed by all employees, has been implemented throughout the Bank and its financial subsidiaries. This programme includes written policies and procedures, assigning a compliance officer who is responsible to the Board’s Audit Committee to monitor this matter, an audit and review function to test the robustness of anti-money-laundering and terrorist/proliferation financing policies and procedures, monitoring and auditing customer activities and transactions in accordance with anti-money laundering and terrorist/proliferation financing laws and employee training. Anti-money laundering issues are escalated by

the compliance officer to the Audit Committee in Audit Committee meetings held every month. In addition, reports on anti-money laundering compliance are submitted to the Board on a quarterly basis, the purpose of which reports is to evaluate the effectiveness of the Bank's anti-money laundering and terrorist/proliferation financing programme and assess whether the Bank's related practices comply with law and the Bank's policies.

In October 2014, the OECD's Working Group on Bribery adopted the Phase 3 Report on Implementing the OECD Anti-Bribery Convention. In this report, the OECD Working Group expressed concerns about Türkiye's low level of anti-bribery enforcement and recommended that Türkiye improve its efforts to proactively detect, investigate and prosecute allegations of foreign bribery. The OECD Working Group also expressed concern regarding certain deficiencies in Türkiye's corporate liability legislation and enforcement against legal persons and made several recommendations to address these concerns. In addition, on 21 October 2021, the FATF placed Türkiye on the so-called "grey list" of countries in need of elevated supervision of its legal framework for combatting terrorism and money laundering. The FATF cited concerns about inadequate supervision of Türkiye's banking and real estate sectors and dealers in gold and precious stones, including having undertaken insufficient prosecutorial efforts against violators (including freezing of assets). Consequently, to reflect Türkiye's progress, the FATF re-rated the country on 30 November 2021 on some recommendations and changed the rating of four recommendations from partially compliant to largely compliant. On 10 May 2022, the FATF re-rated the country and changed the rating of one recommendation from partially compliant to compliant and two recommendations from partially compliant to largely compliant. On 27 October 2023, the FATF acknowledged Türkiye's progress while highlighting that, although previous deadlines have expired, Türkiye should continue to work on implementing its action plan to address one remaining strategic deficiency, specifically by confiscating assets related to terrorist financing. On 23 February 2024, the FATF announced that Türkiye has completed a significant part of its action plan. Further changes in Turkish laws and practices might arise from these recommendations, which the Bank will monitor.

### **Compliance with Sanctions Laws**

It is the policy of the Bank (including its entire domestic and overseas branch network) and each of the Bank's subsidiaries to carry out operations in accordance with all applicable law and international standards. The Group's policy is to comply with certain international sanctions programs, including particularly the sanctions imposed by the United Nations Security Council, the United States, the EU, the UK and Türkiye ("*Sanctions*"). The Group's policy is to not provide services to countries and activities subject to such Sanctions, or to intermediate any banking service, in breach of such Sanctions.

OFAC administers laws that restrict the ability of U.S. persons to invest in, or otherwise engage in business with, SDNs, and similar laws have been put in place by other U.S. government agencies (including the State Department), the EU, the UK, the United Nations and Türkiye. The Bank maintains policies and procedures designed to seek to comply with all such laws regarding doing business with, maintaining accounts for, or handling transactions or monetary transfers for Sanction Targets.

Before opening an account for, or entering into any transaction with, a customer, the Bank checks whether such customer is listed as a Sanction Target. In addition, the names of all customers and all incoming and outgoing transactions are continuously and automatically screened by a filtering programme against a list of Sanction Targets. All of the Bank's daily transactions are further reviewed for compliance with Sanctions. Accordingly, the Bank's current policies restrict the Bank from engaging in any prohibited business investments and transactions with Sanction Targets, including with respect to the proceeds of the Notes.

In connection with the rapid changes in sanctions relating to the conflict in Ukraine, the Bank has analysed its portfolio and determined that (as of 18 February 2025) it has no direct exposure to Sanction Targets in Russia. The Group has also taken enhanced measures to monitor these events and seek compliance with the applicable Sanctions as they apply to Russia and Russian Persons.

### **Credit Ratings**

Each of the Bank's credit ratings (and, where relevant, ratings outlook) from Fitch and Moody's as of 18 February 2025 is set out below. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The date of the Bank's rating is based upon the last applicable report of the applicable rating agency.

*Fitch (17 September 2024)*

Long-term Foreign Currency Issuer Default Rating/Outlook:	BB- / Stable
Short-term Foreign Currency Issuer Default Rating:	B
Long-term Local Currency Issuer Default Rating/Outlook:	BB- / Stable
Short-term Local Currency Issuer Default Rating:	B
National Long-term Rating/Outlook:	AA (tur) / Stable
Shareholder Support Rating:	bb-
Viability Rating:	b+
Long-term/ Short-term Senior Unsecured Debt Rating:	BB-/B
Subordinated:	B+

*Moody's (23 July 2024)*

Long-term Foreign Currency Deposit Rating/Outlook:	Ba3 / Positive
Short-term Foreign Currency Deposit Rating:	Not Prime
Long-term Local Currency Deposit Rating/Outlook:	Ba2 / Positive
Short-term Local Currency Deposit Rating:	Not Prime
Senior Foreign Currency Unsecured Debt Rating:	Ba3
BCA (Baseline Credit Assessment):	b2
Adjusted BCA:	ba2
Subordinate:	B1 (hyb)

## RISK MANAGEMENT

The Bank considers effective risk management to be crucial to its success. The Bank allocates substantial resources to upgrading its policies, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee on Banking Supervision (the “*Basel Committee*”), which is conducted by the Bank for International Settlements (the “*BIS*”).

### Risk Management Governance

Risk management governance at the Bank starts with the Board of Directors. The Board Risk Committee (the “*BRC*”), the ALCO, the Corporate and Retail Credit Policy Committees (the “*CCPC*,” “*CPRC*” and the “*RCPC*”), the Operational Risk Management Committee (the “*ORMC*”) and the Risk Management Department are the most important bodies in the risk management structure. The Board of Directors determines the general risk policy and the risk appetite of the Bank. The BRC, in its monthly meetings, defines risk policies and strategies, reviews the types of risks the Bank is exposed to, monitors the implementation of the risk management strategies and brings important risk issues to the attention of the Board. The ALCO, meeting monthly, is responsible for monitoring and managing the structural asset-liability mismatches of the Bank, as well as monitoring and controlling liquidity risk and foreign currency exchange risk. The CCPC and RCPC meet on an as-required basis and are responsible for monitoring and evaluating the Bank’s applicable lending portfolio and determining principles and policies regarding the credit risk management processes, such as loan approval, limit setting, rating, monitoring and problem management. The ORMC meets every three months and is responsible for reviewing operational risk issues of the Bank and defining the necessary actions to be taken to minimise these risks. The Risk Management Department, working independently from the Bank’s executive functions and reporting to the Board of Directors, is organised under four groups (market risk, credit risk, operational risk and model validation), each having responsibility for identifying, measuring, monitoring, controlling and managing the relevant risks as well as for model validation and assessing the predictive ability of risk estimates and the use of ratings in credit processes.

The Group aims to adopt best practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee, the BRSA and the CMB, as well as any decisions of the competent authorities supervising the Group’s entities.

The Internal Audit Division (the “*IAD*”), which reports directly to the Board of Directors through the Audit Committee, complements the risk management framework and acts as an independent reviewer, focusing on the effectiveness of the risk management framework and control environment.

The Group’s risk management structure is designed to achieve existence of clear lines of responsibility, the efficient segregation of duties and the prevention of conflicts of interest at all levels.

#### *Board Risk Committee*

The Group’s risk management policies are approved by the BRC, the members of which are the Chairman of the Bank’s Board of Directors and three other members of the Bank’s Board of Directors who are adequately qualified and experienced in the field of risk management. According to its internal regulation, the BRC is responsible for all strategic risk management decisions including, for example, the approval and review of risk strategy, policies and capital adequacy and allocation as well as oversight of the ALCO, the CCPC, the RCPC and the ORC.

For a further description of the BRC, see “Management – Executive Committees of the Bank – Board Risk Committee.”

#### *Risk Management Department*

The Group’s Risk Management Department is responsible for monitoring and managing all potential risks for the Bank in a centralised and efficiently coordinated manner. The primary goal of the Risk Management Department is to provide the business lines with appropriate capital allocation (economic capital) for risks they are exposed to and incentivise risk-adjusted return on capital.

The Risk Management Department seeks to protect the Group against unforeseen losses and to maintain earnings stability through the independent identification and assessment of risks. It uses a framework for evaluating risks for risk management, seeking to produce transparent, objective and consistent risk management information as the basis for organising the Group’s structure. Its role in maximising the Group’s earnings potential involves measuring performance on a risk-adjusted

basis and allocating capital accordingly. In addition, it is responsible for providing the BRC and the Executive Committee with accurate data and analysis required for measuring, monitoring and managing risks and for supporting the implementation of risk management decisions. Group risk management policies are approved by the BRC.

The Risk Management Department undertakes to do the following:

(a) analyse, measure, monitor, control, mitigate and report to management all significant on- and off-balance sheet risks undertaken at the Bank and the Group level,

(b) adopt risk management policies with regard to significant credit, market, operational and other risks undertaken by the Bank and the Group,

(c) evaluate the internal capital that is required in respect of all aforementioned risks and estimate all relevant capital ratios of the Bank and the Group,

(d) establish a framework for undertaking risk applicable to all levels of management and collective bodies of the Bank and the Group,

(e) establish early warning systems and perform stress tests on a regular basis, and

(f) guide decision-making processes at the Group level by providing the necessary risk management related evaluation.

#### *Asset and Liability Management*

The ALCO proposes asset and liability management procedures and policies to the Bank's Board of Directors that are compatible with prevailing laws. The ALCO is responsible for executing these policies and managing structural interest rate risk within the limits defined by the Board of Directors. The ALCO meets monthly. At these meetings, the ALCO reviews critical risk issues and determines the strategies for asset and liability management.

#### *Internal Audit Division*

The IAD has an independent and advisory role, the objective of which is to conduct assurance and consulting activities designed to add value and improve operations. Internal audit contributes to the achievement of corporate objectives by: (a) bringing a systematic, disciplined approach to the evaluation of the effectiveness of risk management, internal controls and corporate governance, (b) recommending appropriate measures to improve their efficiency and effectiveness and (c) monitoring the implementation of corrective actions.

The internal audit activity is structured so as to be independent of, and free from interference by, any element, unit or management level within the Bank. In order to ensure this independence, the Chief Audit Executive reports ultimately to the Bank's Board of Directors, with a functional and administrative reporting line through the Head of Internal Systems and the Audit Committee. This reporting line also applies for the approval of the internal audit charter, the risk-based internal audit plan, the internal audit budget and resource plan, the internal audit activity's performance relative to its plan and decisions regarding the appointment and removal of the Chief Audit Executive.

#### **Management of Specific Risks**

The Bank's risk management processes distinguish among the types of risks set out below. See also Section Four of the Group's BRSA Financial Statements as of and for the year ended 31 December 2024.

#### *Credit Risk*

Credit risk represents the risk arising from a counterparty not fulfilling its responsibilities stated in an agreement either partially or totally. The credit policy committees and departments are responsible for managing the Group's credit risk by controlling the overall lending process through approving the Bank's lending criteria and credit risk policies and delegating authorities depending upon the type of the product. These committees and departments help to establish effective and efficient internal policies, procedures and methodologies to define, quantify, measure, control and report credit risks.

The Group's Risk Management Department is responsible for building a regular cycle of rating models validation that includes monitoring of model performance and stability and, where necessary, model improvement. The table below provides an overview of the Group's credit risk management rating model:

<b>Phase</b>	<b>Retail Loans</b>	<b>Business Loans</b>
Origination	Scorecards Highly automated and model-driven application process	Incentivising hard collateralisation Use of scorecards and credit decision framework as a decision support tool Customised underwriting processes with different authorisation levels based up on customer segment
Monitoring	Proactively monitored and managed portfolio monitored on a daily basis Behavioural scorecards generating early warning signals	Proactively monitored credit portfolio with early warning signals, analytical decision support tools and management dashboards
Early Collection	In-house and outsourced collection teams of full-time employees, supported by information technology systems and segmentation tools	Centralised and regional collection specialists for each customer segment
Legal Collection	Central legal enforcement team managing NPL collection with the support of external law firms	Centralised legal collection teams and agents

The Bank actively uses collateral management as an important risk mitigation mechanism, including a legal review confirming the enforceability of the collateral arrangements under the applicable law. The market value of collateral generally is appraised at least annually or more often whenever there is a reason to believe that a significant decrease in its market value has occurred.

As long as a customer has a credit line, the Bank continuously monitors the credit risk of the customer. Quality, timeliness and sufficiency of information flow are under the responsibility of the underwriting department. The financial standing and the business risk profile of a customer are continuously monitored and the corporate ratings are updated and the customer limits are reviewed at least annually. Early warning systems have been established in order to ensure that customers for which a significant deterioration in the credit quality or payment performance has been observed are transferred to the watch list and closely monitored. Similarly, restructured and rescheduled loans are carefully monitored in line with the Group's credit risk policy.

Credit Cards. After general purpose loans, the credit card portfolio is the largest component of the Bank's retail, affluent and private banking loans (TL 48.4 billion as of 31 December 2022, TL 145.3 billion as of 31 December 2023 and TL 234.8 billion as of 31 December 2024). Due to the weight of credit card loans in the Bank's balance sheet, the portfolio is subject to close monitoring and analysis on an ongoing basis with what the Bank's management believes are robust techniques.

The Group has established a credit card scoring system supported by a number of models, which system is based upon a customer's application and behavioural score cards. Scoring systems and risk analytics are incorporated throughout the credit process, from the grant of credit through to collection. The Group's risk management unit is responsible for building a regular cycle of model validation that includes monitoring of model performance and stability and, if necessary, model improvement.

Credit cards that are in arrears or are considered to be a potential problem for the Bank are actively monitored and managed with the intent of avoiding loss, or at least mitigating it to the extent reasonably possible. The Bank has established processes whereby delinquent credit cards are managed in a timely fashion so that the collection performance of the credit card loans portfolio is successful. The Bank has also implemented early warning systems with the goal of ensuring that customers subject to significant credit quality or payment performance deterioration are monitored with special care, and the Group relies on a network of in-house and outsourced early collection agents for collection efforts.

In 2014, the Group put in place stricter underwriting criteria and higher cut-off levels for its retail credit card business. The Group's management believes that this has resulted in the stabilisation of additional credit card NPLs, which amounted to TL 9.4 billion as of 31 December 2024 (compared to TL 1.1 billion and TL 1.3 billion as of 31 December 2022 and 2023, respectively).

Mortgage Lending. The mortgage lending portfolio is the third largest component of the Bank's retail, affluent and private banking loans, with a total exposure of TL 3.3 billion, TL 3.4 billion and TL 4.3 billion as of 31 December 2022,

2023 and 2024, respectively. Accordingly, similar to credit card loans, the mortgage portfolio is also closely monitored and multi-dimensional risk analyses are performed on an ongoing basis, including a property valuation conducted by an independent certified agent. The Group aims to have a loan-to-value ratio of 40.0% in its mortgage business in order to support high recovery rates. The Group's gross NPLs in its mortgage lending business decreased to TL 7.8 million as of 31 December 2023 from TL 13.6 million as of 31 December 2022 and then increased to TL 113.4 million as of 31 December 2024.

*Consumer Loans.* In the consumer loans business, the Group employs a dedicated early collection team comprised of in-house, outsourced and branch-based employees and agents.

*Business Loans.* The Group uses various scorecards in the origination stages of its business loans products, including behaviour scorecards, with customised underwriting processes employing different authorisation levels depending upon the customer segment. Generally, the Group incentivises hard collateralisation of its business loans, which means the collateral must be in the form of cash or real estate. Further, the Group proactively monitors its credit portfolio with respect to its business loans, using early warning signals, analytical decision support tools and management dashboards. In terms of collection, the Group employs centralised and regional collection specialists for each customer segment for purposes of early collection, as well as a centralised team of collection teams and agents for collection efforts.

Given that inadequate diversification might have a significant impact on the value of the Group's business loan portfolio, the Group has established maximum concentration limits for single names and industries. As a result, the Bank's top 20 corporate and commercial customers accounted for 21.1% of the Bank's total corporate and commercial loans and receivables and 11.5% of the Bank's performing loan book as of 31 December 2024.

#### *Counterparty Risk*

The Group faces counterparty risk from the over-the-counter transactions and the repurchase agreements in which it is involved. Counterparty risk is the risk arising from an obligor's failure to meet its contractual obligations. For the efficient management of counterparty risk, the Bank has established a framework of counterparty limits. The financial institution department is responsible for setting and monitoring the limits for the Bank's financial institution counterparties.

Counterparty limits for the Bank's financial institution counterparties are set based upon credit ratings that are published by internationally recognised ratings agencies. According to the Bank's policy, if rating agencies have different views on the creditworthiness of a counterparty, then only the lowest rating will be taken into consideration. In cases where a counterparty is not rated by internationally recognised ratings agencies, its rating is determined by the Bank's internal rating model.

The counterparty limits apply to all financial instruments that the Treasury department actively trades in the interbank market. The limits framework is revised according to the business needs of the Bank and prevailing conditions in international financial markets. A similar limit structure for the management of counterparty risk is enforced across all of the Group's subsidiaries.

The Group seeks to reduce counterparty risk by standardising relationships with counterparties through the use of documentation published by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA) and the International Securities Lending Association (ISLA), which include closeout netting clauses and margining agreements. Additionally, for the most active counterparties in over-the-counter derivatives, credit support annexes have been put in effect so that on the basis of daily valuations, net current exposures are managed through margin accounts where cash collaterals can be reciprocally posted.

The Group avoids taking positions in derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty.

The Bank uses the "current exposure method" for the calculation of regulatory capital requirements arising from counterparty credit risk.

#### *Interest Rate Risk*

Interest rate risk is the risk related to the potential losses on the Group's portfolio due to adverse movements in interest rates. A principal source of interest rate risk exposure arises from the Group's bond portfolios and its interest rate exchange-traded and over-the-counter transactions, including the interest rate risk that derives from the positions it retains in Turkish government bonds. As a means of hedging, the Group enters into interest rate swap transactions in order to hedge the

volatility of interest rates on its eurobond portfolio, which consists predominantly of Turkish government bonds denominated in foreign currency.

In order to offer loans to its customers, the Group also obtains liquidity in U.S. dollars, which are then converted into Turkish Lira through foreign currency swaps and cross-currency interest rate swaps. These cross-currency interest rate swaps act as a hedge to the interest rate risk that derives from the Group's loan portfolio.

*Interest Rate Risk in the Banking Book.* Interest rate risk in the banking book is the current or prospective risk to earnings (net interest income) and capital due to adverse movements in interest rates affecting the banking book positions. Exposure to interest rate risk in the banking book arises from repricing mismatches between assets and liabilities. The Group's banking book consists mainly of loans and receivables, leasing and factoring receivables, cash and balances with central banks, amounts due from banks, customer deposits, amounts due to banks, marketable securities issued and funds borrowed that are measured at amortised cost. The Bank's management believes that it maintains adequate measurement, monitoring and control functions for interest rate risk in the banking book, including:

- (a) measurement systems for interest rate risk that capture material sources of interest rate risk and assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities,
- (b) measurement of vulnerability to loss under stressful market conditions,
- (c) processes and information systems for measuring, monitoring, controlling and reporting interest rate risk exposures in the banking book, and
- (d) a documented policy regarding the management of interest rate risk in the banking book.

Interest rate risk that would arise from changes in interest rates depending upon the Group's position is managed by the ALCO. Interest rate sensitivity of assets, liabilities and off-balance sheet items is analysed by top management in the ALCO meetings held monthly by taking market developments into consideration. The management of the Group follows the interest rates in the market on a daily basis and revises interest rates of the Group when necessary.

In addition to customer deposits, the Bank funds its long-term fixed interest rate Turkish Lira-denominated instalment loan portfolio with long-term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank swaps the foreign currency-denominated liquidity obtained from the international markets to Turkish Lira-denominated liquidity with foreign currency swap transactions.

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, the Bank's policies aim to ensure that this risk stays within pre-defined limits. The ALCO aims to protect the economic value of equity, while sustaining a stable earnings profile. Duration/gap analyses, which rely upon calculations of net discounted future cash flows of interest rate sensitive balance sheet items, are conducted to manage this risk.

The Bank runs net economic value sensitivity scenarios with changes in interest rates and interest rate margins in order to calculate their impact on net economic value. In addition to the Basel standard interest rate shock scenario, the May 2004, June 2006 and 2008 scenarios and the market volatility of August 2018 are also simulated. As of 31 December 2024, the expected change in net economic value under the Basel scenario, which is defined by the BRSA, was TL 6.7 billion (4.2% of equity), which is well below the 20% limit advised by the Basel Committee (Principles for the Management and Supervision of Interest Rate Risk, July 2004). In addition, since 2020 the Bank has applied the latest "Interest Rate Risk in the Banking Book" standard published by the Basel Committee in 2016. According to this standard, two parallel and four unparallel interest rate shock scenarios are employed and behavioural optionality is included in the analysis. As of 18 February 2025, the limit of such interest rate risk is defined as 15% of the Group's Tier 1 capital.

The following table sets forth the Group's "repricing" gap as of 31 December 2024. The Group reports its "repricing" gap only on an annual basis.

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest- Bearing	Total
<i>(TL thousands)</i>							
<b>Assets</b>							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious metal) and balances with the Central Bank .....	72,629,814	-	-	-	-	180,444,299	253,074,113
Due from banks.....	8,696,253	556,315	-	-	-	11,421,829	20,674,397
Financial assets measured at fair value through profit/loss.....	2,645,478	3,651,736	3,110,603	1,887,384	254,948	11,118,740	22,668,889
Money market placements.....	601,134	-	-	-	-	(27)	601,107
Financial assets at fair value through other comprehensive income.....	22,737,548	37,405,641	24,436,859	22,815,720	33,333,767	5,479,426	146,208,961
Loans and receivables.....	297,217,154	130,861,464	326,911,893	135,283,833	15,972,007	4,954,101	911,200,452
Other financial assets measured at amortised cost.....	60,188,747	3,775,365	5,555,988	28,769,208	18,489,601	12,496,927	129,275,836
Other assets.....	12,110	15,685	18,054	10,221	-	71,332,702	71,388,772
<b>Total assets</b> .....	<b>464,728,238</b>	<b>176,266,206</b>	<b>360,033,397</b>	<b>188,766,366</b>	<b>68,050,323</b>	<b>297,247,997</b>	<b>1,555,092,527</b>
<b>Liabilities</b>							
Bank deposits.....	35,771,868	19,119,979	1,971,644	-	-	706,631	57,570,122
Other deposits .....	387,632,883	126,863,085	11,546,974	2,209,446	962	292,611,253	820,864,603
Money market borrowings .....	103,200,181	22,642,737	21,899,931	365,096	-	1,657,381	149,765,326
Sundry creditors .....	6,509,311	-	-	-	-	51,496,383	58,005,694
Securities issued (net) .....	-	25,533,956	26,758,743	20,299,743	10,729,987	20,814	83,343,243
Funds borrowed.....	55,040,130	52,953,853	92,838,378	3,374,067	-	3,757,123	207,963,551
Other liabilities.....	17,044	24,607	70,452	1,649,918	-	175,817,967	177,579,988
<b>Total liabilities</b> .....	<b>588,171,417</b>	<b>247,138,217</b>	<b>155,086,122</b>	<b>27,898,270</b>	<b>10,730,949</b>	<b>526,067,552</b>	<b>1,555,092,527</b>
On balance sheet long position.....	-	-	204,947,275	160,868,096	57,319,374	-	423,134,745
On-balance sheet short position.....	(123,443,179)	(70,872,011)	-	-	-	(228,819,555)	(423,134,745)
Off-balance sheet long position.....	53,640,431	23,484,144	-	-	-	-	77,124,575
Off-balance sheet short position.....	-	-	(12,064,736)	(45,176,971)	(12,857,951)	-	(70,099,658)
<b>Total position</b> .....	<b>(69,802,748)</b>	<b>(47,387,867)</b>	<b>192,882,539</b>	<b>115,691,125</b>	<b>44,461,423</b>	<b>(228,819,555)</b>	<b>7,024,917</b>

### Equity Risk

Equity risk is the risk related to potential losses that the Group might incur due to adverse movements in the prices of stocks and equity indices. The Group holds a limited portfolio of stocks, the majority of which are traded on the Borsa İstanbul, and also retains positions in stock and equity index derivatives traded in Turkish and international exchanges.

### Foreign Exchange Risk

Foreign exchange risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Group's foreign exchange risk derives from its open currency position ("OCP").

The Group trades in all major currencies, holding mainly short-term positions for trading purposes and for servicing its institutional, corporate, domestic and international clients. According to the Bank's strategy, the end-of-day OCP is required to comply with regulatory limits.

The Group evaluates its exposure for the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group enters into foreign currency forward transactions and swap transactions to decrease foreign currency position risk, and the Group also engages in foreign currency option transactions. The position limit of the Group related to foreign exchange risk is determined according to the foreign currency net position standard ratio determined by the BRSA.

Turkish banking authorities regulate and monitor the net open position maintained by banks, as discussed in "Turkish Regulatory Environment." The Bank's net foreign currency position is closely monitored by the Treasury Department with respect to a limit set by the BRC.

The Bank's consolidated subsidiaries and its associates determine position limit related with foreign exchange risk as determined by the applicable regulatory bodies. The Bank's Bahrain branch conducts its operations in U.S. dollars.

The following table sets forth the Group's net foreign currency position after including off-balance sheet positions (notional values of derivatives) as of the indicated dates.

	<b>Net foreign currency position</b>
	<i>(TL millions)</i>
As of 31 December 2022.....	2,780.3
As of 31 December 2023.....	7,284.3
As of 31 December 2024.....	4,951.1

*Foreign Exchange Risk Concentration.* The Group's exposure to foreign exchange risk as of 31 December 2024, before taking into consideration the effect of hedging, is presented in the following table. As described above, the end-of-day OCP is required to comply with regulatory limits. Compliance is achieved by entering into appropriate offsetting positions. Consequently, the net exposure to each foreign currency is maintained at low levels and within the regulatory limits. The Group publicly reports its foreign exchange risk concentration only on an annual basis.

	<b>Euro</b>	<b>U.S. Dollars</b>	<b>Others</b>	<b>Total</b>
	<i>(TL thousands)</i>			
<b>Assets</b>				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious metal) and balances with the Central Bank .....	22,396,747	77,676,541	9,507,581	109,580,869
Due from banks .....	5,875,649	8,293,948	1,249,430	15,419,027
Financial assets measured at fair value through profit/loss	1,421,568	4,159,011	14,696	5,595,275
Money market placements.....	-	-	-	-
Financial assets at fair value through other comprehensive income .....	20,053	26,696,419	-	26,716,472
Loans and receivables .....	147,156,674	139,732,220	151,764	287,040,658
Investment securities at amortised cost.....	2,549,578	33,921,949	-	36,471,527
Derivative financial assets hedging purposes .....	87,951	2,882,725	-	2,970,676
Tangible assets.....	-	-	609	609
Other assets.....	1,376,359	1,150,175	26,530	2,553,064
<b>Total assets.....</b>	<b>180,884,579</b>	<b>294,512,988</b>	<b>10,950,610</b>	<b>486,348,177</b>
<b>Liabilities</b>				
Bank deposits.....	5,807,078	36,521,526	1,360,555	43,689,159
Foreign currency deposit .....	58,159,538	103,240,384	68,374,209	229,774,131
Money market borrowings.....	-	48,467,653	-	48,467,653
Funds provided from other financial institutions .....	40,876,433	153,523,334	72,722	194,472,489
Securities issued .....	4,322,847	60,914,408	9,938,508	75,175,763
Sundry creditors.....	1,636,941	5,063,469	85,453	6,785,863
Derivative financial liabilities hedging purposes.....	93,368	968,056	-	1,061,424
Other liabilities .....	2,540,509	4,723,489	59,977	7,323,975
<b>Total liabilities .....</b>	<b>113,436,714</b>	<b>413,422,319</b>	<b>79,891,424</b>	<b>606,750,457</b>
Net balance sheet position .....	<b>67,447,865</b>	<b>(118,909,331)</b>	<b>(68,940,814)</b>	<b>(120,402,280)</b>
<b>Net off-balance sheet position.....</b>	<b>(67,098,479)</b>	<b>121,825,990</b>	<b>70,625,850</b>	<b>125,353,361</b>

As of 31 December 2024, the Group's net foreign currency exposure was a long position of TL 5.0 billion (compared to a net short position of TL 2.8 billion and a net long position of TL 7.3 billion as of 31 December 2022 and 2023, respectively) resulting from an on balance sheet short position of TL 120.4 billion (compared to a net long position of TL 44.7 billion and a net short position of TL 108.1 billion as of 31 December 2022 and 2023, respectively) and an off balance sheet long position of TL 125.4 billion (compared to a TL 47.5 billion and TL 115.4 billion long position as of 31 December 2022 and 2023, respectively).

#### *Market Risk*

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices and bond prices and foreign exchange rates) and their levels of volatility. The Group's trading activities include a wide variety of financial products in order to enhance its profitability and its service to clientele. These trading activities require

the Group to assume market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The capital required for general market risk and specific risk is calculated and reported monthly in accordance with the "standard method" as defined in the "Regulation on the Measurement and Assessment of Capital Adequacy of Banks" issued by the BRSA and, within the time period determined by the BRSA following the calculation, the BRSA is required to be notified thereof. The most significant types of market risk for the Group are interest rate risk and foreign exchange risk.

*Value-at-Risk.* As of 1 January 2020, the Risk Management Division started to calculate daily value-at-risk ("*VaR*") for the Bank's trading book. The Bank has adopted a historical simulation methodology with a 99% confidence interval and a one-day holding period. Overall "Bank Risk Tolerance" and VaR limits for each risk factor are determined in order to manage the market risk efficiently and to keep the market risk within the desired limits. The Group's Risk Management Department monitors VaR balances daily for compliance with the limits. Periodic stress tests and scenario analyses are used to support the results of the VaR analysis.

The limits have been determined by reference to worldwide best practices; they refer not only to specific types of market risk, such as interest rate, foreign exchange and equity risk, but also to the overall market risk of the Bank's trading and available for sale portfolios.

The tables below set forth the Bank's VaR as of and for the period ended on the indicated dates:

<b>As of and for the year ended 31 December 2022</b>				
	<b>Total VaR</b>	<b>Interest rate VaR</b>	<b>Equity VaR</b>	<b>Foreign exchange risk VaR</b>
<b>VaR</b>				
		<i>(TL thousands)</i>		
As of period end .....	14,948	11,693	-	1,073
Period Average .....	18,389	8,616	-	4,321
Period Maximum .....	30,704	17,398	-	16,604
Period Minimum .....	7,287	1,790	-	327

<b>As of and for the year ended 31 December 2023</b>				
	<b>Total VaR</b>	<b>Interest rate VaR</b>	<b>Equity VaR</b>	<b>Foreign exchange risk VaR</b>
<b>VaR</b>				
		<i>(TL thousands)</i>		
As of period end .....	24,166	16,793	-	8,384
Period Average .....	18,672	14,268	-	5,323
Period Maximum .....	34,521	45,612	-	41,867
Period Minimum .....	7,550	3,468	-	278

<b>As of and for the year ended 31 December 2024</b>				
	<b>Total VaR</b>	<b>Interest rate VaR</b>	<b>Equity VaR</b>	<b>Foreign exchange risk VaR</b>
<b>VaR</b>				
		<i>(TL thousands)</i>		
As of period end .....	37,173	31,464	26,032	18,381
Period Average .....	37,452	26,037	19,047	19,261
Period Maximum .....	64,094	53,322	30,074	42,434
Period Minimum .....	14,431	11,139	9,702	951

The Bank uses a historical methodology, with a 252-day observation period, and its volatility estimation is based upon an exponentially weighted moving average ("*EWMA*"). *EWMA* captures the dynamic features of volatility, in which the latest observations carry the highest weight in the volatility estimation. For example, observations of the most recent 100 days of the 252 days' observation period cover 95% of the volatility estimation.

The Bank also performs back-testing in order to verify the predictive power of its VaR model. There were six excesses in back-testing results in 2020 due to high volatility resulting from the COVID-19 pandemic. Back-testing is used to

determine whether a change in the value of the portfolio, as a result of actual changes in risk factors, corresponds to the VaR predicted by the model for the same period of time. Having experienced no excesses in the past year verifies the predictability power of the model. In addition, the Bank performs stress test analyses and stress VaR calculation on its trading book on a monthly basis. The scenarios refer to extreme movements of interest rates and foreign exchange prices that are based upon the latest financial crises that have taken place in Türkiye. The stress period for stress VaR calculation is defined from August 2010 to August 2018 in order to cover the significant volatility during these years.

In addition, the Bank performs stress test analyses on its trading and available-for-sale portfolios on a monthly basis. The scenarios refer to extreme movements of interest rates and foreign exchange prices that are based upon the latest financial crises that have taken place in Türkiye.

*Limitations of the VaR model.* The VaR model is based upon certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank will suffer. Some of the limitations of the Group's methodology are summarised as follows:

(a) The use of historical data series as predictive measures for the behaviour of risk factors in the future might prove insufficient in periods of intense volatility in financial markets.

(b) The one-day holding period for VaR calculations (or 10 days for regulatory purposes) implies that the Bank will be able to liquidate all of its trading assets within this length of time. This assumption might underestimate market risk in periods of insufficient liquidity in financial markets or in cases where certain assets in the Bank's portfolio cannot be easily liquidated.

(c) VaR refers to the plausible loss on the Bank's portfolio for a 99% confidence interval, not taking into account any losses beyond that level.

(d) All calculations are based upon the Bank's positions at the end of each business day, ignoring the intra-day exposures and any realised losses that might have been incurred.

(e) VaR estimates rely upon small changes in the prices of risk factors. For bigger movements, the methodology would not fully capture the effect on the value of the portfolio.

### *Liquidity Risk*

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses. It reflects the potential mismatch of payment obligations to incoming payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high payment outflows (withdrawal/call risk). Liquidity risk involves both the risk of an unexpected increase in the interest expenses of liabilities at varying maturities and interest rate levels and the risk of being unable to liquidate a position in a timely manner on reasonable terms.

The primary objectives of the Group's asset and liability management risk policy are to ensure that sufficient liquidity is available to meet its commitments to its clients in respect of the repayment of deposits and ATM transactions, to satisfy the Bank's other liquidity needs and to ensure compliance with the capital adequacy and other applicable Central Bank regulations. Liquidity risk arises in the general funding of the Bank's financing and trading activities and in the management of investment positions. It includes the risk of increases in funding costs and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The ALCO is responsible for forming and overseeing the implementation of the asset and liability management strategy of the Bank. The objective of the Bank's asset and liability management strategy is to structure the Bank's balance sheet in view of liquidity risk, maturity risk, interest rate risk and foreign exchange risk, while ensuring that the Bank has adequate capital and is using capital to maximise net interest income. The ALCO sets the Bank's policies for interest rate levels and terms for loans and deposits and makes decisions regarding maturities and pricing of loans and deposits. In addition, members of the Treasury Department, including the group managers, managers, assistant managers and fixed income and foreign exchange traders, meet each business day to monitor the risk exposure of the Bank, particularly the Bank's net foreign currency short position and the daily interest rate gap and duration.

The Bank's Treasury Department is responsible for managing and implementing the Bank's asset and liability positions on a day-to-day basis and ensuring the availability of funds for all of the Bank's products and services distributed

through the Bank's branch network. The Treasury Department measures and evaluates on a daily basis the Bank's risk exposure and unfavourable changes in market conditions and regularly monitors the short-term mismatches between assets and liabilities.

The Group's primary funding source is total deposits (customer deposits and due to other banks), which constituted 63.2%, 61.6% and 56.5% of total liabilities as of 31 December 2022, 2023 and 2024, respectively. The Bank's management believes that total deposits provide it with a stable funding base.

As of 31 December 2024, demand deposits constituted 31.6% of the Group's total deposits (8.2% were Turkish Lira-denominated). As of the same date, Turkish Lira-denominated time deposits represented 60.7% of the total deposits. The following table sets forth the deposit breakdown by currencies as of each of the indicated dates:

	As of 31 December		
	2022	2023	2024
<b>Demand deposits</b> .....	<b>32.1%</b>	<b>33.7%</b>	<b>31.6%</b>
Turkish Lira-denominated.....	8.4%	7.7%	8.2%
Foreign currency-denominated .....	23.7%	26.0%	23.5%
<b>Time deposits</b> .....	<b>67.9%</b>	<b>66.3%</b>	<b>68.4%</b>
Turkish Lira-denominated.....	51.3%	53.7%	60.7%
Foreign currency-denominated .....	16.6%	12.6%	7.7%
<b>Total deposits</b> <sup>(1)</sup> .....	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Turkish Lira-denominated.....	59.7%	61.4%	68.9%
Foreign currency-denominated .....	40.3%	38.6%	31.1%

(1) Total deposits include customer deposits and due to other banks.

The following table sets forth the maturity profile of deposits as of each of the indicated dates:

	As of 31 December		
	2022	2023	2024
		<i>(TL thousands)</i>	
<b>Demand deposits</b> .....	<b>126,020,752</b>	<b>212,707,521</b>	<b>277,681,504</b>
Turkish Lira-denominated.....	32,800,374	48,714,258	71,674,461
Foreign currency-denominated .....	93,220,378	163,993,263	206,007,043
<b>Up to 1 month</b> .....	<b>65,843,054</b>	<b>106,299,900</b>	<b>197,690,967</b>
Turkish Lira-denominated.....	49,454,607	82,887,137	163,252,391
Foreign currency-denominated .....	16,388,447	23,412,763	34,438,576
<b>From (excluding) 1 month to (including) 3 months</b> .....	<b>71,928,066</b>	<b>108,833,650</b>	<b>303,025,982</b>
Turkish Lira-denominated.....	46,818,829	62,127,013	274,963,830
Foreign currency-denominated .....	25,109,237	46,706,637	28,062,152
<b>From (excluding) 3 to (including) 12 months</b> .....	<b>120,579,069</b>	<b>182,450,075</b>	<b>87,968,288</b>
Turkish Lira-denominated.....	100,496,593	174,810,859	84,432,944
Foreign currency-denominated .....	20,082,476	7,639,216	3,535,344
<b>From (excluding) 1 year to (including) 5 years</b> .....	<b>8,392,181</b>	<b>20,436,390</b>	<b>12,067,984</b>
Turkish Lira-denominated.....	5,413,197	18,818,768	10,647,808
Foreign currency-denominated .....	2,978,984	1,617,622	1,420,176
<b>Total deposits</b> <sup>(1)</sup> .....	<b>392,763,122</b>	<b>630,727,536</b>	<b>878,434,725</b>
Turkish Lira-denominated.....	234,983,600	387,358,035	604,971,434
Foreign currency-denominated .....	157,779,522	243,369,501	273,463,291

(1) Total deposits include customer deposits and due to other banks.

### Insurance Risk

The insurance policies issued by the Group carry a degree of risk. The risk under any insurance policy is the possibility of the insured event resulting in a claim. By the very nature of an insurance policy, risk is based upon fortuity and is therefore unpredictable.

The principal risk that the Group may face under its insurance policies is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This could occur because the frequency or severity of claims is greater than estimated.

The above risk exposure is mitigated, to some extent, by diversification across a large portfolio of insurance policies. The variability of risks is also improved by the careful selection and implementation of the Group's underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based upon assumptions and statistics with regard to trends, current market conditions and past experience.

Reinsurance arrangements include proportional, optional facultative, excess of loss and catastrophic coverage.

### *Operational Risk*

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people or systems or from external events.

Operational risk is managed based upon a framework for identifying, measuring, monitoring and managing all risks within the scope of the definition of operational risk. All the activities and processes of the Bank are identified and documented in its "Activity Process Model." Activity-based operational risks are identified through "risk control self assessment" ("RCSA"), which is an annual base self-assessment process. The operational risks that the Bank faces have been identified, assessed and categorised by the RCSA process since 2007. Operational loss data collection, which started in January 2005, enables the Bank to be compliant with "Advanced Approaches" of Basel II, which is a report published in 2004 by the Basel Committee entitled "International Convergence of Capital Measurement and Capital Standards: a Revised Framework" that set out a new international capital adequacy framework ("*Basel II*"). While loss data are accumulated to provide meaningful statistical data, business processes (where improvements are required) are defined based upon the results. The "Structured Scenario Analysis" process takes place on an annual basis, involving the engagement of senior business experts in a series of workshops. A key risk indicators collection and monitoring process aims to provide metrics that allow the proactive and/or retroactive monitoring of risk trends. The Bank's Operational Risk Committee defines necessary improvement actions.

A business continuity management plan, prepared in order to minimise losses due to business disruption, has been implemented by the Group. Comprehensive annual tests of the Bank's disaster recovery centre are undertaken with the participation of business units and the IT department.

### **Model Validation**

The Bank's Model Validation Unit is responsible for assessing the predictive ability of the Bank's risk estimates and its use of ratings in credit processes. The unit's main goal is to attain the maximum benefit from the employment of these models while staying in compliance with regulatory requirements. Validations of credit cards, retail loans and SME application and behavioural scorecards are undertaken periodically. The performances of existing scorecards are also monitored. Moreover, the models of the treasury control unit and market risk management are examined and the results reported to management. The implementation of the IT and database infrastructure for periodic monitoring of the scorecard performances is ongoing.

### **Anti-Money Laundering, Combating the Financing of Terrorism and Anti-Bribery**

Please see "The Group and its Business – Anti-Money Laundering, Combating the Financing of Terrorism and Anti-Bribery."

### **Capital Adequacy**

The Group is required to comply with capital adequacy guidelines promulgated by the BRSA, which are based upon the standards established by the BIS. These guidelines require banks to maintain adequate levels of regulatory capital against risk-bearing assets, off-balance sheet exposures and market and other risk positions. The Equity Regulation defines the capital of a bank as the sum of: (a) principal capital (*i.e.*, tier 1 capital), which is composed of core capital (*i.e.*, CET1 capital) and additional principal capital (*i.e.*, additional tier 1 capital), and (b) supplementary capital (*i.e.*, tier 2 capital) *minus* capital deductions. The Capital Adequacy Regulation provides that: (i) both the unconsolidated and consolidated minimum CET1 capital adequacy ratios are 4.5% and (ii) both unconsolidated and consolidated minimum tier 1 capital adequacy ratio are 6.0% (which are in addition to the requirement for a minimum total capital adequacy ratio of 8.0%).

The following table sets forth the Group’s consolidated capital adequacy ratios as of the indicated dates, calculated in accordance with the Capital Adequacy Regulation:

	<b>As of 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Capital:</b>		<i>(TL thousands)</i>	
Tier 1 capital <sup>(1)</sup> .....	52,684,702	93,113,083	134,598,836
Tier 2 capital <sup>(2)</sup> .....	12,426,055	19,424,331	24,305,636
<b>Total capital</b> .....	<b>65,110,757</b>	<b>112,537,414</b>	<b>158,904,472</b>
Deductions <sup>(3)</sup> .....	(40,844)	(59,395)	(264,300)
<b>Net total capital</b> .....	<b>65,069,913</b>	<b>112,478,019</b>	<b>158,640,172</b>
<b>Risk-weighted assets (including market &amp; operational risk)</b> .....	<b>448,723,522</b>	<b>706,673,784</b>	<b>952,597,385</b>
<b>Capital Adequacy Ratios:</b>			
Tier 1 ratio .....	11.74%	13.18%	14.13%
Total capital ratio <sup>(4)</sup> .....	14.50%	15.92%	16.65%

(1) Includes share capital, reserves, retained earnings and profit for the period.

(2) Includes revaluation reserve plus general provisions, foreign exchange differences, valuation of marketable securities and subordinated debt.

(3) Includes loans to banks, financial institutions (domestic/foreign) or qualified shareholders in the form of secondary subordinated debts and debt instruments purchased from such parties qualified as primary or secondary subordinated debts and net book values of properties exceeding 50% of the capital and of assets acquired against overdue receivables and held for sale as per the Article 57 of the Banking Law but retained more than five years after foreclosure.

(4) Includes net total capital as a percentage of risk-weighted assets including market and operational risk.

The Bank maintains regulatory capital ratios (in accordance with BRSA calculations) on both a Bank-only and consolidated basis in excess of the regulatory minimum. The target total capital adequacy ratio determined by the BRSA is 12.0%, which (as noted in the table above) was surpassed by the Group as of each 31 December 2022, 2023 and 2024. The Bank’s tier 1 ratio and total capital ratio were 12.27% and 15.11%, respectively, as of 31 December 2022, 13.83% and 16.66%, respectively, as of 31 December 2023 and 14.13% and 16.65%, respectively, as of 31 December 2024. See “Turkish Regulatory Environment – Capital Adequacy” for additional information.

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

## EXHIBIT D

### SHARE CAPITAL AND OWNERSHIP

#### Share Capital

The Bank has adopted the authorised share capital system that, under Turkish law, allows the Bank to increase its issued share capital up to its authorised share capital amount upon resolution by its Board of Directors and without need for further shareholder approval. The authorised share capital of the Bank is TL 12.0 billion, represented by 120.0 billion registered ordinary shares, with a par value of TL 0.10 each. As of 31 December 2024, the issued and paid-in share capital of the Bank was TL 3.4 billion, consisting of 33.5 billion ordinary shares, each having a nominal value of TL 0.10. The total capital of the Group as of 31 December 2024 amounted to TL 158.9 billion. Pursuant to the Banking Law, the Bank's shares are issued in registered form.

#### Ownership

The following table sets forth certain information with respect to the Bank's principal shareholders as of 31 December 2024.

<u>Name of owner</u>	<u>Number of shares</u>	<u>% of outstanding share capital</u>
Qatar National Bank .....	33,495,892,000	99.88%
Borsa İstanbul free float.....	4,108,000	0.12%
<b>Total</b> .....	<b>33,500,000,000</b>	<b>100.00%</b>

#### *Qatar National Bank*

QNB was established in 1964 as the first Qatari-owned bank. It is 50% owned by the government of Qatar via the Qatar Investment Authority and the remaining shares are traded on the Qatar Exchange. As of 31 December 2024, QNB had total assets of US\$357 billion, loans and advances of US\$250 billion and deposits of US\$244 billion. As of such date, QNB, together with its subsidiaries and associate companies, operated in 28 countries around the world across three continents. QNB is listed on the Qatar Exchange (ticker: "QNBK").

## RELATED PARTY TRANSACTIONS

Under BRSA regulations, related parties of the Bank include: (a) entities or individuals that are directors, qualified shareholders (e.g., holders of shares that represent, directly or indirectly, 10% or more of the capital or voting rights of the Bank or that yield the privilege to appoint members to the Bank’s board of directors even though such rate is below 10%), general managers and deputy general managers (and, even if they are employed under different titles, managers who have equivalent or higher positions in terms of their responsibilities and powers), (b) the respective spouses and children of any of the aforementioned individuals, (c) affiliates and (d) entities under the common management or control of the Bank.

The Bank is controlled by QNB through its ownership of a 99.88% stake in the Bank as of 31 December 2024. Set forth below is a summary of the Bank’s material transactions and arrangements with QNB and its other related parties.

Turkish banking regulations limit exposure to related companies, and the Group’s exposure to QNB and its subsidiaries and other affiliated/other related parties is within the limit permitted by the regulations. See “Turkish Regulatory Environment – Lending Limits.”

The Group has entered into banking transactions with members of the Board of Directors of the Bank and key management of the Bank and other Group companies, as well as with the close members of family and entities controlled or jointly controlled by those persons, in the normal course of business. The list of the members of the Board of Directors of the Bank is presented under “Management - Board of Directors.”

The following table sets forth information for the indicated dates on the Bank’s loans and other receivables with the Bank’s risk group and interest and commission income from the Bank’s risk group during the indicated period:

The Bank’s Risk Group	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>	<i>(TL Thousands)</i>					
Balance at beginning of 1 January 2024....	-	194	-	2,316,570	5,469	88,689
Balance at end of 31 December 2024.....	-	1,139	-	2,270,807	1,641	134,673
Interest and commission income for this period.....	-	-	-	2,402	61,414	89

The following sets forth information for the indicated dates on deposits provided to the Bank by such related parties and the amount of interest paid thereon during the indicated periods:

The Bank’s Risk Group	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024
<b>Deposits</b>	<i>(TL Thousands)</i>					
Balance at beginning of 1 January.....	152,259	251,658	-	-	572,625	8,822,133
Balance at end of 31 December.....	251,658	786,675	-	-	8,822,133	3,129,756
Interest on deposits for the year ended.....	28,607	165,392	-	-	232,930	876,043

Information on forward and option agreements and similar agreements made with the Bank’s risk group during the same periods are set out below:

The Bank’s Risk Group	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024
<b>Transactions for Trading Purposes</b>	<i>(TL Thousands)</i>					
Balance.....	-	-	-	-	-	-
Total income/loss for the year ended.....	-	-	-	-	48	-