

BASE PROSPECTUS

IMPORTANT NOTICE

OFFERINGS UNDER THE PROGRAMME ARE AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) UNDER RULE 144A OR (2) PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S) OUTSIDE OF THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the Base Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Bank as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. SECURITIES OFFERED UNDER THE PROGRAMME HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S (“**REGULATION S**”) UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES OFFERED THEREUNDER.

Confirmation of your Representation: In order to be eligible to view this Base Prospectus, investors must be either (1) Qualified Institutional Buyers (“**QIBs**”) (within the meaning of Rule 144A (“**Rule 144A**”) under the Securities Act) or (2) persons other than U.S. persons (as defined in Regulation S) outside of the U.S. This Base Prospectus is being sent at your request and by accepting the e-mail and accessing this Base Prospectus, you shall be deemed to have represented to the Bank that (1) you and any customers you represent are either (a) QIBs or (b) outside of the U.S. and that the electronic mail address that you gave the Bank and to which this e-mail has been delivered is not located in the U.S. and (2) that you consent to delivery of such Base Prospectus by electronic transmission.

You are reminded that this Base Prospectus has been delivered to you on the basis that you are a person into whose possession this Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Base Prospectus to any other person.

The materials relating to the Programme do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

This Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of Abu Dhabi Commercial Bank, Banco Bilbao Vizcaya Argentaria, S.A., BNP PARIBAS, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Mashreqbank psc, Merrill Lynch International, Mizuho International plc, Morgan Stanley & Co. International plc, MUFG Securities EMEA plc, SMBC Bank International plc, Société Générale, and Standard Chartered Bank, as Dealers, or any person who controls any of them, nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

This Base Prospectus is being distributed only to and directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (ii) high net worth bodies corporate falling within Article 49(2) of the Order and (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as “**relevant persons**”). This Base Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Base Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

BASE PROSPECTUS



Under this Global Medium Term Note Programme (the “Programme”), Türkiye Garanti Bankası A.Ş., a banking institution organised as a joint stock company under the laws of the Republic of Türkiye (“Türkiye”) and registered with the İstanbul Trade Registry under number 159422 (the “Bank” or the “Issuer”), may from time to time issue notes (the “Notes”) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below) or investor(s).

Notes may be issued in either bearer or registered form (respectively, “Bearer Notes” and “Registered Notes”); provided that the Notes may be offered and sold in the United States only in registered form except in certain transactions permitted by U.S. tax regulations. As of the time of each issuance of Notes, the maximum aggregate nominal amount of all Notes outstanding under the Programme will not exceed US\$6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued from time to time to: (a) one or more of the Dealers specified under “General Description of the Programme - The Programme” and any additional Dealer(s) appointed under the Programme from time to time by the Issuer (each a “Dealer”), which appointment may be for a specific issue or on an ongoing basis, and/or (b) one or more investor(s) purchasing Notes (or beneficial interests therein) directly from the Issuer.

INVESTING IN THE NOTES INVOLVES RISKS. PROSPECTIVE INVESTORS SHOULD CONSIDER THE FACTORS SET FORTH UNDER “RISK FACTORS” FOR A DISCUSSION OF CERTAIN OF THESE RISKS.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), of the United States of America (the “United States” or “U.S.”) or any other U.S. federal or state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (“U.S. person”) as defined in Regulation S under the Securities Act (“Regulation S”) except to “qualified institutional buyers” (“QIBs”) within the meaning of Rule 144A under the Securities Act (“Rule 144A”) in a transaction satisfying the conditions of Rule 144A or unless another exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of the United States and each applicable state or other jurisdiction of the United States. See “Form of the Notes” for a description of the manner in which Notes will be issued. For a description of certain restrictions on the sale and transfer of investments in the Notes, see “Transfer and Selling Restrictions.” Where the “United States” is referenced herein with respect to Regulation S, such shall have the meaning provided thereto in Rule 902 of Regulation S.

This base prospectus (this “Base Prospectus”) has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) No. 2017/1129 (as amended, the “Prospectus Regulation”). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes having a maturity of one year or more that are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “MiFID II”) and/or that are to be offered to the public in any member state (a “Member State”) of the European Economic Area (the “EEA”) in circumstances falling within Article 1(4) of the Prospectus Regulation. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“Euronext Dublin”) for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the “Official List”) and to trading on its regulated market (the “Regulated Market”). The Regulated Market is a regulated market for the purposes of MiFID II. This Base Prospectus (as supplemented from time to time, if applicable) is valid until 22 May 2026 in relation to Notes that are to be admitted to trading on a regulated market in the EEA. In case of a significant new factor, material mistake or material inaccuracy relating to the information in this Base Prospectus that may affect the assessment of a Series of Notes and that arises or is noted between the date of this Base Prospectus and the closing of the offer period or the time when trading on a regulated market begins for such Series, whichever occurs later, such shall be mentioned in a supplement to this Base Prospectus without undue delay in accordance with Article 23(1) of the Prospectus Regulation. In accordance with Article 21(8) of the Prospectus Regulation, the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

This document constitutes “listing particulars” for the purposes of Notes issued under the Programme having a maturity of less than one year that are to be admitted to the Official List and to trading on the Global Exchange Market (“GEM”) of Euronext Dublin. This document has been approved as listing particulars by Euronext Dublin. Application may be made to Euronext Dublin for Notes having a maturity of less than one year to be admitted to the Official List and to trading on GEM.

References in this Base Prospectus to any Notes being “listed” (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms or Pricing Supplement, such Notes have been admitted to the Official List and to trading on the Regulated Market.

Application has been made to the Capital Markets Board (the “CMB”) of Türkiye, in its capacity as competent authority under Law No. 6362 (the “Capital Markets Law”) of Türkiye relating to capital markets, for its approval of the issuance and sale of Notes by the Bank outside of Türkiye. No Notes may be sold before the necessary approvals are obtained from the CMB. The CMB approval letter based upon which any offering of the Notes may be conducted was obtained on 20 May 2025 and, to the extent (and in the form) required by applicable law, a written approval of the CMB in relation to each Tranche (as defined herein) of Notes will be required to be obtained on or before the issue date (an “Issue Date”) of such Tranche of Notes. Unless the Bank obtains the necessary new approvals from the CMB, the aggregate debt instrument amount issued under such approval (whether issued under the Programme or otherwise) cannot exceed US\$6,000,000,000 (or its equivalent in other currencies).

Under current Turkish tax law, withholding tax might apply to payments of interest on the Notes. See “Taxation—Certain Turkish Tax Considerations.”

Notice of the aggregate principal amount of a Tranche of Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and certain other information that is applicable to such Notes will be set out in a final terms document (for a Tranche, its “Final Terms”) or a pricing supplement (for a Tranche, its “Pricing Supplement”), as the case may be. With respect to Notes to be listed on Euronext Dublin or any other regulated market in the EEA, the applicable Final Terms or Pricing Supplement will be filed with the Central Bank of Ireland and Euronext Dublin or the competent authority for such other market, in the case of Notes having a maturity of one year or more, or Euronext Dublin or the competent authority for such other market, in the case of Notes having a maturity of less than one year. For so long as any Note is admitted to the Official List, copies of the Final Terms or Pricing Supplement for such Note will also be published on the Issuer’s website at <https://www.garantibbvainvestorrelations.com/en/debt-information/year-list/GMTN/48/472/0>.

The Programme provides that Notes may be listed and/or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s) or (in the case of Notes purchased directly from the Issuer by one or more investor(s)) the relevant investor(s) (as set out in the applicable Final Terms or Pricing Supplement). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

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 (Nordics) AB (“Moody’s”) and, with Fitch, the “Rating Agencies”. The Bank has also been rated by the Rating Agencies and JCR Eurasia Rating (“JCR Eurasia”) as set out on pages 92-93 of this Base Prospectus. Please see such pages with respect to the Rating Agencies’ registration and/or endorsement in the United Kingdom (the “UK”) and/or the European Union (the “EU”), as applicable. Series of Notes may either be rated by any rating agency (including by any one or more of the Rating Agencies) or unrated. Where a Tranche of Notes is rated (other than in the case of unsolicited ratings), the initial such rating(s) will be disclosed in the Final Terms or Pricing Supplement for such Tranche and will not necessarily be the same as the rating assigned by the applicable rating agency to the Notes of other Series or (if rated by Fitch and/or Moody’s) the rating described above. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Arranger
BofA Securities
Dealers
BBVA
Citigroup
HSBC
Mashreqbank
MUFG

Abu Dhabi Commercial Bank
BofA Securities
Goldman Sachs International
J.P. Morgan
Morgan Stanley
Société Générale Corporate & Investment Banking

BNP PARIBAS
Commerzbank
ING
Mizuho
SMBC
Standard Chartered Bank

This document constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation and Notes having a maturity of one year or more. This document does not constitute a prospectus for the purposes of Notes having a maturity of less than one year or for the purposes of Section 12(a)(2) of, or any other provision of or rule under, the Securities Act.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in (including incorporated by reference into) this Base Prospectus and, for each Tranche of Notes, the applicable Final Terms or Pricing Supplement, as the case may be. To the best of the knowledge of the Issuer, such information is in accordance with the facts and this Base Prospectus makes no omission likely to affect the import of such information.

The Issuer confirms that: (a) this Base Prospectus (including the information incorporated by reference herein) contains all information that in its view is material in the context of the issuance and offering of the Notes (or beneficial interests therein), (b) the information contained in (including incorporated by reference into) this Base Prospectus is true and accurate in all material respects and is not misleading, (c) any opinions, predictions or intentions expressed in this Base Prospectus (including in any of the documents (or applicable portions thereof) incorporated by reference herein) on the part of the Issuer are honestly held or made by the Issuer and are not misleading in any material respects, and there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions, predictions or intentions misleading in any material respect, and (d) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

This Base Prospectus is to be read in conjunction with all documents that are (or portions of which are) incorporated by reference herein (see “*Documents Incorporated by Reference*”). This Base Prospectus shall be read and construed on the basis that such documents (or the applicable portions thereof) are incorporated into, and form part of, this Base Prospectus.

To the full extent permitted by law, none of the Dealers, the Arrangers, the Agents or any of their respective affiliates accept any responsibility for: (a) the information contained in (including incorporated by reference into) this Base Prospectus or any other information provided by (or on behalf of) the Issuer in connection with the Programme or an issue and offering of Notes (or beneficial interests therein), (b) any statement consistent with this Base Prospectus made, or purported to be made, by a Dealer or an Arranger or on its behalf in connection with the Programme or an issue and offering of Notes (or beneficial interests therein) or (c) any acts or omissions of the Issuer or any other Person (as defined in Condition 5.4) in connection with the Programme or an issue and offering of Notes (or beneficial interests therein). Each Dealer and Arranger accordingly disclaims (including on behalf of their respective affiliates) all and any liability that it might otherwise have (whether in tort, contract or otherwise) in respect of the accuracy or completeness of any such information or statements. The Arrangers and Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor or potential investor in the Notes of any information coming to their attention.

None of the Arrangers, the Dealers or any of their respective affiliates: (a) accepts any responsibility for any environmental or sustainability assessment of any Sustainable Notes, (b) makes any representation as to the suitability of any Sustainable Notes issued pursuant to the Programme to fulfil environmental, social or sustainability criteria required by any prospective investors or (c) makes any assurance or representation as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the Sustainable Notes. Neither the Arrangers nor the Dealers have undertaken, nor are they responsible for undertaking, any assessment of the eligibility criteria for Green Bonds and/or Social Bonds (each as defined in “*Use of Proceeds*”), any verification of whether any loans within the portfolio of Eligible Green Projects or Eligible Social Projects meet such criteria or the monitoring of the use of the net proceeds of any Sustainable Notes (or an amount equal to the net proceeds). Investors should refer to the Issuer’s SDG Bond Framework referred to in “*Use of Proceeds*.”

In connection with the Programme or an issue and offering of Notes, no Person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied by (or with the consent of) the Issuer and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arrangers or Dealers.

Neither this Base Prospectus nor any other information supplied by (or on behalf of) the Issuer, any of the Arrangers or Dealers or any of their respective affiliates in connection with the Programme or any Notes: (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Arrangers or Dealers or any of their respective affiliates that any recipient of this Base Prospectus or any such other information should invest in any Notes. Each investor contemplating investing in any Note should: (i) determine for itself the relevance of the

information contained in (including incorporated by reference into) this Base Prospectus, (ii) make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and (iii) make its own determination of the suitability of any such investment in light of its own circumstances, with particular reference to its own investment objectives and experience, and any other factors that are relevant to it in connection with such investment, in each case, based upon such investigation as it deems necessary.

Neither this Base Prospectus nor, except to the extent explicitly stated therein, any other information supplied by (or on behalf of) the Issuer or any of the Arrangers or Dealers in connection with the Programme or the issue of any Notes constitutes an offer or invitation by (or on behalf of) the Issuer, any of the Arrangers or Dealers or any of their respective affiliates to any Person to subscribe for or purchase any Notes (or beneficial interests therein). This Base Prospectus is intended only to provide information to assist potential investors in deciding whether or not to subscribe for, or invest in, the Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes (or beneficial interests therein) shall in any circumstances imply that the information contained in (including incorporated by reference into) this Base Prospectus is correct at any time subsequent to the date hereof (or, if such information is stated to be as of an earlier date, subsequent to such earlier date) or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

GENERAL INFORMATION

The distribution of this Base Prospectus and/or the offer or sale of Notes (or beneficial interests therein) might be restricted by law in certain jurisdictions. None of the Issuer, the Arrangers or the Dealers represent that this Base Prospectus may be lawfully distributed, or that any Notes (or beneficial interests therein) may be lawfully offered, in any such jurisdiction or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer that is intended to permit a public offering of any Notes (or beneficial interests therein) or distribution of this Base Prospectus, any advertisement or any other material relating to the Programme in any jurisdiction in which action for that purpose is required. Accordingly: (a) no Notes (or beneficial interests therein) may be offered or sold, directly or indirectly, and (b) neither this Base Prospectus nor any advertisement or other material relating to the Programme may be distributed or published in any jurisdiction except, in each case, under circumstances that will result in compliance with all applicable laws. Persons into whose possession this Base Prospectus or any Notes (or beneficial interests therein) come(s) must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus, any advertisement or other material relating to the Programme and the offering and/or sale of Notes (or beneficial interests therein). In particular, there are restrictions on the distribution of this Base Prospectus and the offer and/or sale of Notes (or beneficial interests therein) in (*inter alia*) Türkiye, the United States, the EEA (including Belgium), the UK, the People's Republic of China (the "PRC"), the Hong Kong Special Administrative Region of the PRC ("*Hong Kong*"), Singapore, Japan, Canada and Switzerland. See "*Transfer and Selling Restrictions*."

In making an investment decision with respect to any Notes, investors must rely upon their own examination of the Issuer and the terms of the Notes (or beneficial interests therein) being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the Securities and Exchange Commission (the "SEC") of the United States or any other securities commission or other regulatory authority in the United States and, other than the approvals of the Banking Regulation and Supervision Agency (in Turkish: *Bankacılık Düzenleme ve Denetleme Kurumu*) (the "BRSA") of Türkiye, the CMB and the Central Bank of Ireland described herein, have not been approved or disapproved by any securities commission or other regulatory authority in Türkiye or any other jurisdiction, nor has any such authority (other than the Central Bank of Ireland to the extent described herein) approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary might be unlawful.

None of the Arrangers, the Dealers, the Issuer or any of their respective affiliates, counsel or other representatives makes any representation to any actual or potential investor in the Notes regarding the legality under any law of its investment in the Notes. Any investor in the Notes should ensure that it is able to bear the economic risk of an investment in the Notes for an indefinite period of time.

The Notes might not be a suitable investment for all investors. As noted above, each potential investor contemplating making an investment in the Notes must make its own assessment as to the suitability of investing in the Notes in light of its own circumstances, with particular reference to its own investment objectives and experience, and any other factors that are relevant to it in connection with such investment, in each case, based upon such investigation as it deems necessary. In

particular, each potential investor in the Notes should consider, either on its own or with the help of its financial and other professional advisors, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the applicable Notes, the merits and risks of investing in such Notes and the information contained in (including incorporated by reference into) this Base Prospectus or any applicable supplement hereto,

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular circumstances, an investment in the applicable Notes and the impact such investment will have on its overall investment portfolio,

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the applicable Notes, including Notes with principal or interest payable in one or more currency(ies) or where the currency for principal and/or interest payments is different from such potential investor's currency,

(d) understands thoroughly the terms of the applicable Notes and is familiar with the behaviour of financial markets, and

(e) is able to evaluate possible scenarios for economic, interest rate and other factors that might affect its investment in the Notes and its ability to bear the applicable risks.

Legal investment considerations might restrict certain investments. The investment activities of certain investors are subject to laws and/or to review or regulation by certain authorities. Each potential investor in the Notes should consult its legal advisors to determine whether and to what extent: (a) Notes (or beneficial interests therein) are legal investments for it, (b) its investment in the Notes can be used by it as collateral for various types of borrowing and (c) other restrictions apply to its purchase, holding or pledge of any Notes (or beneficial interests therein). Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of their investments in the Notes under any applicable risk-based capital or other rules. Each potential investor in the Notes should consult its own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes.

The CMB approval based upon which any offering of the Notes may be conducted was obtained by the Issuer on 20 May 2025 and is reflected in a CMB letter dated 20 May 2025 and numbered E-29833736-105.02.02-72581 and the final CMB approved issuance certificate (in Turkish: *onaylanmış ihraç belgesi*) dated 16 May 2025 and numbered 123/BA-900 (together, the “CMB Approval”). The Issuer also obtained the BRSA approval letter (dated 21 April 2025 and numbered E-20008792-101.02.01[42]-151549) (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\$6,000,000,000 (or its equivalent in other currencies) in aggregate (the “Approved Issuance Limit”). It should be noted that, regardless of the outstanding aggregate principal amount of Notes or the amount permitted to be issued under the Programme, unless the Bank obtains new approval(s) from the CMB, the aggregate principal amount of securities issued under the CMB Approval (whether issued under the Programme or otherwise) cannot exceed the Approved Issuance Limit. As per the Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates, Sustainable Lease Certificates Guide published by the CMB on 24 February 2022, in order to make sustainable/green issuances outside of Türkiye, the Issuer is required to obtain a separate approval from the CMB in addition to the CMB Approval. In addition to the Programme Approvals, but only to the extent (and in the form) required by applicable law, an approval of the CMB in respect of each Tranche of Notes is required to be obtained by the Issuer on or before the Issue Date of such Tranche, which date will be specified in the applicable Final Terms or Pricing Supplement. The scope of the Programme Approvals might be amended and/or new approvals from the CMB and/or the BRSA might be obtained from time to time. The Notes issued under the Programme prior to the respective dates of the Programme Approvals were issued under previously existing BRSA and CMB approvals.

Pursuant to the Programme Approvals, the offer, sale and issue of Notes under the Programme have been authorised and approved in accordance with Decree No. 32 on the Protection of the Value of the Turkish Currency (as amended, “Decree 32”), the Banking Law No. 5411 of 2005 (as amended, the “Banking Law”), and its related law, the Capital Markets Law and the Communiqué on Debt Instruments No. VII-128.8 of the CMB (as amended, the “Debt Instruments Communiqué”) and its related law. The Notes issued under the Programme prior to the date of the CMB Approval were issued under previously existing CMB approvals.

In addition, in accordance with the Programme Approvals, the Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye. Under the Programme Approvals, the BRSA and the CMB have authorised the offering, sale and issue of the Notes on the condition that no transaction that qualifies as a sale or offering of Notes (or beneficial interests therein) in Türkiye may be engaged in. Notwithstanding the foregoing, pursuant to the BRSA decisions dated 6 May 2010 (No. 3665) and 30 September 2010 (No. 3875) and in accordance with Decree 32, residents of Türkiye: (a) may, in the secondary markets only, purchase or sell Notes (or beneficial interests therein) denominated in a currency other than Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis, and (b) may, in both the primary and secondary markets, purchase or sell Notes (or beneficial interests therein) denominated in Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis; *provided* that, for each of clauses (a) and (b), such purchase or sale is made through licensed banks authorised by the BRSA or licensed brokerage institutions authorised pursuant to CMB regulations and the purchase price is transferred through such licensed banks. As such, Turkish residents should use such licensed banks or such licensed brokerage institutions when purchasing Notes (or beneficial interests therein) and should transfer the purchase price through such licensed banks. The requirements in this paragraph are herein referred to as the “*Turkish Purchase Requirements*.”

Potential investors should note that, under the Central Securities Depositories Regulation of the EU, a trade in the secondary markets within the EU might be required to settle in two applicable business days unless the parties to such trade expressly agree otherwise. Accordingly, investors who wish to trade interests in Notes in the EU on the trade date relating to such Notes or the next business day will likely be required, by virtue of the fact that the Notes initially will likely settle on a settlement cycle longer than such number of days, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

Monies paid for the purchase of Notes (or beneficial interests therein) are not protected by the insurance coverage provided by the Savings Deposit Insurance Fund (in Turkish: *Tasarruf Mevduatı Sigorta Fonu*) (the “*SDIF*”) of Türkiye.

Pursuant to the Debt Instruments Communiqué, the Issuer is required to notify the Central Securities Depository of Türkiye (in Turkish: *Merkezi Kayıt Kuruluşu A.Ş.*) (trade name: Central Registry İstanbul (in Turkish: *Merkezi Kayıt İstanbul*)) (“*Central Registry İstanbul*”) within three İstanbul business days from the applicable Issue Date of a Tranche of Notes of the amount, Issue Date, ISIN (if any), interest commencement date, maturity date, interest rate, name of the custodian and currency of such Notes and the country of issuance.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms or Pricing Supplement in respect of any Notes may include a legend titled “MIFID II PRODUCT GOVERNANCE” that will outline the target market assessment of the applicable manufacturer(s) in respect of such Notes and which channels for distribution of such Notes (or beneficial interests therein) are appropriate. In those cases, any Person subsequently offering, selling or recommending such Notes (or beneficial interests therein) (a “*distributor*”) should take into consideration the target market assessment of such manufacturer(s); *however*, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (or beneficial interests therein) (by either adopting or refining the target market assessment of such manufacturer(s)) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the “*MiFID Product Governance Rules*”), any Dealer subscribing for any Notes (or beneficial interests therein) is a manufacturer in respect of such Notes (or beneficial interests therein), but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms or Pricing Supplement in respect of any Notes may include a legend titled “UK MIFIR PRODUCT GOVERNANCE” that will outline the target market assessment of the applicable manufacturer(s) in respect of such Notes and which channels for distribution of such Notes (or beneficial interests therein) are appropriate. In those cases, any distributor should take into consideration the target market assessment of such manufacturer(s); *however*, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “*UK MiFIR Product Governance Rules*”) is responsible for undertaking its own target market assessment in respect of such Notes (or beneficial interests therein) (by either adopting or refining the target market assessment of such manufacturer(s)) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product

Governance Rules, any Dealer subscribing for any Notes (or beneficial interests therein) is a manufacturer in respect of such Notes (or beneficial interests therein), but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

INFORMATION RELATING TO THE BENCHMARKS REGULATION

Interest Amounts payable in respect of Floating Rate Notes might be calculated by reference to the following benchmark reference rates that are provided by the following benchmark administrators (each a “*Benchmark Administrator*”):

Benchmark Reference Rates	Benchmark Administrator
SONIA.....	Bank of England
SOFR.....	Federal Reserve Bank of New York
EURIBOR	European Money Markets Institute
TLREF.....	TLREF Committee ⁽¹⁾
HIBOR	Hong Kong Treasury Markets Association
ROBOR	National Bank of Romania
PRIBOR	Czech Financial Benchmark Facility s.r.o.
NIBOR	Norske Finansielle Referanser AS
WIBOR	GPW Benchmark S.A.
CNH HIBOR.....	Hong Kong Treasury Markets Association

(1) TLREF Committee (in Turkish: *TLREF Komitesi*) includes a member from each of the Central Bank, the Turkish Treasury, the Banks Association of Türkiye, the Turkish Capital Markets Association (in Turkish: *Türkiye Sermaye Piyasaları Birliği*), the BRSA, the İstanbul Settlement and Custody Bank (in Turkish: *İstanbul Takas ve Saklama Bankası A.Ş.*) and the Borsa İstanbul.

The applicable Final Terms (but not any Pricing Supplement) in respect of any Tranche of Floating Rate Notes will specify whether or not the applicable Benchmark Administrator appears on the register of administrators and benchmarks (the “*Register of Administrators*”) established and maintained by the European Securities and Markets Authority (“*ESMA*”) pursuant to Article 36 of the EU Benchmarks Regulation (Regulation (EU) No. 2016/1011) of 8 June 2016 (as amended, the “*Benchmarks Regulation*”). As of the date of this Base Prospectus, European Money Markets Institute, Czech Financial Benchmark Facility s.r.o. and ABS Benchmarks Administration Co Pte. Ltd. and Norske Finansielle Referanser AS appear on the Register of Administrators, but none of the other Benchmark Administrators appear on the Register of Administrators, though the Bank of England and the Federal Reserve Bank of New York and the National Bank of Romania, as central banks, are not required to appear on the Register of Administrators pursuant to Article 2(2) of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that none of the Benchmark Administrators that are not registered as of the date of this Base Prospectus in the Register of Administrators is, as of the date of this Base Prospectus, required to obtain authorisation or registration (or, if non-EU-based, recognition, endorsement or equivalence).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains some statements that might be considered to be forward-looking statements. Forward-looking statements include (without limitation) statements concerning the Issuer’s plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, the words “anticipates,” “estimates,” “expects,” “believes,” “intends,” “plans,” “aims,” “seeks,” “may,” “might,” “will,” “should” and any similar expressions generally identify forward-looking statements. Forward-looking statements appear in a number of places throughout this Base Prospectus, including (without limitation) in the sections titled “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Selected Statistical and Other Information*” and “*The Group and its Business*,” and include, but are not limited to, statements regarding:

- strategy and objectives,
- trends affecting the Group’s results of operations and financial condition,
- asset portfolios,
- expected credit losses,
- capital spending,
- legal proceedings, and
- the Group’s potential exposure to market risk and other risk factors.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results might differ materially from those expressed in these forward-looking statements.

The Issuer has identified certain of the risks inherent in these forward-looking statements and these are set out under “Risk Factors.”

The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer’s management believes that the expectations, estimates and projections reflected in the forward-looking statements in this Base Prospectus are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties inherent in these forward-looking statements materialise(s), including those identified in this Base Prospectus, or if any of the Issuer’s underlying assumptions prove to be incomplete or inaccurate, then the Issuer’s actual results of operation might vary from those expected, estimated or projected and those variations might be material.

There might be other risks, including some risks of which the Issuer is unaware, that might adversely affect the Group’s results, the Notes or the accuracy of forward-looking statements in this Base Prospectus. Therefore, potential investors should not consider the factors discussed under “Risk Factors” to be a complete discussion of all potential risks or uncertainties of investing in the Notes.

Potential investors should not place undue reliance upon any forward-looking statements. Any forward-looking statements contained in this Base Prospectus speak only as of the date of this Base Prospectus. Without prejudice to any requirements under applicable laws, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances upon which any such forward-looking statement is based.

U.S. INFORMATION

This Base Prospectus might be provided on a confidential basis in the United States to QIBs under Rule 144A and “accredited investors” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions (“*Institutional Accredited Investors*”), and to investors within the United States with whom “offshore transactions” under Regulation S can be entered into, for informational use solely in connection with the consideration of an investment in certain Notes. Its use for any other purpose in the United States or by any U.S. person is not authorised.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Internal Revenue Code of 1986, as amended (the “*Code*”), of the United States of America and the regulations promulgated thereunder.

The Notes have not been and will not be registered under the Securities Act or under the securities or “blue sky” laws of any state of the United States or any other U.S. jurisdiction. Each investor, by purchasing a Note (or a beneficial interest therein), agrees (or will be deemed to agree) that the Notes (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act or pursuant to the exemptions from the registration requirements thereof described under “Transfer and Selling Restrictions.” Each investor also will be deemed to have made certain representations and agreements as described therein. Any resale or other transfer, or attempted resale or other attempted transfer, of the Notes (or a beneficial interest therein) that is not made in accordance with the transfer restrictions may subject the transferor and/or transferee to certain liabilities under applicable securities laws. Furthermore, purchasers of IAI Notes (including beneficial interests in IAI Global Notes) will be required to execute and deliver an investment letter substantially in the form set out in the Agency Agreement (an “*IAI Investment Letter*”).

The Notes (or beneficial interests therein) generally may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons only if such U.S. persons are either QIBs or Institutional Accredited Investors, in either case in registered form and in transactions exempt from, or not subject to, registration under the Securities Act in reliance upon Rule 144A, Section 4(a)(2) of the Securities Act or any other applicable exemption. Each investor in Notes that is a U.S. person or is in the United States is hereby notified that the offer and sale of any Notes (or beneficial interests therein) to it might be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A, Section 4(a)(2) of the Securities Act or (in certain limited circumstances) Regulation S.

Purchasers of IAI Notes (or beneficial interests therein) will be required to execute and deliver an IAI Investment Letter. Each investor in an IAI Note, a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “*Legended Notes*”) will be deemed, by its acceptance or purchase of any such Legended Notes (or beneficial interests therein), to have made certain representations and agreements as set out in “Transfer and Selling Restrictions.” Unless otherwise stated, terms used in this paragraph have the meanings given to them in “Form of the Notes.”

Potential investors that are U.S. persons should note that the Issue Date for a Tranche of Notes may be more than one relevant business day (this settlement cycle being referred to as “*T+1*”) following the trade date of such Notes. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), of the United States, a trade in the United States in the secondary market generally is required to settle in one business day unless otherwise expressly agreed to by the parties at the time of the transaction. Accordingly, investors who wish to trade interests in Notes in the United States on the trade date relating to such Notes or the following business days will likely be required, by virtue of the fact that the Notes initially will likely settle on a settlement cycle longer than T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes (or beneficial interests therein) that are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer has undertaken in a deed poll dated 15 October 2021 (such deed poll as amended, restated or supplemented from time to time, the “*Deed Poll*”) to provide to each holder or beneficial owner of such restricted securities and to each prospective purchaser (as designated by any such holder), upon the request of any such holder or prospective purchaser, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if any of the Notes (or beneficial interests therein) to be transferred remain outstanding as such “restricted securities” and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms or Pricing Supplement in respect of any Notes includes a legend titled “PROHIBITION OF SALES TO EEA RETAIL INVESTORS,” then such Notes (and beneficial interests therein) are not intended to be offered, sold or otherwise made available to (and should not be offered, sold or otherwise made available to) any EEA Retail Investor in the EEA. For these purposes: (a) “*EEA Retail Investor*” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, (ii) a customer within the meaning of Directive (EU) No. 2016/97 (as amended, the “*Insurance Distribution Directive*”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation, and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes (or beneficial interests therein) to be offered so as to enable an investor to decide to purchase or subscribe for such Notes (or beneficial interests therein). See “*Transfer and Selling Restrictions—Selling Restrictions—Public Offer Selling Restriction under the Prospectus Regulation and, where applicable, Prohibition of Sales to EEA Retail Investors*” below. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “*PRIIPs Regulation*”) for offering or selling such Notes (or beneficial interests therein) or otherwise making them available to EEA Retail Investors in the EEA has been prepared and, therefore, offering or selling such Notes (or beneficial interests therein) or otherwise making them available to any EEA Retail Investor in the EEA might be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Final Terms or Pricing Supplement in respect of any Notes includes a legend titled “PROHIBITION OF SALES TO UK RETAIL INVESTORS,” then such Notes (and beneficial interests therein) are not intended to be offered, sold or otherwise made available to (and should not be offered, sold or otherwise made available to) any UK Retail Investor in the UK. For these purposes: (a) “*UK Retail Investor*” means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “*EUWA*”), (ii) a customer within the meaning of the Financial Services and Markets Act 2000 (as amended, the “*FSMA*”) of the UK and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA (the “*UK Prospectus Regulation*”), and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes (or beneficial interests therein) to be offered so as to enable an investor to decide to purchase or subscribe for such Notes (or beneficial interests therein). See “*Transfer and Selling Restrictions—Selling Restrictions—United Kingdom*” below. Consequently, no key information document

required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the “*UK PRIIPs Regulation*”) for offering or selling such Notes (or beneficial interests therein) or otherwise making them available to UK Retail Investors in the UK has been prepared and, therefore, offering or selling such Notes (or beneficial interests therein) or otherwise making them available to any UK Retail Investor in the UK might be unlawful under the UK PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

With respect to each issuance of Notes, the Issuer may make a determination about the classification of such Notes (or beneficial interests therein) for purposes of Section 309B(1)(a) of the Securities and Futures Act 2001 of Singapore (as amended, the “*SFA*”). The Final Terms or Pricing Supplement in respect of any Notes may include a legend titled “Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore” that will state the product classification of the applicable Notes (and, if applicable, beneficial interests therein) pursuant to Section 309B(1) of the SFA; *however*, unless otherwise stated in the applicable Final Terms or Pricing Supplement, all Notes (or beneficial interests therein) shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and “Excluded Investment Products” (as defined in the Monetary Authority of Singapore (the “*MAS*”) Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the relevant Final Terms or Pricing Supplement will constitute notice to “relevant persons” for purposes of Section 309B(1)(c) of the SFA.

STABILISATION

In connection with the issue of any Tranche of Notes, one or more of the Dealers (if any) named as the stabilisation manager(s) in the applicable Final Terms or Pricing Supplement (each a “*Stabilisation Manager*”) (or Persons acting on behalf of any Stabilisation Manager(s)) might overallot such Notes or effect transactions with a view to supporting the market price of an investment in such Notes at a level higher than that which might otherwise prevail; *however*, stabilisation might not necessarily occur. Any stabilisation action might begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, might cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager(s) (or Persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules. Notwithstanding anything herein to the contrary, the Issuer may not (whether through overallotment or otherwise) issue more Notes than have been authorised by the CMB or are permitted under the Programme.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Bank is required to maintain its books of account and prepare statutory financial statements in accordance with the BRSA Principles (such financial statements, including any notes thereto and the independent auditor's reports thereon, the "*BRSA Financial Statements*"). The Bank's BRSA Financial Statements are filed with the Borsa İstanbul A.Ş. ("*Borsa İstanbul*") and the Bank's and the Group's BRSA Financial Statements are used for determinations of the Bank's and the Group's compliance with Turkish regulatory requirements established by the BRSA, including for the calculation of capital adequacy ratios. All financial statements incorporated by reference herein (*i.e.*, the Bank's consolidated and unconsolidated annual statutory financial statements as of and for the years ended 31 December 2022, as of and for the years ended 31 December 2023 (including comparative information for 2022) and as of and for the years ended 31 December 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*") and the Bank's consolidated and unconsolidated interim statutory financial statements as of and for the three month period ended 31 March 2025 (including comparative information for the same period of 2024) (including any notes thereto and the independent auditor's review report thereon) (the "*BRSA Interim Financial Statements*"), have been prepared and presented in accordance with the BRSA Principles except for the general reserves (which do not meet the recognition criteria of Turkish Accounting Standards 37 "Provisions, Contingent Liabilities and Contingent Assets") recognised by the Bank. The independent auditor's report included in each of the BRSA Annual Financial Statements incorporated by reference herein includes a qualification regarding general reserves recognised by the Bank. See "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification.*"

In this Base Prospectus, "*BRSA Principles*" means the laws relating to the accounting and financial reporting of banks in Türkiye (including the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with the Banking Law as published in the Official Gazette No. 26333 dated 1 November 2006, other regulations on the accounting records of banks published by the board of the BRSA and circulars and interpretations published by the BRSA) and, for matters that are not regulated by such laws, the Turkish Accounting Standards 34 ("TAS 34") Interim Financial Reporting Standard and the "Turkish Financial Reporting Standards" ("*TFRS*") issued by the Public Oversight, Accounting and Auditing Standards Authority (in Turkish: *Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu*) (the "*POA*").

The Bank's and the Group's BRSA Financial Statements incorporated by reference herein have been prepared in accordance with Turkish Financial Reporting Standards 9 (*Financial Instruments*), which are the IFRS 9-compliant financial reporting standards of Türkiye ("*TFRS 9*"), Turkish Financial Reporting Standards 15 (Revenue from Customer Contracts) ("*TFRS 15*") and Turkish Financial Reporting Standards 16 (Leases) ("*TFRS 16*").

The Bank's foreign subsidiaries maintain their books of account and prepare their financial statements in accordance with the generally accepted accounting principles and the related rules applicable in the countries in which they operate and, while preparing the consolidated financial statements of the Group, these are adjusted and classified pursuant to the BRSA Principles.

The BRSA Financial Statements are prepared on a historical cost basis except for: (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income, (c) derivative financial instruments and (d) real estate, each of which are presented on a fair value basis. It is important to note that the Group's BRSA Financial Statements reflect a full consolidation only of financial subsidiaries whereas other equity participations are accounted for using the equity method as defined in TAS 28 ("Investments in Associates and Joint Ventures") (certain information with respect to such investments in subsidiaries and other associates can be found in notes 5.1.10.1 and 5.1.11.1 of the Group's BRSA Interim Financial Statements).

The BRSA Annual Financial Statements as of and for the years ended 31 December 2022, 2023 and 2024 were audited and the BRSA Interim Financial Statements were reviewed, in each case by independent auditors Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member firm of Ernst & Young Global Limited ("*EY*"), all in accordance with the Regulation on Independent Auditing 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 Auditing Standards published by the POA. See EY's reports included within each of the applicable BRSA Financial Statements incorporated by reference into this Base Prospectus. With respect to the BRSA Interim Financial Statements, EY has (*inter alia*) reported that they applied limited procedures in accordance with professional standards for review of such information; *however*, their report therein states that they did not audit and they do not express an opinion on interim financial contained within the BRSA Interim Financial Statements. Accordingly, the degree of reliance upon their report on such information should be restricted in light of the limited nature of the review procedures applied. The Bank has appointed EY to act as its independent auditor with respect to 2025.

The BRSA Financial Statements incorporated by reference into this Base Prospectus, all of which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Bank confirms are direct and accurate). The English language BRSA Financial Statements incorporated by reference herein were not prepared for the purpose of their incorporation by reference into this Base Prospectus.

While neither the Bank nor the Group is required by law to prepare its accounts under any accounting standards other than according to the BRSA Principles, including under International Financial Reporting Standards (“IFRS”), the Bank’s management has for the time being elected to publish audited annual consolidated and unaudited half-year condensed consolidated financial statements that have been prepared in accordance with IFRS (such financial statements, including any notes thereto and the independent auditor’s reports thereon, being referred to as “*IFRS Financial Statements*”). IFRS Financial Statements are not used by the Bank for any regulatory purposes and the Bank’s management uses the BRSA Financial Statements and the BRSA Principles for the management of the Bank and communications with investors. As the Bank’s management uses the BRSA Financial Statements, including in its communications with investors, IFRS Financial Statements are not included in (or incorporated by reference into) this Base Prospectus.

Except to the extent stated otherwise, the financial data for the Group included herein have been extracted, without material adjustment, from the Group’s BRSA Financial Statements incorporated by reference herein. Potential investors in the Notes should note that this Base Prospectus also includes certain financial information for the Bank, which has been extracted, without material adjustment, from the Bank’s BRSA Financial Statements incorporated by reference herein. Such financial information is identified as being of “the Bank” in the description of the associated tables or information. Such Bank-only financial information is (*inter alia*) presented in “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Selected Statistical and Other Information*” and “*The Group and its Business*.”

Pursuant to TAS 29, Financial Reporting in High Inflation Economies (“TAS 29”) under TFRS and the corresponding International Accounting Standards 29 (“IAS 29”) under IFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Neither TAS 29 nor IAS 29 establishes an absolute rate when hyperinflation is deemed to arise, but rather each provides a series of non-exclusive guidelines as to when restatement of financial statements becomes necessary. These guidelines include, among other considerations, quantitative criteria based upon if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality, which monitors countries experiencing high inflation, categorised Türkiye as a country with a three-year cumulative inflation rate greater than 100% as of 28 February 2022. Accordingly, Turkish companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after 30 June 2022, which has been done for the Bank’s and the Group’s IFRS Financial Statements.

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

Please note that the BRSA Financial Statements incorporated by reference herein have not been prepared in accordance with the international financial reporting standards as adopted by the EU based upon Regulation (EC) No. 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No. 1606/2002 been applied to the historical financial information presented herein. A narrative description of the differences between IFRS and the BRSA Principles as adopted by the Issuer in preparing its BRSA Annual Financial Statements has been included in Appendix A (“*Overview of Differences between IFRS and the BRSA Principles*”).

Alternative Performance Measures

To supplement the Bank's consolidated and unconsolidated financial statements presented (except for the general reserves recognised by the Bank as described herein) in accordance with the BRSA Principles, the Bank uses certain ratios and measures included (including through incorporation by reference) in this Base Prospectus that might be considered to be "alternative performance measures" (each an "APM") as described in the ESMA Guidelines on Alternative Performance Measures (the "*ESMA Guidelines*") published by ESMA on 5 October 2015. The ESMA Guidelines provide that an APM is understood as "a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework." The ESMA Guidelines also note that they do not apply to APMs "disclosed in accordance with applicable legislation, other than the applicable financial reporting framework, that sets out specific requirements governing the determination of such measures."

Any APMs included in this Base Prospectus are not alternatives to measures prepared in accordance with the BRSA Principles and might be different from similarly titled measures reported by other companies. The Bank's management believes that this information, when considered in conjunction with measures reported under the BRSA Principles, is useful to investors because it provides a basis for measuring the organic operating performance in the periods presented and enhances investors' overall understanding of the Group's financial performance. In addition, these measures are used in internal management of the Group, along with financial measures reported under the BRSA Principles, in measuring the Group's performance and comparing it to the performance of its competitors. Furthermore, because the Group has historically reported certain APMs to investors, the Bank's management believes that the inclusion of APMs in this Base Prospectus provides consistency in the Group's financial reporting and thus improves investors' ability to assess the Group's trends and performance over multiple periods. APMs should not be considered in isolation from, or as a substitute for, financial information presented in compliance with the BRSA Principles. APMs as reported by the Bank might not be comparable to similarly titled items reported by other companies.

For the Group, measures that might be considered to be APMs in this Base Prospectus (including pursuant to any supplement hereto) (and that are not defined or specified by the BRSA Principles or any other legislation applicable to the Group) include (without limitation) the following (such terms being used in this Base Prospectus as defined below):

average shareholders' equity as a percentage of average total assets: For a particular period, this is: (a) the average shareholders' equity for such period *as a percentage of* (b) the average total assets for such period.

core banking revenue: For a particular period, this is: (a) the net interest income for such period, excluding income from CPI-linked instruments and including net swap costs, plus (b) net fees and commissions income, plus (c) net trading income, excluding net swap and currency hedge costs.

core banking revenue as a percentage of total assets: For a particular period, this is: (a) core banking revenue, as a percentage of (b) total assets.

core net interest margin: For a particular period, this is: (a) the net interest income for such period, excluding income from CPI-linked instruments and including net swap costs, as a percentage of (b) the average interest-earning assets during such period.

cost-to-income ratio: For a particular period, this is: (a) the sum of the other operating expenses and the personnel expenses for such period *as a percentage of* (b) the result of: (i) the sum of net interest income, net fees and commissions income/expenses, net trading income/losses, other income and dividend income for such period *minus* (ii) the sum of expected credit losses and general reserves for such period.

expected credit losses to gross loans: As of a particular date, this is: (a) the expected credit losses for loans (including cash loans and lease and factoring receivables) net of collections as of such date *as a percentage of* (b) the average total loans (including cash loans and lease and factoring receivables) as of such date. When determined for a period shorter than 12 months, this is expressed on an annualised basis by multiplying the result by 365 *divided* by the number of days in such period.

expected credit losses to NPLs: As of a particular date, this is: (a) expected credit losses for loans (including cash loans and lease and factoring receivables) net of collections as of such date *as a percentage of* (b) NPLs as of such date.

loan-to-deposit ratio: As of a particular date, this is: (a) the sum of performing loans and loans under follow-up (in both cases, including cash loans and lease and factoring receivables and, with respect to loans under follow-up, excluding NPLs) as of such date *as a percentage of* (b) the total deposits as of such date.

net cumulative cost of risk: As of a particular date, this is: (a) net provisions multiplied by (b) cumulative factor which is the date of current year end minus previous year end divided by the date of current quarter minus end of previous year, as a percentage of (c) average of loans and factoring and leasing receivables in the year.

net cumulative cost of risk excluding currency impact: As of a particular date, this is: (a) net provisions minus (b) currency hedge, multiplied by (c) cumulative factor which is the date of current year end minus previous year end divided by the date of current quarter minus end of previous year, as a percentage of (d) average of loans and factoring and leasing receivables in the year.

net fees and commissions income/expenses as a percentage of total operating profit: For a particular period, this is: (a) net fees and commissions income/expenses for such period *as a percentage of* (b) total operating profit (excluding personnel expenses).

net profit/(loss) adjusted for exceptional items: For a particular period, this is: (a) the reported net profit/(loss) for such period *minus* (b) the income from the sale or liquidation of equity participations and other assets, the increase/(decrease) in general reserves, the income/expense balances from the sale of NPLs and penalties included within other operating expenses for such period *plus* (c) tax effects of the items listed in clause (b).

net interest margin: For a particular period, this is: (a) the net interest income for such period *as a percentage of* (b) the average interest-earning assets for such period. When determined for a period shorter than 12 months, this is expressed on an annualised basis by multiplying the result by 365 *divided by* the number of days in such period.

net provisions excluding currency impact: As of a particular date, this is: (a) net provisions minus (b) currency hedge costs.

NPL ratio: As of a particular date, this is: (a) the total NPLs (gross) as of such date *as a percentage of* (b) the sum of total loans (including cash loans and lease and factoring receivables) and NPLs (gross) as of such date. Where the NPL ratio is referenced solely with respect to a category of loans (*e.g.*, the NPL ratio of SME loans), then this ratio is calculated solely with respect to such category of loans.

NPLs to total cash loans and non-cash loans: As of a particular date, this is: (a) the total NPLs (gross) as of such date *as a percentage of* (b) the sum of total loans (including cash loans and lease and factoring receivables), NPLs (gross) and non-cash loans as of such date.

operating expenses as a percentage of average total assets: For a particular period, this is: (a) the total of other operating expenses and personnel expenses for such period *as a percentage of* (b) the average total assets for such period. When determined for a period shorter than 12 months, this is expressed on an annualised basis by multiplying the result by 365 *divided by* the number of days in such period.

return on average shareholders' equity: For a particular period, this is: (a) the net profit/(loss) for such period *as a percentage of* (b) the average shareholders' equity for such period. When determined for a period shorter than 12 months, this is expressed on an annualised basis by multiplying the result by 365 *divided by* the number of days in such period.

return on average total assets: For a particular period, this is: (a) the net profit/(loss) for such period *as a percentage of* (b) the average total assets for such period. When determined for a period shorter than 12 months, this is expressed on an annualised basis by multiplying the result by 365 *divided by* the number of days in such period.

Stage 2 loans as a percentage of performing loans: As of a particular date, this is: (a) the total Stage 2 loans (gross) as of such date *as a percentage of* (b) the total performing loans (including cash loans and lease and factoring receivables) as of such date.

Stage 2 loans as a percentage of total loans: As of a particular date, this is: (a) the total Stage 2 loans (gross) as of such date *as a percentage of* (b) the sum of total performing loans (including cash loans and lease and factoring receivables) and NPLs (gross) as of such date.

total average yield: For a particular period, this is: (a) the interest income for such period *as a percentage of* (b) the average interest-earning assets for such period (with respect to total average yield for the Bank, and notwithstanding the definition of “average interest-earning assets,” the average interest-earning assets for the Bank for a period is calculated as a daily average for each day for such period).

See “Summary Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Selected Statistical and Other Information” and “The Group and its Business” for further information on certain such calculations.

For any annualised figures calculated for a year, there can be no guarantee, and the Bank does not represent or predict, that actual results for the full year will equal or exceed the annualised figure and actual results might vary materially.

Reconciliations for certain items listed above (to the extent that any of such items are APMs) to the applicable financial statements are not included as they are not required by the ESMA Guidelines in these circumstances, including as a result of Article 29 thereof where the items described in the APM are directly identifiable from the financial statements (*e.g.*, where an applicable APM is merely a calculation of one item in the financial statements as a percentage of another item in the financial statements).

The following are definitions of certain terms that are used in the calculations of the terms defined above (such terms being used in this Base Prospectus as they are defined below except to the extent specifically stated otherwise):

average interest-earning assets: For a particular period, this is the average of the amount of interest-earning assets as of the balance sheet date of each quarter-end during the then-current fiscal year.

average interest-bearing liabilities: For a particular period, this is the average of the amount of interest-bearing liabilities as of the balance sheet date of each quarter-end during the then-current fiscal year.

average shareholders’ equity: For a particular period, this is the average of the amount of shareholders’ equity as of the balance sheet date of each quarter-end during the then-current fiscal year.

average total assets: For a particular period, this is the average of the amount of total assets as of the balance sheet date of each quarter-end during the then-current fiscal year.

average total cash loans: For a particular period, this is the average of the amount of total cash loans as of the balance sheet date of each quarter-end during the then-current fiscal year.

average total loans (including cash loans and lease and factoring receivables): For a particular period, this is the average of the total cash loans and lease and factoring receivables as of the balance sheet date of each quarter-end during the then-current fiscal year.

interest-earning assets: For a particular date, this is the total amount of the interest-earning portion of cash and balances with central banks, financial assets measured at fair value through profit or loss (excluding equity securities), banks, money market placements, financial assets measured at fair value through other comprehensive income (excluding equity securities), performing loans, factoring and lease receivables and financial assets measured at amortised cost as of such date.

interest-bearing liabilities: For a particular date, this is the total amount of the interest-bearing portion of deposits, funds borrowed, interbank money markets, securities issued and subordinated debt as of such date.

NPLs: As of a particular date, this (“NPLs”) refers to the Stage 3 loans (including cash loans and lease and factoring receivables) as of such date.

Currency Presentation and Exchange Rates

In this Base Prospectus, all references to:

- (a) “*Turkish Lira*” and “*TL*” refer to the lawful currency for the time being of Türkiye,
- (b) “*U.S. dollars*,” “*US\$*” and “*\$*” refer to United States dollars,
- (c) “*euro*” and “*€*” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the EU, as amended,
- (d) “*Renminbi*” and “*RMB*” refer to the lawful currency of the PRC, which (for the purposes of this Base Prospectus) excludes Hong Kong, the Macao Special Administration Region of the PRC and Taiwan, and
- (e) “*Sterling*” and “*£*” refer to British Pounds Sterling.

No representation is made that the Turkish Lira or U.S. dollar amounts in this Base Prospectus could have been or could be converted into U.S. dollars or Turkish Lira, as the case may be, at any particular rate or at all. For a discussion of the effects on the Group of fluctuating exchange rates, see “*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Foreign Exchange and Currency Risk*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.”

Certain Defined Terms, Conventions and Other Considerations in Relation to the Presentation of Information in this Base Prospectus

In this Base Prospectus: (a) “*Bank*” or “*Issuer*” means Türkiye Garanti Bankası A.Ş. on a standalone basis and “*Group*” means the Bank and its subsidiaries (or, with respect to consolidated accounting information, the Bank and entities that are consolidated into the Bank), (b) the term “*law*” shall (unless the context otherwise requires) be deemed to include legislation, regulations and other legal requirements and (c) unless the contrary intention appears, a reference to a law (including a provision of a law) is a reference to that law (or provision) as extended, amended or re-enacted.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments and, accordingly, figures shown in the same category presented in different tables might vary slightly and figures shown as totals in certain tables might not be an arithmetic aggregation of the figures that precede them.

All of the information contained in this Base Prospectus concerning the Turkish market and the Bank’s competitors has been obtained (and extracted without material adjustment) from publicly available information. All such data relating to the Turkish banking sector have been obtained from the website of the BRSA at www.bddk.org.tr, the website of the Banks Association of Türkiye (in Turkish: *Türkiye Bankalar Birliği*) (the “*Banks Association of Türkiye*”) at www.tbb.org.tr or the website of the Interbank Card Centre (in Turkish: *Bankalararası Kart Merkezi*) at www.bkm.com.tr, and all such data relating to the Turkish or European economy, including statistical data, have been obtained from the website of the Turkish Statistical Institute (in Turkish: *Türkiye İstatistik Kurumu*) (“*TurkStat*”) at www.tuik.gov.tr, the website of the Central Bank of Türkiye (in Turkish: *Türkiye Cumhuriyet Merkez Bankası*) (the “*Central Bank*”) at www.tcmb.gov.tr, the website of the Ministry of Treasury and Finance of Türkiye (the “*Turkish Treasury*”; where applicable, references to the Turkish Treasury shall be deemed to refer to the Undersecretariat of the Treasury, which was restructured to become part of the new Ministry of Treasury and Finance pursuant to Presidential Decree No. 1 dated 10 July 2018 published in the Official Gazette) at www.hmb.gov.tr or the website of the European Central Bank (the “*ECB*”) at www.ecb.europa.eu. Such data have been extracted from such websites without material adjustment but might not appear in the exact same form on such websites or elsewhere. Such websites do not, and shall not be deemed to, constitute a part of, nor are incorporated into, this Base Prospectus and have not been scrutinised or approved by the Central Bank of Ireland. Certain information under the heading “*Book-entry Clearing Systems*” has been extracted from information provided by the Clearing Systems referred to therein.

Where other third-party information has been used in this Base Prospectus, the source of such information has been identified. The Issuer confirms that all such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the relevant published information, no facts have been omitted that would render the reproduced information inaccurate or misleading. Without prejudice to the generality of the foregoing statement, third-party information in this Base Prospectus, while believed to be reliable, has not been independently verified by the Issuer or any other Person.

In the case of the presented statistical information, similar statistics might be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, might vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed.

The language of this Base Prospectus is English. Certain legal references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. In particular, but without limitation, the titles of Turkish laws and the names of Turkish institutions referenced herein (and in the documents (or portions thereof) incorporated by reference herein) have been translated from Turkish into English. The translations of these titles and names are direct and accurate.

Information in this Base Prospectus regarding the Bank's shareholders has been based upon public filings, disclosure and announcements by such shareholders.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme might not contain all of the information that might be important to prospective investors in the Notes. This entire Base Prospectus, including the more detailed information regarding the Bank's business and the BRSA Financial Statements incorporated by reference into this Base Prospectus, should be read carefully. Investing in the Notes involves risks. The information set forth under "Risk Factors" should be carefully considered. Certain statements in this Base Prospectus are forward-looking statements that also involve uncertainties as described in "Cautionary Statement Regarding Forward-Looking Statements."

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 Base Prospectus, including in the BRSA Financial Statements (including the notes thereto) incorporated by reference into this Base Prospectus.

General

The Group is a leading Turkish banking group with a significant market share in Türkiye, being (as per published BRSA financial statements as of 31 March 2025) the second largest private banking group in Türkiye in terms of total assets. The Group's customers are comprised mainly of commercial enterprises, small and medium enterprises ("SMEs"), foreign multinational corporations with operations in Türkiye and customers from across the Turkish consumer market.

The Group served approximately 28.0 million customers as of 31 March 2025 (per the Bank's internal definition: approximately 27.4 million retail customers, 642,429 SME customers, 46,014 active commercial customers and 3,342 corporate customers) by offering a broad range of products and services, many of which are tailored to identified customer segments. These products and services include (inter alia) deposits, corporate loans, project finance loans, leasing, factoring, foreign exchange transactions, investment and cash management products, consumer loans, mortgages, pension and life insurance, portfolio management, securities brokerage and trading, investment banking, payment systems (including credit and debit cards) and technology and data processing operations. The Group also acts as an agent for the sale of a number of financial products such as securities, insurance and pension contracts and leasing services. As of 31 March 2025, the Bank's services in Türkiye were provided through a nationwide network of 789 domestic branches as well as sophisticated digital channels ("DCs"), such as automated teller machines ("ATMs"), call centres, internet banking and mobile banking. As of the same date, the Bank had seven foreign branches (one in Malta and six in Northern Cyprus (together with a Country Directorate in Northern Cyprus that was established in order to comply with the legal requirements in Northern Cyprus)) and a representative office in Shanghai, together with bank subsidiaries in the Netherlands (Garanti Bank International NV ("GBI")) and Romania (Garanti Bank SA ("Garanti BBVA Romania")).

The Group had total assets of TL 3,498,288,811 thousand, performing loans (which excludes lease, factoring, non-performing receivables and expected credit losses) (as used herein, "cash loans") of TL 1,937,117,283 thousand and shareholders' equity of TL 340,666,959 thousand as of 31 March 2025. The Group's return on average shareholders' equity was 32.5% during 2024 and 30.7% during the first three months of 2025. As of 31 March 2025, the Group's Tier 1, common equity Tier 1 and total capital adequacy ratios were 13.0%, 13.0% and 16.2%, respectively (when calculated with the BRSA's forbearance noted herein, 13.7%, 13.7% and 17.1%, respectively) calculated in accordance with applicable Basel III rules.

The Group's net profit/(loss) was TL 58,510,306 thousand in 2022, TL 86,907,216 thousand during 2023, TL 92,178,886 thousand during 2024 and TL 25,398,699 thousand during the first three months of 2025.

The Bank's shares have been listed on the Borsa İstanbul (or its predecessor the İstanbul Stock Exchange) since 1990. In 2012, the Bank joined the top tier of the U.S. over-the-counter (OTC) market, OTCQX International Premier, for which companies must meet high financial standards and have an effective disclosure process. The Bank has been included in the Borsa İstanbul's Sustainability Index and Corporate Governance Index since 2014.

Organisation

The Bank is organised into six major business lines: retail (excluding payment systems such as credit and debit cards), payment systems (which includes the Bank's credit and debit card business and is operated together with its subsidiary GPS), SME banking, commercial banking, corporate banking and other operations (the most significant of which is global

markets). Each of the Bank's business lines is managed by a separate department within the Bank, except that the payment systems business line is managed by the Bank together with GPS. The Bank also conducts certain international banking operations through its foreign branches, foreign representative offices and subsidiaries. All of the Group's business lines are supported by head office and other support functions. The Bank's subsidiaries (described in "The Group and its Business – Subsidiaries" below) provide various specialty products to clients of the Group.

Principal Shareholder

As of the date of this Base Prospectus, Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") holds an 85.97% interest in the Bank. BBVA's share reached 49.85% in 2017 as a result of various share acquisitions, and then it announced in November 2021 that it would launch a voluntary tender offer (the "*Tender Offer*") for the shares of the Bank that were not already owned by BBVA. The Tender Offer, which was approved by the CMB on 31 March 2022, ended on 18 May 2022 and resulted in BBVA obtaining an additional 36.12% of the Bank's shares.

Competitive Advantages

The Bank's management believes that the Group has a number of competitive advantages that enable the Group to compete effectively in the Turkish banking sector. As of the date of this Base Prospectus, the Bank's management sees these competitive advantages as being:

- a customer-driven asset mix, with Turkish lira lending growth in line with macro-prudential policies,
- a highly liquid and actively managed funding portfolio,
- strong asset quality with sound coverage levels,
- an accelerated pace in high quality revenue generation; strong capital position and buffer,
- practices for employee satisfaction and work-life balance,
- a unique customer experience created by a superior digital experience, and
- a strong brand and corporate reputation with unique value creation.

Strategy

The Group's mission is to continuously and noticeably increase the value created for its customers, shareholders and employees, society and the environment by leveraging its effectiveness, agility and organisational efficiency. The Group, which defines its purpose as being "support your drive to go further," has six strategic priorities as of the date of this Base Prospectus, which are divided into three categories as follows:

- ***A New Wave of Differentiation***

Radical Client Perspective: The Group focuses on embedding a radical client perspective in all its operations. By deeply understanding and responding to customers' needs and life objectives, the Group is committed to delivering tailored solutions that elevate customer experiences. This includes leveraging hyper-personalization and real-time contextual interactions, ensuring a seamless and coherent experience across all channels. Furthermore, the Group aims to deliver best-in-class experiences by continuously improving processes, products, and services to eliminate any negative experiences. Cultural transformation plays a key role in this, as the Group engages all of the areas it operates to foster an organization-wide focus on adapting this approach.

- ***Full Commitment To Growth & Value Creation***

Sustainability as a Growth Engine: Sustainability is now a key driver for growth of the Group. The Group is dedicated to boosting businesses linked to environmental and social opportunities, providing customers with support in their decarbonisation efforts. This includes enhancing advisory services on sustainability, expanding across all customer segments. The Group underlines the power of sustainability to not only address global climate change and related environmental risks but also to create long-term value for both the Group and its customers.

Scaling Up Enterprise Segments: The Group aims to scale up its enterprise segments, with a focus on becoming customers' preferred bank by embedding the radical customer perspective approach. To achieve this, the Group seeks to ensure best-in-class capabilities and channels with improved processes. Moreover, the Group aims to leverage transactional

and cash management solutions. In addition, it focuses on optimising risk processes and models, while establishing a strong coordination between segments to ensure comprehensive, effective solutions for its clients.

Promoting a Value and Capital Creation Mindset: A core aspect of the Group’s strategy has been to drive profitable growth with a focus on capital optimisation. This includes implementing measures to optimize capital consumption and profitability across the entire value chain. The Group is committed to growing its capital-light and fee-income businesses by strategically managing resources, with a value creation mindset.

- ***Sound Foundations to Drive Meaningful Impact***

Unlock the Potential of Artificial Intelligence and Innovation Through Data Availability and Next Gen Tech: The Group is fully committed to advancing its technological capabilities, with a particular emphasis on data availability and next-generation technologies. By increasing data accessibility across the organization, the Group aims to enhance the sophistication of its artificial intelligence (“AI”) engines, incorporating generative AI solutions and investing in business intelligence (“BI”) capabilities. Furthermore, the Group will revamp its technology platforms to enable greater operational efficiency and drive innovation, positioning itself for future growth.

Strengthen Our Empathy, Succeed as a Winning Team: The Group recognises that the success of its strategy depends heavily on a strong, empathetic, and engaged team. The Group aims to drive a cultural transformation centred around purpose and values, with an emphasis on empathy, client orientation, accountability, and integrity. To support this, the Group focuses on attracting and developing the best talent, encouraging diversity, internal mobility, and continuous reskilling. The Group seeks to create a love brand culture that strengthens employees’ sense of belonging and enhances the employee experience.

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 shareholder BBVA and the Notes themselves, which risks are organised in appropriate categories and sub-categories as required by the Prospectus Regulation. 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.

The Programme

The following overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980 and does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the Conditions of any particular Tranche of Notes, the applicable Final Terms or Pricing Supplement, as the case may be. This general description only relates to the Conditions of the Notes as set out in this Base Prospectus. Notes may be issued under the Programme in a form other than that contemplated in such Conditions, and where any such Notes are to be: (a) admitted to trading on the Regulated Market or another regulated market for the purposes of MiFID II or (b) offered to the public in the EEA in circumstances that require the publication of a prospectus under the Prospectus Regulation, a supplement to this Base Prospectus or a new prospectus will be prepared and published by the Issuer.

Issuer:	Türkiye Garanti Bankası A.Ş.
Issuer Legal Entity Identifier (LEI):	5493002XSS7K7RHN1V37
Description:	Global Medium Term Note Programme
Arrangers:	Merrill Lynch International and/or any other arranger(s) appointed from time to time in accordance with the Programme Agreement (each of them an “Arranger”).
Dealers:	<p>Abu Dhabi Commercial Bank PJSC Banco Bilbao Vizcaya Argentaria, S.A. BNP PARIBAS Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Goldman Sachs International HSBC Bank plc ING Bank N.V. J.P. Morgan Securities plc Mashreqbank psc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc MUFG Securities EMEA plc SMBC Bank International plc Société Générale Standard Chartered Bank</p> <p>and any other Dealer(s) appointed from time to time in accordance with the Programme Agreement.</p>
Risk Factors:	There are certain factors that might affect the Issuer’s ability to fulfil its obligations under the Notes. In addition, there are certain risk factors that are material for the purpose of assessing the market risks associated with the Notes. For a discussion of certain risk factors relating to Türkiye, the Bank and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, including certain risks relating to the structure of particular Series of Notes and certain market risks, see “Risk Factors.”
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances that comply therewith from time to time (see “Transfer and Selling Restrictions”),

including the following restriction applicable at the date of this Base Prospectus:

Notes having a maturity of less than one year: Notes having, on the Issue Date thereof, a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Fiscal Agent:	The Bank of New York Mellon, London Branch
Programme Size:	Up to US\$6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding as of the time of each issuance of Notes. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or (other than in the United States) public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	<p>Each Series of Notes may be denominated, and payments in respect of each Series of Notes may be made, in euro, Sterling, U.S. dollars, RMB, Turkish Lira, Czech Koruna, Romanian Leu or, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer(s) or investor(s) and set out in the applicable Final Terms or Pricing Supplement.</p> <p>Payments of principal and interest on a Note denominated in Turkish Lira will (subject to the following paragraph) be made by the Bank in Turkish Lira; <i>however</i>, if “USD Payment Election” is specified in the applicable Final Terms or Pricing Supplement as being applicable and such Note is not represented by a Global Note held by Depository Trust Company (“DTC”) (or a nominee thereof), then the holder of such Note (or a beneficial interest therein) may make an irrevocable election to receive an individual forthcoming payment in U.S. dollars. See Condition 7.8.</p> <p>Payments of principal and interest on a Note denominated in a specified currency (the “<i>Specified Currency</i>”) other than U.S. dollars for which DTC is the clearing system will be made by the Bank in such Specified Currency to the Exchange Agent but will be paid (after conversion by the Exchange Agent) to the investor(s) in such Note in U.S. dollars; <i>however</i>, if an investor wishes to receive such payment in such Specified Currency, then it may make an affirmative election to receive payment on such Note in such Specified Currency. See Condition 7.9.</p> <p>Payment in respect of Notes denominated in Renminbi may be made in U.S. dollars if “RMB Currency Event” is specified as being applicable in the applicable Final Terms or Pricing Supplement and a RMB Currency Event occurs. See Condition 7.11.</p>
Maturities:	Each Series of Notes will have such maturity as may be agreed between the Issuer and the relevant Dealer(s) or investor(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws applicable to the Issuer or the relevant Specified Currency.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see “*Certain Restrictions—Notes having a maturity of less than one year.*”

Issue Price: Notes may be issued at an issue price that is at par or at a discount to, or premium over, par (for each Tranche of Notes, its “*Issue Price*”).

Form of Notes: Each Series of Notes may be issued in bearer or registered form as set out in the applicable Final Terms or Pricing Supplement. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. See “*Form of the Notes.*”

Each Series of Notes may be fixed rate notes (“*Fixed Rate Notes*”), floating rate notes (“*Floating Rate Notes*”) or zero coupon notes (“*Zero Coupon Notes*”).

Fixed Rate Notes: For each Series of Fixed Rate Notes, interest will be payable on such Interest Payment Date(s) as may be agreed between the Issuer and the relevant Dealer(s) or investor(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and such Dealer(s) or investor(s).

Floating Rate Notes: Each Series of Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as amended and updated as of the Issue Date of the first Tranche of Notes of the relevant Series),
- (b) on the basis of a reference rate (as set out in the applicable Final Terms or Pricing Supplement) appearing on the agreed screen page of a commercial quotation service, or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) or investor(s).

The margin (if any) relating to a Tranche of Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) or investor(s). Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s) or investor(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction (as such term is used in Condition 6.6), as set out in the applicable Final Terms or Pricing Supplement.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Benchmark Discontinuation - Reference Rate Replacement:

On the occurrence of a Benchmark Event for a Series of Floating Rate Notes other than any Series of Floating Rate Notes for which the Reference Rate is SOFR and for which Condition 6.7(II) is indicated in the applicable Final Terms as being applicable, the Issuer may (subject to certain conditions and following consultation with an Independent Advisor) determine a Successor Rate, failing which an Alternative Rate and, in either case, the applicable Adjustment Spread and any Benchmark Amendments in accordance with Condition 6.7(I).

On the occurrence of a Benchmark Event for a Series of Floating Rate Notes for which the Reference Rate is SOFR and for which Condition 6.7(II) is indicated in the applicable Final Terms as being applicable, the Benchmark Replacement shall replace the then-current Benchmark and, in either case, the applicable Benchmark Replacement Adjustment and any Benchmark Replacement Conforming Changes shall be determined by the Issuer in accordance with Condition 6.7(II).

Redemption:

The applicable Final Terms or Pricing Supplement for a Tranche of Notes will indicate either that such Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or as a result of an acceleration due to an Event of Default) or that such Notes also will be redeemable at the option of the Issuer and/or the applicable Noteholders upon giving notice to the applicable Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s) or investor(s) and set out in the applicable Final Terms or Pricing Supplement.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) or investor(s) and set out in the applicable Final Terms or Pricing Supplement, except that the minimum denomination of each Note to be admitted to trading on a regulated market for the purposes of MiFID II and/or that are to be offered to the public in a Member State in circumstances that would otherwise require the publication of a prospectus pursuant to the Prospectus Regulation will be: (a) such minimum amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any applicable laws and (b) equal to, or greater than, €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as of the applicable Issue Date).

Notwithstanding the above, and unless set forth in the applicable Final Terms or Pricing Supplement otherwise, IAI Definitive Notes and beneficial interests in IAI Global Notes will be issued only in minimum denominations of US\$500,000 and integral multiples of US\$1,000 in excess thereof (or its approximate equivalent in the applicable Specified Currency at the applicable Issue Date).

Taxation; Payment of Additional Amounts: ...

All payments of principal and interest on the Notes (including with respect to the Coupons, if any) by (or on behalf of) the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, levies, assessments or governmental charges (including related interest and penalties) of whatever nature (“*Taxes*”) imposed, assessed or levied by (or on behalf of) any Relevant Jurisdiction unless such withholding or deduction is required by law. In that event, the Issuer will (subject to certain exceptions) pay such additional amounts (“*Additional Amounts*”) as shall be necessary in order that the net amounts

received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts that would have been receivable on the Notes (including with respect to the Coupons, if any) in the absence of the withholding or deduction. See “*Taxation—Certain Turkish Tax Considerations*” and Condition 9.1.

All payments on the Notes (including with respect to the Coupons, if any) will be made subject to any withholding or deduction required pursuant to FATCA, as provided in Condition 7.1; *it being understood* that, in accordance with Condition 9.1, in no event will the Issuer, any Paying Agent or any other Person be required to pay any Additional Amounts or other amounts in respect of the Notes (including on Coupons) for, or on account of, any FATCA Withholding Tax.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Certain Covenants: The Conditions (except, for any Series, as altered in the Final Terms or Pricing Supplement for such Series) provide that the Bank agrees to certain covenants, including covenants limiting transactions with affiliates. See Condition 5.

Events of Default: The Conditions provide that the Notes will be subject to certain Events of Default, including (among others) non-payment, breach of obligations, cross-acceleration and certain bankruptcy and insolvency events. See Condition 11.

Status of the Notes: The Notes and Coupons will (except, with respect to any Series, to the extent provided otherwise in a supplement to the Agency Agreement, for which a supplement to this Base Prospectus might be prepared or a further prospectus issued) be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and (subject to the provisions of Condition 4) will rank *pari passu* without any preference or priority among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, bankruptcy, liquidation or similar event relating to the Issuer, only to the extent permitted by applicable laws relating to creditors’ rights.

Rating: The Programme has been rated “B” (for long-term issuances) and “B” (for short-term issuances) by Fitch and “B3” (for long-term issuances) and “Not Prime” (for short-term issuances) by Moody’s. As of the date of this Base Prospectus: (a) the “Ratings Definitions” of Fitch describe a “B” rating as indicating that: (i) material default risk is present but a limited margin of safety remains and (ii) financial commitments of the Issuer are currently being met; *however*, capacity for continued payment is vulnerable to deterioration in the business and economic environment (and the assignment of the modifier “-” denotes the relative status of the Notes within the “B” rating category), and (b) Moody’s “Rating Symbols and Definitions” defines a “B” rating as reflecting an obligation that is speculative and subject to high credit risk (and the assignment of the numerical modifier “3” indicates that Moody’s considers the Notes to fall within the lower end of this credit rating category).

Series of Notes may be rated or unrated. Where a Tranche of Notes is rated, the initial such rating(s) will be disclosed in the applicable Final Terms or Pricing Supplement and will not necessarily be the same as the

rating (if any) assigned to the Programme by the relevant rating agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

ERISA: Subject to certain conditions, the Notes may be invested in by an “employee benefit plan” as defined in and subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), of the United States, a “plan” as defined in and subject to Section 4975 of the Code or any entity whose underlying assets include “plan assets” of any of the foregoing. See “*Certain Considerations for ERISA and other U.S. Employee Benefit Plans.*”

Listing and Admission to Trading: An application has been made to Euronext Dublin for Notes having a maturity of one year or more issued during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on the Regulated Market. In addition, this document has been approved as listing particulars by Euronext Dublin and an application may be made to Euronext Dublin for Notes having a maturity of less than one year issued during the period of 12 months from the date of this document to be admitted to the Official List and to trading on GEM.

Notes of a Series may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s) or investor(s). Notes that are neither listed nor admitted to trading on any market may also be issued. The Final Terms or Pricing Supplement for a Tranche will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or market(s).

Governing Law: The Notes, the Agency Agreement, the Programme Agreement, the Deed of Covenant and the Deed Poll, and any non-contractual obligations arising out of or in connection therewith, are or will be (as applicable) governed by, and construed in accordance with, English law.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes (or beneficial interests therein) in (*inter alia*) Türkiye, the United States, the EEA (including Belgium), the UK, the PRC, Hong Kong, Singapore, Japan, Canada and Switzerland, and there will be such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See “*Transfer and Selling Restrictions.*”

United States Selling Restrictions: Regulation S (Category 2), Rule 144A and Section 4(a)(2). Bearer Notes with a term of greater than one year will be issued in compliance with rules identical to those provided in: (a) U.S. Treasury regulations §1.163-5(c)(2)(i)(C) (“*TEFRA C*”) or (b) U.S. Treasury regulations §1.163-5(c)(2)(i)(D) (“*TEFRA D*”) such that the Bearer Notes will not constitute “registration-required obligations” under Section 4701(b) of the Code, as specified in the applicable Final Terms or Pricing Supplement. Such rules impose certain additional restrictions on transfers of Bearer Notes (or, for Bearer Global Notes, beneficial interests therein).

RISK FACTORS

An investment in the Notes involves risk. Prospective investors in the Notes should carefully consider the information contained in this Base Prospectus and the documents (or portions thereof) that are incorporated by reference herein, and in particular should consider all of the risks inherent in making such an investment before making a decision to invest in the Notes. Investors in the Notes assume the risk that the Issuer might become insolvent or otherwise be unable to make all payments due in respect of the Notes.

There is a wide range of factors that individually or together might result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or (other than the most material within each category of risks) to rank their materiality as the Issuer might not be aware of all relevant factors and certain factors that it currently deems not to be material might become material as a result of the occurrence of future events of which the Issuer does not have knowledge as of the date of this Base Prospectus. The Issuer has identified in this Base Prospectus a number of factors that might materially adversely affect its ability to make payments due under the Notes; however, the Issuer does not represent that the risks set out herein are exhaustive or that other risks might not arise in the future. In addition, factors identified by the Issuer that are material for the purpose of assessing the market risks associated with the Notes are also described below.

Prospective investors in the Notes should consult with appropriate professional advisors to make their own legal, tax, business and financial evaluation of the merits and risks of investing in the Notes.

As a large national Turkish bank, the Issuer's business is significantly impacted by the condition of the Turkish economy, which itself is significantly influenced by Turkish political circumstances and global economic conditions (particularly in those countries with whom Türkiye has a material trading relationship). The category of risk factors entitled "*Risks Relating to Türkiye*" below describes the material risks relating to Türkiye that the Issuer's management has identified as potentially having a material impact on the Issuer, including those impacting materially on its business, financial condition and/or results of operations and thus on its ability to make payments due in respect of the Notes. In addition to the macroeconomic conditions relating to Türkiye, the Group's business, financial condition and results of operations, and thus its ability to make payments due in respect of the Notes, are also subject to significant risks specific to the Group, including the ones discussed in the category of risk factors entitled "*Risks Relating to the Group and its Business*" below. Prospective investors in the Notes should also consider risks relating to the structure of, and market for, the Notes, the material ones of which that have been identified by the Issuer's management are described in the category of risk factors entitled "*Risks Relating to the Notes*" below.

The exposure of the Group's business to a market downturn in Türkiye or the other markets in which it operates, or any other risks, might exacerbate or trigger other risks that the Group faces. For example, if the Group incurs substantial losses due to an economic downturn in Türkiye, then its need for liquidity and/or capital might rise sharply while its access to such liquidity and/or capital might be impaired. In addition, in conjunction with an economic downturn, the Group's customers might experience substantial financial difficulties of their own, thereby weakening their financial condition and increasing the credit risk of the Group's exposure to such customers. As such, the below risks should be understood in the context that more than one might apply concurrently and compound any adverse effects on the Group's business, financial condition and/or results of operations.

Risks Relating to Türkiye

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. In addition, the Group's non-Turkish business and assets (including the business and assets of the Group's non-Turkish subsidiaries) are largely related to Türkiye, such as being related to Turkish customers, exports and imports.

The Group's business is significantly dependent upon its customers' desire to deposit funds with the Group and borrow money from the Group and their ability to meet their obligations to the Group, all of which is materially impacted by the strength of the Turkish economy. A slowdown or downturn in the Turkish economy because of, among other factors, inflation, an increase in domestic interest rates, a decrease in domestic or external demand, an increase in unemployment, changes in economic, monetary or fiscal policy or changes in exchange rates for the Turkish Lira might reduce the demand for the Group's services and products, negatively impact the ability of the Group's customers to meet their obligations to the Group and/or decrease the amount of deposits held at the Group.

Accordingly, the Group's business, financial condition and results of operations are significantly subject to the political and economic conditions prevailing in Türkiye, investors' confidence in Türkiye, the Turkish regulatory environment and other conditions relating to Türkiye. These principal sub-categories of the risks relating to Türkiye are set out in “-Political Conditions,” “-Economic Conditions” and “-Turkish Regulatory and Other Matters” below.

Political Conditions

The political circumstances in Türkiye have had (and will continue to have) a material influence on the Turkish economy, which in turn have resulted (and will continue to result) in material impacts on the Group's business, financial condition and/or results of operations. These conditions include (*inter alia*) domestic political events, Türkiye's relationship with other nations, internal and regional conflicts and the regulatory framework in Türkiye. The political conditions that the Issuer's management has identified as having a material impact on the Issuer, including on its ability to make payments due in respect of the Notes, are set out in this section.

Political Developments – Political developments in Türkiye might negatively affect the Group's business, financial condition and/or results of operations

Negative changes in Türkiye's domestic and/or international political circumstances, including the inability of the Turkish government to devise or implement appropriate economic programmes and the level of investor confidence in Türkiye's economic programmes and governance, might adversely affect the stability of the Turkish economy and, in turn, the Group's business, financial condition and/or results of operations.

The Turkish political environment has at times been volatile, specifically following an attempted coup on 15 July 2016 by a group within the Turkish army. Following the coup attempt, including during a two year state of emergency implemented by the government, the government has: (a) initiated legal proceedings against numerous institutions (including schools, universities, hospitals, associations and foundations), some of which were closed down, (b) arrested, discharged or otherwise limited thousands of members of the military, the judiciary and the civil service, (c) restricted media outlets and (d) otherwise taken actions in response to the coup attempt, including expansion of these actions to members of the business community and the journalism sector.

In elections held on 24 June 2018, President Erdoğan received approximately 53% of the votes, being re-elected as the President, and the Justice and Development Party (*Adalet ve Kalkınma Partisi* (the “AKP”)), the President's party, and the Nationalist Movement Party (*Milliyetçi Hareket Partisi*) (MHP), which formed the “People's Alliance” bloc with the AKP, together received sufficient votes to hold a majority of the seats in Parliament. As of 9 July 2018, the parliamentary system was transformed into a presidential one and President Erdoğan thus now holds the additional powers granted to the President pursuant to a referendum held on 16 April 2017.

After the elections, there were numerous changes in Türkiye's economic leadership. On 6 July 2019, the governor of the Central Bank was replaced. On 8 November 2020, the Minister of Treasury and Finance resigned from his position and was promptly replaced. Following the depreciation of the Turkish Lira to its weakest value to that date (exceeding TL 8.50 per U.S. dollar), the governor of the Central Bank was replaced by a Presidential Decree on 7 November 2020 and then (on 20 March 2021) was replaced again after a series of rate increases. The dismissal of Mr. Naci Ağbal, the then-governor of the Central Bank on 20 March 2021, led to a negative market reaction, with investors' sales of certain Turkish assets leading to the value of the Borsa İstanbul 100 stock index declining by 9.6% in a week and the Turkish Lira depreciating by 6.1% against the U.S. dollar (from TL 7.46 per U.S. dollar before the dismissal of the governor to TL 7.94 per U.S. dollar) during the same period. The Central Bank policy rate increased from the second half of 2020 and into 2021 (topping at 19.00% from March to September 2021) as a result of ongoing higher inflation and increasing inflation expectations; *however*, contrary to the expectations of some market participants, the policy rate was reduced by 100 basis points (to 18.00%) in September 2021, creating increased uncertainty in the monetary policy framework in Türkiye.

On 14 October 2021, three members of the Central Bank's Monetary Policy Committee (“MPC”) were replaced, and the Central Bank further reduced its policy rate by a larger-than-expected 400 basis points (to 14.00%) in several steps between October 2021 and 16 December 2021, and again, contrary to the expectations of many market participants, reduced rates in 2022 in several steps to 8.5% on 23 February 2023. On 2 December 2021, during a period of depreciation of the Turkish Lira, the Minister of Treasury and Finance resigned and was replaced.

The Turkish Lira reached a then all-time low of TL 17.4731/US\$1 on 21 December 2021 given the Central Bank's accommodative stance despite high inflationary conditions. 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, as a result of which the Turkish Lira appreciated by 34.6% against the US dollar (to TL 12.97775/US\$1) from 21 December to 31 December 2021.

After the presidential elections in May 2023, a new governor of the Central Bank and a new Minister of Treasury and Finance were appointed, after which the MPC started to increase the policy rates. On 3 February 2024, 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, and the Central Bank announced on 4 February 2024 that it would continue its efforts targeted at disinflation and reaffirmed that it would maintain monetary tightness until inflation falls to levels consistent with its targets. The degree of independence of the Central Bank and future monetary policy remain uncertain.

The Central Bank has actively employed other tools to seek to support the Turkish Lira's exchange rate even while reducing the policy rate. Any failure of the Central Bank and/or the Turkish Treasury to implement effective policies might adversely affect the Turkish economy and thus have a material adverse effect on the Group's business, financial condition and/or results of operations.

General and presidential elections were held on 14 May 2023, with the AKP's coalition retaining a majority of the seats in Parliament; *however*, the presidential elections went to a second round as no candidate earned a majority of the vote. The second round was held on 28 May 2023, with President Erdoğan winning a third five-year term. On 31 March 2024, local elections were held throughout Türkiye, and President Erdoğan's AK Party lost to the opposition, the Republican People's Party (*Cumhuriyet Halk Partisi*) ("**CHP**"). On 19 March 2025, the mayor of Istanbul, Ekrem Imamoglu, certain other members of CHP, and certain civilians, were detained for, among others, alleged corruption and supporting terrorism. On 23 March 2025, Ekrem Imamoglu was arrested for alleged corruption. While the investigation against Ekrem Imamoglu is ongoing and the outcome of such investigation is uncertain, such developments resulted in political unrest, widespread protest and demonstrations, as well as instability in Turkish financial market. On 19 March 2025, the Turkish Lira depreciated to its weakest value to that date and has since only experienced partial recovery. In response, senior economic authorities, including the Minister of Treasury and Finance and the governor of the Central Bank, have reaffirmed their commitment to conventional monetary policy implementation and macroeconomic stabilization. However, as at the date of this Base Prospectus, protests and demonstrations against Ekrem Imamoglu's arrest continues throughout the country, and it is uncertain whether the social and political environment in Türkiye may further deteriorate and to what extent the volatility in Turkish financial market may persist. Any adverse developments in this regard may have significant negative impact on the political and economic environment in Türkiye (including the value of the Turkish Lira, international investors' willingness to invest in Türkiye and cost of financing and domestic demand) and thus have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

In addition to domestic events, there has from time to time been political tension between Türkiye and the EU, certain members of the EU and the United States. With respect to the EU, see "*Relationship with the European Union*" below. With respect to the United States, various events during recent years have impacted the relationship, including: (a) the conflicts against the self-proclaimed jihadist Islamic State ("*ISIS*") and in Syria, (b) relationships with Iran (including the purchase of oil from Iran), (c) the October 2019 U.S. federal indictment of state-controlled bank Türkiye Halk Bankası A.Ş. ("*Halkbank*") asserting violations of U.S. sanctions on Iran, (d) Türkiye's December 2017 entry into a contract with Russia for the purchase of S-400 missile defence systems as described further below and (e) Türkiye's position with Russia in light of the conflict between Russia and Ukraine (particularly in light of U.S., UK and EU sanctions against Russia). Such events have resulted in a number of actions by the U.S. from time to time, including the temporary imposition of sanctions in 2018 and the temporary suspension of visa services to Turkish nationals. Any such events or future events might materially alter the relationship between Türkiye and the United States, particularly in the context of the Russian invasion of Ukraine in February 2022 (see "*Terrorism and Conflicts*"). Donald Trump won the U.S. presidential election held on 5 November 2024, and the Trump administration took office on 20 January 2025. The positions that the Trump administration might take with respect to Türkiye, as well as certain policy changes that the Trump administration may adopt, might materially alter the relationship between Türkiye and the U.S.

In December 2017, Türkiye entered into a contract with Russia for the purchase of S-400 missile defence systems, the first shipments of which were received on 12 July 2019. As a result, Türkiye was excluded from NATO's F-35 stealth fighter jet programme on 17 July 2019. On 11 December 2020, the U.S. Congress passed (on a bipartisan basis) an annual defense spending bill that included a requirement that (within 30 days from enactment) sanctions be imposed by the U.S.

administration upon Türkiye in connection with Türkiye's purchase of the S-400 missile defence systems and, on 14 December 2020, the U.S. administration announced sanctions on Türkiye's Presidency of Defence Industries (the "SSB") and its president and other senior officers pursuant to Section 231, widely known as CAATSA (the Countering America's Adversaries Through Sanctions Act), for Türkiye's continued possession of the Russian S-400 missile defence system. The imposed sanctions include: (a) a ban on all U.S. export licenses and authorisations to the SSB and (b) an asset freeze and visa restrictions on the SSB's president and other SSB officers. While such sanctions were less impactful than others that were available to be imposed and did not have a material impact on Turkish markets, it is uncertain if the U.S. will impose additional sanctions or other measures against Türkiye and, if imposed, how such might impact the Turkish economy and/or the relationship between Türkiye and any other NATO member.

The above-mentioned events, future elections, changes in the governance and operation of Türkiye's institutions and/or other political circumstances might: (a) result in the volatility of Turkish financial markets, have an adverse effect on investors' perception of Türkiye and its institutions, including with respect to their actual or perceived independence, and/or have an adverse effect on Türkiye's ability to support economic growth and manage domestic social conditions, (b) result in (or contribute to) a deterioration of the relationship between Türkiye and the EU, certain members of the EU, the United States, Russia and/or other countries and/or (c) have an adverse impact on the Turkish economy or Turkish institutions, any of which in turn might have a material adverse effect on the Group's business, financial condition and/or results of operations and/or on the market price of an investment in the Notes.

Terrorism and Conflicts – Türkiye and its economy are subject to external and internal unrest and the threat of terrorism

Türkiye is located in a region that has been subject to ongoing political and security concerns, including political instability and frequent incidences of violence in a number of countries in the Middle East and North Africa. In particular, the conflicts in Syria, the Gaza Strip and Yemen and Afghanistan and against ISIS have been the subject of significant international attention and conditions in the region remain volatile. Unrest in these countries might affect Türkiye's relationships with its neighbours, have political implications both within Türkiye and in its relationship with other countries and/or have a negative impact on the Turkish economy, including through both financial markets and the real economy. Such impacts might occur (*inter alia*) through the significant movement of refugees (including through Türkiye into the EU), a lower flow of foreign direct investment into Türkiye, capital outflows and/or increased volatility in the Turkish financial markets.

In connection with the conflicts in Syria, the Turkish military has established a "safe zone" in northern Syria, and continues to engage in discussions, including with the new Syrian administration and the United States, regarding the evolving situation in Syria following the fall of the Bashar al-Assad regime, which might have political repercussions both within Türkiye and in its relationship with the United States, Russia, Syria, Israel, Iran and/or other countries and/or have an adverse impact on the Turkish economy. Russia invaded Ukraine in 2022, triggering significant geopolitical tension. As a result thereof, the United States, the UK, the EU and other jurisdictions have imposed significant and broad economic and other sanctions upon Russia, parts of Russian-controlled Ukraine and various designated entities and individuals that have contributed military and other supplies to Ukraine, which included restrictions on the import of Russian oil and transactions with the Russian central bank and a number of Russian banks. Certain countries froze the assets of the Russian central bank and the United States barred U.S. agents and other financial intermediaries from making payments on Russian debt payments, making it harder for Russia to repay its international debts (in June 2022, Russia defaulted on part of its foreign currency-denominated debt). Some Russian banks have been removed from the international financial messaging system SWIFT and several international companies have disposed of, liquidated, suspended or otherwise limited their businesses in Russia. This has already had, and likely will continue to have, a material impact on: (a) global economic and market conditions, including increasing inflation (particularly for food, energy and shipping costs), contributing to volatility in interest and exchange rates and exacerbating already difficult global supply chain challenges (including through limitations on imports to and exports from Russia), and (b) geopolitical relationships and militarisation. According to the International Monetary Fund's January 2024 World Economic Outlook report, the war in Ukraine (including sanctions on Russia) has negatively impacted global economic growth (and the gross domestic product ("GDP") of Ukraine and Russia in particular) and increased global inflation. It is also possible that this war could lead to further military conflicts, particularly involving Eastern Europe, and extension or escalations in the conflict could lead to additional sanctions being imposed on Russia, thereby leading to more economic disruption. While, as of the date of this Base Prospectus, the Turkish government has indicated that it seeks to maintain functioning relationships with all parties, there can be no certainty as to how events might develop and their impact on Türkiye, including due to Türkiye's complex relationship with Russia and Türkiye's membership in NATO.

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 (in March 2022, Brent crude oil prices increased to the highest level since 2008, which prices then declined but might increase further, including as a result of the conflict in Ukraine and related sanctions, particularly if Russian energy supplies become subjected to additional sanctions and/or Russia continues to reduce or stops its supply of energy to Europe). 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.

In October 2023, Hamas carried out attacks in Israel, initiating a broader conflict between Israel and Hamas in and around the Gaza Strip. This conflict has impacted civilian areas of the Gaza Strip, leading to a refugee and humanitarian crisis in the region. As a result of the conflict, the Turkish Foreign Economic Relations Board suspended economic relations between Türkiye and Israel. Following a ceasefire in January 2025, the Turkish Foreign Economic Relations Board announced that trade could restart with Israel if the peace proves to be permanent. However, as of the date of this Base Prospectus, Israel has resumed military operations in Gaza and the situation in the region remains unstable. There can be no assurance on the duration of the ongoing conflict. The impact of this conflict, including whether other actors (such as Iran and Hezbollah) might further participate, potentially then resulting in direct involvement by the United States, Egypt and/or other nations, is uncertain; however, this instability has impacted investors' confidence in the Middle East, which might negatively impact Türkiye and/or Turkish issuers.

In late September 2024, Israel initiated attacks in Lebanon, in and around Beirut, threatening civilian areas of Beirut, which was followed by an attack initiated by Iran on Israel in early October 2024 and by a counterattack initiated by Israel against Iran in late October. Further, in late September 2024, Israel initiated attacks in Yemen, against the ports of Al Hudaydah and Ras Isa, both located in the Houthi-controlled part of the country. Since December 2024, the conflict between Israel and the Houthis, a rebel group controlling north-western Yemen, has intensified. Furthermore, in early 2024, Houthi attacks against shipping in the Red Sea have resulted in delays and additional costs for shipping. Such attacks in the Red Sea have led to and may lead to increases in import prices for Türkiye and thus contribute to inflation and the current account deficit. On 8 December 2024, the government of Bashar al-Assad in Syria collapsed following significant offensives by a rebel coalition, led by the military group Hayat Tahrir al-Sham (HTS) and other armed groups operating in the country, including the Turkish-backed Syrian National Army. From March 2025, the United States has participated directly in strikes in Yemen. The impact of these conflicts, including whether other actors might participate directly, potentially then resulting in expanded direct involvement by the United States, Egypt and/or other nations, is uncertain. However, this instability has impacted investors' confidence in the Middle East, which might result in the volatility of Turkish financial markets, have an adverse effect on investor's perception of Türkiye and/or have an adverse effect on Türkiye's ability to support economic growth and manage regional conditions.

The above (or similar) circumstances have had and might continue to have a material adverse effect on the Turkish economy and thus on the Group's business, financial condition and/or results of operations, whether as a result of: (a) direct impacts on the Turkish economy (such as a result of any disruption to energy flows from Russia or reductions in tourism, whether as a result of sanctions or otherwise) or indirect impacts (such as from increasing global inflation, volatility in energy and commodity prices, disruptions to supply chains and related impacts on global growth, increased funding costs, decreased liquidity and/or decreased access to wholesale funding markets) and/or (b) any deterioration in the relationship between Türkiye and the United States, Russia and/or other countries.

Türkiye has from time to time been the subject of terrorist attacks, including bombings in recent years in its tourist and commercial centers in İstanbul, Ankara and various coastal towns and (especially in the southeast of Türkiye) attacks against its armed forces. On 23 October 2024, five people were killed and 22 others were injured by a terrorist attack in Ankara. If additional attacks occur in the future, Türkiye's capital markets, its levels of tourism and foreign investment among other things, may be negatively impacted.

Relationship with the European Union – Uncertainties relating to Türkiye’s relationship with the European Union might adversely affect the Turkish financial markets and result in greater volatility

Türkiye has had a long-term relationship with the EU, including as a candidate country for EU membership since the Helsinki European Council of December 1999. The EU resolved on 17 December 2004 to commence accession negotiations with Türkiye and affirmed that Türkiye’s candidacy to join the EU was to be judged by the same 28 criteria (or “Chapters”) applied to other candidates. These criteria require a range of political, legislative and economic reforms to be implemented.

Although Türkiye has implemented various of these reforms and has continued harmonisation efforts with the EU, the relationship between the EU and Türkiye has at times been strained, including due to the passage of Syrian and other refugees through Türkiye into the EU. The Parliamentary Assembly of the Council of Europe voted on 25 April 2017 to restart monitoring Türkiye in connection with human rights, the rule of law and the state of democracy and officials of the EU and certain of its member states have since made various references about the suspension of negotiations for Türkiye’s potential membership in the EU. On 15 July 2019, the EU adopted certain measures against Türkiye over Türkiye’s drilling for gas in waters off Cyprus, including reducing certain funding (including loans via the European Investment Bank) and the suspension of high level communications and of the negotiations for a comprehensive air transport agreement. On 11 November 2019, the EU adopted a framework for imposing sanctions on individuals or entities responsible for, or involved in, these drilling activities and, in February 2020, instituted sanctions against two executives of the Turkish drilling company. Tensions have also risen between Greece and Türkiye relating to disputed claims over Mediterranean waters, particularly in areas around Cyprus in which significant hydrocarbon reserves have been discovered. The EU has on several occasions since 2020 considered measures to sanction individuals in Türkiye in connection with activities related to disputed waters and has considered requests to suspend the bloc’s customs union agreement with Türkiye.

These circumstances might result in (or contribute to) a deterioration of the relationship between Türkiye and the EU and/or certain of its member states. The EU is Türkiye’s largest export market with an over 40% share in Türkiye’s total exports. Europe is the major financier of Türkiye’s structural current account deficit, with on average two thirds of foreign direct investments directed to Türkiye being from the EU in the last 10 years. Any decision by the EU to abolish the customs union with Türkiye or deterioration, suspension or termination in Türkiye’s EU accession discussions or any other international relations between Türkiye and the EU (or any of its member states), might adversely affect the Turkish economy, which might have a material adverse effect on the Group’s business, financial condition and/or results of operations.

Economic Conditions

As a large national bank in Türkiye, the Group’s business, financial condition and results of operations are significantly dependent upon the economic conditions in Türkiye. In addition to domestic influences on the strength of Türkiye’s economy, Türkiye’s economy has been and will continue to be significantly impacted by a number of external factors, including (*inter alia*) the economic conditions of Türkiye’s primary trading partners, external fund flows, international trade, interest rate and other actions by the U.S. Federal Reserve and the ECB, geopolitical tensions and fiscal, regulatory and other actions by other governments. These and other factors might have a material adverse impact on international financial markets and/or economic conditions, which, in turn, might result in a material adverse effect on the Turkish economy and thereby might have a material adverse effect on the Group’s business, financial condition and/or results of operations. In addition, these factors might disrupt payment systems, money markets, long-term and short-term fixed income markets, foreign exchange markets, commodities markets and equity markets, including adversely affecting the cost and availability of funding for the Group.

Domestic macroeconomic factors, including the current account deficit, high levels of unemployment (a seasonally adjusted 7.9% as of March 2025), high levels of inflation (see “—*Inflation*” below) and interest rate and currency volatility, remain of concern, particularly in light of the further depreciation of the Turkish Lira. These conditions have had, and likely will continue to have, a material adverse effect on the Group’s business, financial condition and/or results of operations, including as a result of their impact on the Group’s customers. The Turkish government has sought to improve economic growth and, in September 2024, the Turkish Treasury published a three-year medium-term economic programme (referred to as the “Medium Term Programme”) under which GDP growth was anticipated to be 3.5% in 2024 and 4.0% in 2025, 4.5% in 2026 and 5.0% in 2027. Meanwhile, consumer inflation was expected to stand at 17.5%, 9.7% and 7.0% in 2025, 2026 and 2027, respectively. However, in 2024, GDP growth was recorded as 3.2%, the consumer inflation was recorded as 44.4% and, in the most recent inflation report published by the Central Bank on 7 February 2025, year-end inflation forecasts were set at 24%, 12% and 8% for 2025, 2026 and 2027, respectively. The Bank expects GDP growth to be around 3.5% in 2025 due to

strong momentum observed in the first quarter of the year and year-end inflation to be around 31% in 2025, with a clearer disinflation path, as a result of the lagged impact of the restrictive monetary policy and higher support from the fiscal consolidation.

On 6 February 2023, Türkiye was hit by severe earthquakes in Kahramanmaraş, causing destruction in 11 provinces. Due to the disaster, a state of emergency was declared in 10 of these provinces for three months. In addition to the significant loss of life and damage to infrastructure, the Borsa İstanbul suspended trading of stocks and derivatives for five trading days. The Bank's branches, employees and customers located in the areas directly impacted by the earthquakes have suffered material disruptions. As of the date of this Base Prospectus, the full impact on Türkiye's economy is uncertain but is expected to be substantial and material, with (as of the date of this Base Prospectus) forecasts being for over US\$100 billion of damages (over 9% of 2023 GDP). More recently, on 23 April 2025, a series of earthquakes, most notably a 6.2 magnitude event in the Sea of Marmara, were recorded near Istanbul, causing tremors across Türkiye's most populous city and prompting evacuations from residential buildings. While no major damage has been reported to date, the risk of future seismic activity remains high and could result in severe consequences. Although the Group has, to date, experienced only limited effects on its business, financial condition, and results of operations, the occurrence of further natural disasters might have a material adverse effect on Türkiye's economy and thus potentially on the Group's business.

Government actions to stimulate the Turkish economy might increase the government debt and budget deficit levels, which might in turn contribute adversely to the country's economic stability. The debt of the Turkish government and corporates, both of which significantly rely directly or indirectly upon financing from international creditors, has been increasing whereas the Central Bank's net foreign exchange reserves have recently experienced periods of decline (including being negative when swaps are excluded) to levels that might require the Turkish government and corporate borrowers to be dependent upon continued access to external funding in order to refinance upcoming debt payments.

The Group's banking and other businesses are significantly dependent upon its customers' ability to make payments on their loans and meet their other obligations to the Group. If the Turkish economy suffers because of any of the factors described above or any other reason, then this might increase the number of the Group's customers who are not able to repay loans when due or meet their other obligations to the Group or who seek to restructure their loans, which would increase the Group's past due loan portfolio, require the Group to reserve additional provisions and/or reduce its net profit/(loss) and capital levels. In addition, volatility in the international or Turkish financial markets and/or economy and/or any tightening in credit conditions might result in decreased demand for the Group's products and services, increased borrowing costs (including due to increased competition for deposits) and reduced, or no, access to capital markets. The occurrence of any or all of the above might have a material adverse effect on the Group's business, financial condition and/or results of operations, including a decline in its net interest income and/or decreases in the Group's fee and commission income.

The economic conditions that the Issuer's management has identified as having a material impact on the Issuer, and thus potentially on its ability to make payments due in respect of the Notes, are set out in this sub-category.

Turkish Economy – The Turkish economy is subject to significant macroeconomic risks

Since the early 1980s, the Turkish economy has undergone a transformation from a highly protected and regulated system to a more open market system. Although the Turkish economy has generally responded positively to this transformation, it has experienced severe macroeconomic imbalances, including significant current account deficits, high rates of interest, significant currency volatility and persistent unemployment. In addition, the Turkish economy remains vulnerable to both external and internal shocks, including volatility in oil prices, changing investor opinion, outbreaks of disease (e.g., SARS and the COVID-19 coronavirus) and natural events such as earthquakes (including the powerful earthquakes in southern Türkiye in February 2023, which resulted in over 48,000 fatalities and will require significant government expenditure for the recovery efforts). Global macroeconomic and geopolitical uncertainties, slowdown in capital flows to emerging markets and an increasingly protectionist approach to global foreign trade also continue to negatively affect the Turkish economy.

Since its inauguration, the Trump administration has introduced various significant tariffs on imports from many countries across the world some of which have retaliated with their own tariffs against the U.S. Such developments have resulted in increased volatility in global financial markets. While the U.S. administration has announced a temporary 90-day reduction of most tariffs (other than in respect of China), there can be no assurance that higher tariffs or other economic measures will not be introduced following the expiry of such period. Introduction of higher tariffs or other economic measures by the Trump administration and escalation of trade wars in some major global economies may lead to disruptions in

international trade, increased inflationary pressures, slowdowns in economic growth, volatility in global financial markets and reduced investor confidence.

In particular, the general macroeconomic conditions in Türkiye might have a material adverse effect on the Group's retail and SME customers, both as borrowers and providers of deposits. For example, should the unemployment rate increase, the ability of the Group's retail customers to meet their payment obligations and/or deposit funds with the Bank might be reduced. Similarly, reduced demand for goods and services caused by a slowdown in the Turkish economy might significantly impact SMEs. Additionally, the significant inflation since 2021 might decrease the ability of retail and other customers to pay their debts and/or contribute to economic growth, and their demand for loans and other banking services might decline. Any material adverse effect on the Group's retail and SME customers resulting from macroeconomic conditions might impair the Group's business strategies and have a material adverse effect on the Group's business, financial condition and/or results of operations.

The Turkish government has focused on certain strategically defined sectors, including energy, mining, petrochemical, pharmacy, tourism, automotive and information, including using Türkiye's sovereign wealth fund to support investments in these strategic sectors. The Turkish government's "Economic Reform Package" aims to strengthen fiscal discipline and financial stability. The reforms in the package include supporting SMEs with tax reductions, decreasing foreign currency borrowing in order to reduce the sensitivity of the country's debt stock to external shocks and supporting exports and green transformation of industrial companies in order to narrow the current account deficit. The package also aims to support employment, encourage transparent and accountable institutionalised governance, promote private sector investments and increase competitiveness in domestic markets. There can be no assurance that these targets will be reached or that the Turkish government will implement its current and proposed economic and fiscal policies successfully, including the Central Bank's efforts to curtail inflation and simplify monetary policy.

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.*, using daily average exchange rates, the Turkish Lira depreciated against the U.S. dollar by 44.37% in 2021, 28.71% in 2022, 36.4% in 2023 and 16.5% in 2024, with significant volatility driven in part by changes in Central Bank policy and regulatory changes and significant declines in the value of the Turkish Lira starting in September 2021 with the Central Bank's decision to reduce policy rates despite very high levels 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 some fairly large hikes in interest rates, such as those following the presidential elections in May 2023, after which the MPC increased the rate to 15.00% in June 2023 and then raised it again in multiple steps to 50.00% as of 21 March 2024. Most recently, the Turkish Lira depreciated against the U.S. dollar by 7.1% in the first three months of 2025, mainly due to political and social unrest caused as a result of Ekrem Imamoglu's arrest on 19 March 2025, see "*—Political Developments – Political developments in Türkiye might negatively affect the Group's business, financial condition and/or results of operations.*" In response to increased inflationary pressures arising from exchange rate volatility, on 17 April 2025, the MPC decided to increase the policy rate from 42.50% to 46.00%. This decision was made in response to heightened inflationary pressures, political instability following the arrest of Istanbul Mayor Ekrem İmamoğlu, and global economic uncertainties, including escalating U.S.-China trade tensions.

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 the first three months of 2025 every 10% decrease in the value of the Turkish Lira when compared to the U.S. dollar resulting in about a 15.5 basis point negative impact on the Group's common equity Tier 1 regulatory capital adequacy ratios. As of the date of this Base Prospectus, the combined impact has resulted in the ratio declining slightly - while still above not only the minimum legal requirement of 8% but also the Group's internal minimum of 12%, the Group might consider methods to increase its capital ratios, including through obtaining additional capital.

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 182 and 170 basis points, respectively, as of 31 December 2023 by 245 and 227 basis points, respectively, as of 31 December 2024 by 160 and 158 basis points, respectively and as of 31 March 2025 by 84 and 85 basis points, respectively.

Any further significant depreciation of the Turkish Lira against the U.S. dollar or other major currencies, or any actions taken by the Central Bank or other Turkish authorities to protect the value of the Turkish Lira (such as increased interest rates or other policy actions by the Central Bank), might adversely affect the financial condition of Türkiye as a whole, including its inflation rate and/or the ability of the Central Bank to implement its policy goals, and might have a material negative effect on the Group’s business, financial condition and/or results of operations. As of 30 May 2024, net foreign exchange reserves (excluding swaps) of the Central Bank were negative. However, since mid-June 2024 up until mid-March 2025, the net foreign exchange reserves (excluding swap transactions) have remained positive, as a result of the increasing foreigners’ inflow for Turkish assets and the de-dollarization trend in Türkiye following the elections. The Central Bank depleted its reserves considerably, in order to absorb the adverse impact of currency depreciation on 19 March 2025. As a result, the net foreign exchange position excluding swaps declined from US\$57.86 billion on 14 March 2025 to US\$32.16 billion on 28 March 2025.

Any monetary policy tightening of the U.S. Federal Reserve and/or the ECB, disruptions in global credit markets or any other increase in market interest rates, particularly if it is more accelerated than expected, might have an adverse impact on Türkiye, including on Türkiye’s external financing needs, and might reduce the availability of and/or increase the cost of funding to the Turkish banking sector. A reduction of external financing might increase the volatility of exchange rates, which might negatively impact macroeconomic conditions, and result in higher costs of funding.

Should Türkiye’s economy experience macroeconomic imbalances or otherwise be unsuccessful, it might have a material adverse impact on the Group’s business, financial condition and/or results of operations.

Current Account Deficit – An increase in Türkiye’s current account deficit might result in governmental efforts to decrease economic activity

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. Due to ongoing weakness in economic activity, Türkiye’s current account balance in 2019 showed a surplus of US\$10.8 billion (1.4% of GDP) according to the Central Bank, which was the first surplus since 2002, but then reverted to a deficit of US\$31.9 billion (4.4% of GDP) in 2020, which deficit was primarily due to a decrease in exports to Europe and significantly lower tourism revenues arising from the shutdowns for the COVID-19 pandemic (e.g., Türkiye’s net tourism revenue fell by 59.3% in 2020 compared with 2019). During 2021, reflecting the recovery in global activity, the easing of lockdown measures and significant global policy stimulus, Türkiye’s current account deficit declined to US\$7.2 billion (0.9% of GDP) as a result of increased exports, a moderation in imports (especially gold) and increased tourism revenues. During 2022, and despite an increase in export and tourism revenues, Türkiye’s current account deficit increased to US\$46.3 billion (5.1% of GDP) 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. During 2023, the current account deficit declined slightly to US\$40 billion (3.6% of GDP), which still reflected the large cost of importing energy and commodities.] During 2024, the current account deficit declined to US\$10 billion (0.8% of GDP), due to the normalization in domestic demand and gold imports. The Bank expects the current account deficit to increase to US\$22.5 billion (1.5% of GDP by the end of 2025 due to a deterioration towards a core trade deficit and increasing net gold imports. Various events and circumstances, including (*inter alia*) a sustained rise in energy prices, a decline in Türkiye’s foreign trade and tourism revenues (including due to the impact of the conflict between Russia and Ukraine and tighter monetary policies in certain economies), political risks, the increased demand resulting from rebuilding after the February 2023 earthquakes and changes to Türkiye’s macroeconomic policy (such as with respect to domestic interest rates), might result in an increase in the current account deficit. The current account deficit is a principal concern for Turkish policy makers as it increases Türkiye’s vulnerability to changes in global macroeconomic conditions, and the Turkish government might take policy actions to reduce the current account deficit, including policies that might have a material negative impact on domestic growth and consumption. Any negative impact on economic growth or the introduction of policies that curtail the economy’s activity might have a material adverse effect on the Group’s business, financial condition and/or results of operations.

Although Türkiye's economic growth depends to some extent upon domestic demand, Türkiye's economy is also dependent upon trade, in particular with Europe. The EU remains Türkiye's largest export market. A significant decline in the economic growth of any of Türkiye's major trading partners, such as due to decreased global demand as a result of tightening monetary policies, might have an adverse impact on Türkiye's balance of trade and adversely affect Türkiye's economic growth (for example, Türkiye's balance of trade has been negatively impacted by the deceleration in the increase of exports in late 2022 and 2023 due to the weakening in global demand caused, in part, by policy rate hikes in the EU). Diplomatic or political tensions between Türkiye and the EU (or any of its member states) or other countries might impact trade or demand for imports and exports. A decline in demand for imports into the EU or Türkiye's other trading partners might have a material adverse effect on Turkish exports and thus on Türkiye's economic growth and thereby result in an increase in Türkiye's current account deficit. To a lesser extent, Türkiye also exports to markets in Russia and the Middle East, and the continuing political and/or economic turmoil in certain of those markets might lead to a decline in demand for such imports, with a similar negative effect on Turkish economic growth and Türkiye's current account deficit. In addition, tourism remains particularly important for Türkiye, both due to the direct economic impacts as well as the importance of foreign exchange inflows given Türkiye's current account deficit and low foreign currency reserves.

If the value of the Turkish Lira relative to the U.S. dollar and other relevant trading currencies declines, then the cost of importing oil, gas and other goods and services might increase, resulting in potential increases in Türkiye's current account deficit. As an increase in the current account deficit might erode financial stability in Türkiye, the Central Bank takes (and has taken) certain actions to manage price and financial stability, which actions (including changes to interest rates and reserve requirements) might materially adversely affect the Group's business, financial condition and/or results of operations.

Türkiye is an energy import-dependent country and recorded US\$49.04 billion of net energy imports in 2024, a decrease from US\$52.72 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) might have a negative impact on Türkiye's current account deficit. The Turkish Lira's depreciation against the U.S. dollar (in which most of Türkiye's energy imports are priced) may also exacerbate these impacts. That being said, lower Brent oil prices, potentially driven by global uncertainties such as U.S. trade tariffs, may partially alleviate pressure on the current account deficit.

If the current account deficit widens, then the economic conditions and/or financial stability in Türkiye might deteriorate. In addition, financing a current account deficit might be difficult in the event of a global liquidity or banking crisis and/or declining interest or confidence of foreign investors in Türkiye, and a failure to reduce the current account deficit might have a negative impact on Türkiye's sovereign credit ratings. Any such difficulties might lead the Turkish government to seek to raise additional revenue to finance the current account deficit, reduce domestic demand and/or stabilise the Turkish financial system, any of which might materially adversely affect the Group's business, financial condition and/or results of operations.

Inflation – Türkiye's economy is subject to significant inflationary pressures

The Turkish economy has been subject to significant increases in inflation in recent years, which might continue (including at elevated levels). For example, in 2023, the CPI inflation rate reached 64.77% and the domestic producer price inflation rate was 44.22%, also reflecting significant increases in the prices of food, energy and imported products. In addition, high inflation levels in Türkiye since 2022 matched with policy rates below the inflation rate have resulted in a de-linking of market interest rates in Türkiye from Central Bank rates since (subject to certain regulatory caps that expired on 10 May 2024) market participants set borrowing and lending rates on broader market conditions, including expectations regarding inflation.

As of 31 March 2025, CPI reached 38.10% compared to 44.38% as of 31 December 2024, mainly due to the deceleration of core inflation and a broad-based correction in services. As of 31 December 2024, according to CBRT data, CPI reached 44.38% compared to 64.77% as of 31 December 2023, mainly due to price hikes in different groups such as food, rent and transport services. As of April 2025, annual CPI fell to 37.9% as a result of the correction in food inflation. The Bank's management expects annual inflation to decelerate to 31% by December 2025 with favourable base effects and to reach 21% by December 2026, assuming that (i) uncertainty regarding global financial markets fades somewhat compared

to the previous period, (ii) the global growth outlook will remain consistent with past projections and (iii) the monetary policy will remain tight until a significant and sustained decline in the underlying trend of monthly inflation is observed.

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. On 8 February 2024, the Central Bank published an inflation report indicating an inflation forecast of 36.0%, 14.0% and 9.0% at the end of 2024, 2025 and 2026, respectively. In the first inflation report of 2025, published on 7 February 2025, the Central Bank increased its projected inflation for 2025 from 21% to 24%.

High inflation rates have distorted and might continue to distort the Group's and the Bank's results of operations, with nominal growth rates of the balance sheet and profitability in the Group's and the Bank's BRSA Financial Statements significantly exceeding the rates as measured on a constant-currency basis. As noted in "Presentation of Financial and Other Information," as Türkiye's cumulative inflation has exceeded 100% over the past three years, the criteria of IAS 29 (Financial Reporting in Hyperinflationary Economies) for inflation-adjusted accounting have been satisfied and IFRS financial statements starting with those as of and for the six months ended 30 June 2022 are required to apply inflation accounting, which not only complicates comparisons with past periods but might materially impact the Group's and the Bank's reported financial results under IFRS. With respect to TFRS, TAS 29 recommends that all entities that report in the currency of the same hyperinflationary economy apply this standard from the same date. As such, as indicated in TAS 29, in order to ensure application compatibility within Türkiye, all reporting entities are expected to start to use TAS 29 at the same time following an announcement to do so by the POA.

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

Significant global price increases in major commodities such as oil, cotton, corn and wheat would likely increase inflation pressures in Türkiye. Such inflation, particularly if combined with further depreciation of the Turkish Lira, might result in Türkiye's inflation exceeding the Central Bank's inflation target, which might cause the Central Bank to modify its monetary policy. Inflation-related measures that might be taken by the Central Bank and/or other Turkish authorities might have an adverse effect on the Turkish economy. If the level of inflation in Türkiye were to continue to fluctuate or increase significantly, then this might have a material adverse effect on the Group's business, financial condition and/or results of operations.

Turkish Regulatory and Other Matters

While political and economic conditions in Türkiye tend to have the most significant impact on the Group's business, financial condition and results of operations, various other Türkiye-related matters are also important. These matters, the most material of which is the Turkish regulatory environment, that the Issuer's management has identified as having a material

impact on the Issuer, and thus potentially on its ability to make payments due in respect of the Notes, are set out in this sub-category.

Banking Regulatory Matters – The activities of the Group are highly regulated and changes to applicable laws, the interpretation or enforcement of such laws and/or any failure to comply with such laws might have a material adverse impact on the Group’s business, financial condition and/or results of operations

The Group is subject to a number of banking, consumer protection, competition/antitrust and other laws designed to maintain the safety and financial stability of banks, ensure their compliance with economic and other obligations and limit their exposure to risk. These laws have been subject to frequent change in recent years for a combination of prudential, economic and political considerations and there can be no assurance that such laws will necessarily achieve their objectives or enhance financial stability. These laws include Turkish laws (in particular those of the BRSA) as well as the laws of other countries in which the Group conducts business. These laws, which can increase the cost of doing business and limit the Group’s activities, include (*inter alia*):

(a) the Regulation on the Equity of Banks was published in the Official Gazette No. 28756 dated 5 September 2013 (the “*Equity Regulation*”) and the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks published in the Official Gazette No. 29511 dated 23 October 2015 (the “*Capital Adequacy Regulation*”); the Equity Regulation introduced: (i) core tier 1 capital and additional tier 1 capital as components of tier 1 capital and (ii) new tier 2 rules and determined new criteria for debt instruments to be included in a bank’s tier 2 capital, whereas the Capital Adequacy Regulation requires a minimum core capital adequacy ratio (4.5%) and a minimum tier 1 capital adequacy ratio (6.0%) to be calculated on a consolidated and non-consolidated basis (which are in addition to the previously existing requirement for a minimum total capital adequacy ratio of 8.0%) and changed the risk weights of certain items that are categorised under “other assets,” with the BRSA amending its guidance on 24 February 2017 to allow foreign exchange-required reserves held with the Central Bank to be subject to a 0% risk weight,

(b) a regulation dated 23 February 2016 (the “*D-SIBs Regulation*”) regarding systemically important banks (“*D-SIBs*”), which regulation introduced additional capital requirements for D-SIBs in line with the requirements of Basel III (as of the date of this Base Prospectus, the Bank has been classified as a D-SIB under the D-SIBs Regulation),

(c) the BRSA’s: (i) decision dated 18 December 2015 (No. 6602) regarding the procedures for and principles on calculation, application and announcement of a countercyclical capital buffer and (ii) decision dated 24 December 2015 (No. 6619) regarding the determination of such countercyclical capital buffer (together, the “*BRSA Decisions on the Countercyclical Capital Buffer*”), pursuant to which decisions the countercyclical capital buffer for Turkish banks’ (including the Bank’s) exposures in Türkiye was initially set at 0% of a bank’s risk-weighted assets in Türkiye (effective as of 1 January 2016); *however*, such ratio can fluctuate between 0% and 2.5% as announced from time to time by the BRSA,

(d) the Regulation on Measurement of Liquidity Coverage Ratio of Banks published in the Official Gazette No. 28948 dated 21 March 2014 (the “*Regulation on Liquidity Coverage Ratios*”) in order to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day period, according to which regulation the liquidity coverage ratios of banks is not permitted to fall below 100% on an aggregate basis and 80% on a foreign currency-only basis,

(e) the Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside (the “*Classification of Loans and Provisions Regulation*”), which entered into effect as of 1 January 2018 in order to ensure compliance with the requirements of TFRS and the Financial Sector Assessment Programme, which is a joint programme of the International Monetary Fund and the World Bank; this regulation required banks to adopt TFRS 9 principles (unless an exemption is granted by the BRSA) related to the assessment of credit risk and to account for expected credit losses in line with such principles, and

(f) in early 2020, there came into force new limitations to be determined by the Central Bank on certain fees and commissions that Turkish banks may charge to customers, including limitations on fees for electronic funds transfers, and (in August 2021) the Central Bank (though increasing the fees that can be charged for ATM usage and commissions that can be collected from the use of point of sale (“*POS*”) systems) introduced further limits, which

limitations might negatively impact the fees and commissions earned by the Group (for further information on the size of the Bank's fee and commission income, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*").

See "*Turkish Regulatory Environment*" for a description of the Turkish banking regulatory environment, including the implementation of Basel III in Türkiye. The BRSA conducts examinations of all banks operating in Türkiye and financial information, capital ratios, open positions, liquidity, interest rate risks and credit portfolios (*inter alia*) are followed up in detail at frequent intervals by the BRSA.

Such measures might also limit or reduce the growth of the Turkish economy and, consequently, the demand for the Group's products and services. Furthermore, as a consequence of certain of these changes, the Group might be required to increase its capital reserves and/or might need to access more expensive sources of financing to meet its regulatory liquidity and capital requirements, which in turn might have an adverse impact on its level of profitability and/or net interest margin. Moreover, certain laws that require holding additional Turkish government securities might increase the Group's exposure to any adverse changes in Türkiye's sovereign debt, including credit rating and interest rate changes. New or revised laws also might increase the Group's cost of doing business and/or limit its activities, such as the Central Bank's frequent changes to monetary policy and reserve requirements. For example, the Turkish government (including the BRSA and the Central Bank) has introduced (and might introduce in the future) laws that impose limits with respect to fees and commissions charged to customers, increase the monthly minimum payments required to be paid by holders of credit cards, limiting loan yields on certain categories of loans (including potentially below the Group's cost of funds), increase reserves or require a greater percentage of deposits to be held in Turkish Lira (increasing competition for such deposits). The Group might not be able to pass on any increased costs associated with such regulatory changes to its customers, particularly given the high level of competition in the Turkish banking sector. Accordingly, the Group might not be able to sustain its level of profitability in light of these regulatory changes and the Group's profitability might be materially adversely impacted until (if ever) such changes can be incorporated into the Group's pricing (and even then such changes might affect the Group's profitability as increased pricing for customers might reduce customer demand for the Group's products and services).

Any failure by the Group to adopt adequate responses to these or future changes in the regulatory framework (whether in Türkiye or any other jurisdiction in which the Group operates) might have an adverse effect on the Group's business, financial condition and/or results of operations. In addition, non-compliance with laws might expose the Group to potential liabilities and fines and/or damage its reputation.

The Bank is also subject to competition/antitrust laws, which prohibits, among others, restrictive agreements and concerted practices, abuses of dominance and mergers and acquisitions creating or strengthening a dominant position and entitles those who have been harmed due to a violation of the applicable law to claim damages. The Bank may, from time to time, be subject to competition claims and investigations. For example, in November 2011, the Turkish Competition Board (*Rekabet Kurulu*) (the "*Competition Board*") initiated an investigation against the Bank (and two of its subsidiaries) and 11 other banks operating in Türkiye with respect to allegations of acting in concert regarding interest rates and fees on credit cards, deposits and loans (including mortgage loans). On 8 March 2013, the Competition Board ruled that the economic group comprised of the Bank and two of its subsidiaries (*i.e.*, Garanti Ödeme Sistemleri A.Ş. ("*GPS*" or Garanti Payment Systems) and Garanti Konut Finansmanı Danışmanlık Hiz. A.Ş. ("*Garanti Mortgage*")) was to be fined TL 213 million in connection with this investigation, and on 16 August 2013 the Bank paid three quarters of this administrative penalty (*i.e.*, TL 160.04 million), in accordance with the applicable laws. Notwithstanding this payment, the Bank has objected to this decision through an annulment action before the administrative courts, and then initiated an appeal process upon rejection of such action. In 2024, the judicial process concluded in favour of the Bank. In 2025, after the conclusion of the judicial process, the Competition Board re-initiated the investigation and fined the Bank the same amount. The Bank paid the administrative penalty and objected to the decision through an annulment action before the administrative courts. The judicial process is still ongoing. There can be no assurance that the Bank will not be subject to further investigations by the Competition Board in the future, which would result in the Bank incurring additional costs.

Emerging Markets Risk – International investors might view Türkiye negatively based upon adverse events in other emerging markets

In general, investing in the securities of issuers that have operations primarily in emerging market countries like Türkiye involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or other similar jurisdictions. The market for securities issued by Turkish companies is influenced not only by economic and market conditions in Türkiye but also market conditions in other emerging market

countries or in the United States and the EU. For example, developments or economic conditions in one or more other emerging market(s) have at times adversely affected the prices of securities from, and the availability of credit to, other emerging market countries as investors move their money to countries that are perceived to be more stable and economically developed. An increase in the perceived risks associated with investing in emerging economies might dampen capital flows to Türkiye and/or otherwise adversely affect the Turkish economy. As a result, investors' interest in the Notes (and thus the market price of an investment in the Notes) might be subject to fluctuations that might not necessarily be related to economic conditions in Türkiye or the financial performance of the Group. There can be no assurance that investors' interest in Türkiye in general, and the Notes in particular, will not be negatively affected by events in other emerging markets or the global economy in general.

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 customers 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, using daily average exchange rates, the 36.4% depreciation against the U.S. dollar in 2023), 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 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 due to slowdown in economic growth, 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 borrowers, 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 declined from 2.6% as of 31 December 2022 to 2.1% as of 31 December 2023 and then remained stable at 2.1% as of 31 December 2024. The Group's

NPL ratio as of 31 March 2025 was 2.4%. During 2022, 2023, 2024 and the first three months of 2025, the Group had TL 12.0 billion, TL 13.7 billion, TL 17.8 billion and TL 17.8 billion of write-downs and write-offs, respectively, accounting for a 1.46%, 1.05%, 0.95% and 0.84% decline in the NPL ratio, respectively (i.e., the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). In 2022, NPLs amounting to TL 829,066 thousand were sold, followed by TL 1,288,809 thousand in 2023 and TL 9,960,043 thousand in 2024. In the first three months ended 31 March 2025, NPLs amounting to TL 3,039,334 thousand were sold. The effect of NPL sales on the NPL ratio was to reduce it by 0.10% in 2022, 0.10% in 2023, 0.53% in 2024 and 0.14% in the first three months of 2025 (i.e., the NPL ratios for such periods would have been higher by such amounts had such sales not occurred). The Stage 2 loans as a percentage of performing loans decreased from 13.9% as of 31 December 2022 to 10.5% as of 31 December 2023, and then increased to 11.7% as of 31 December 2024 before decreasing to 10.8% as of 31 March 2025 (the Stage 2 loans as a percentage of total loans changed from 13.6% to 10.3% to 11.4% to 10.5% during the same period), with the declines in 2023 being principally the result of the increase in the size of the loan portfolio (i.e., a denominator effect). The increase in 2024 was mainly due to the inflow from retail portfolio. The decrease in the first three months of 2025 was mainly due to denominator affect, whereby the growth in gross performing loans outpaced the increase in Stage 2 loans.

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 the date of this Base Prospectus) inflation rates remain high and economic activity remains muted. A banking sector crisis might have materially adverse impacts on the Group's business, results of operations, prospects or financial condition.

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, which renders it susceptible to any deterioration in the financial condition of such industries and borrowers

Although the Group seeks to maintain diversity within its loan book with respect to industry, customer type, customer and loan product, certain concentrations are inherent in the Group's business. Total cash loans to the Bank's 20 largest group customers (excluding Turkish government entities) as of 31 December 2022, 2023 and 2024 and 31 March 2025 represented 18.5%, 10.6%, 15.1% and 15.6%, respectively, of its cash gross loan portfolio (including loans measured at fair value through profit or loss and accrued interest).

With respect to loans to corporate borrowers, concentrations by industry (e.g., agriculture) or product type (e.g., project financings) exist from time to time, including (particularly for project or acquisition financings) potentially large individual exposures. In terms of industry concentration, the retail, infrastructure, and mining, metals and other metal products sectors accounted for 37.3%, 5.8% and 2.9%, respectively, of the Bank's gross loan portfolio as of 31 March 2025 and 37.9%, 2.8% and 5.9% respectively, as of 31 December 2024, whereas, the retail loans, infrastructure, mining, metals and other metal products and energy sectors accounted for 33.7%, 9.0%, 6.6% and 6.3% respectively, as of 31 December 2023 and 28.4%, 9.3%, 6.3% and 11.2%, respectively, as of 31 December 2022.

As of 31 March 2025, 25.3% and 20.3% of the Group's performing cash loans excluding financial leases and factoring receivables were credit card and consumer loans, respectively, which historically have had among the highest rate of payment default and are uncollateralised. Additionally, the Group's exposures to certain borrowers (particularly for loans

for infrastructure projects) are large and the Group is likely to continue making such large loans where such an investment is determined by the Group to be a credit-worthy transaction.

The Group periodically sells portions of its NPL portfolio when market conditions are attractive to do so. In 2022, NPLs amounting to TL 829,066 thousand were sold, followed by TL 1,288,809 thousand in 2023 and TL 9,960,043 thousand in 2024. In the first three months of 2025, NPLs amounting to TL 3,039,334 thousand were sold. The effect of NPL sales on the NPL ratio was to reduce it by 0.10% in 2022, 0.10% in 2023, 0.53% in 2024 and 0.14% in the first three months of 2025 (i.e., the NPL ratio for such periods would have been higher by such amounts had such sales not occurred). Write-downs and write-offs have a similar effect. The Group had TL 12.0 billion, TL 13.7 billion, TL 17.8 billion and TL 17.8 billion of write-downs and write-offs in 2022, 2023, 2024 and the first three months of 2025, respectively, accounting for a 1.46%, 1.05%, 0.95% and 0.84% decline in the NPL ratio, respectively.

On a Bank-only basis (excluding credit card NPLs), SMEs (per the BRSA SME Definition) accounted for 11.5% of total NPLs as of 31 March 2025 and 17.8% of total NPLs as of 31 December 2024 (10.7% as of 31 December 2022 and 11.2% as of 31 December 2023). The increase in the SMEs' contribution to the total NPLs in 2024 was mainly due to the robust growth in the loan segment.

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

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 March 2025, 85.1% of the Group's total securities portfolio (11.2% of its total assets and equal to 114.9% of its shareholders' equity) was invested in Turkish government debt securities (84.7%, 11.9%, 107.7%, respectively, as of 31 December 2024, 87.1%, 12.9%, 115.8%, respectively, as of 31 December 2023 and 90.3%, 14.2%, 120.7%, respectively, as of 31 December 2022). 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 April 2024, the Turkish government abolished the rules requiring banks to hold long-term Turkish Lira-denominated securities issued by the Turkish government with the Central Bank. In addition, the Group has exposure to the Turkish government through the Group's participation in financing state-sponsored infrastructure projects and the Credit Guarantee Fund (*Kredi Garanti Fonu*) (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, 2023 and 2024, which might increase 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.

On 11 February 2022, Fitch downgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a negative outlook), which was followed on 8 July 2022 by a further downgrade to "B" (with a negative outlook). Then, on 17 March 2023, Fitch affirmed Türkiye's long-term foreign currency issuer default rating at "B" (with a negative outlook) and on 8 March 2024, upgraded Türkiye's sovereign rating to "B+" from "B", and the outlook to "Positive" from "Stable". On 6 September 2024, Fitch upgraded Türkiye's sovereign rating to "BB-" from "B+". The outlook remained "Stable". On 31 January 2025, Fitch affirmed Türkiye's long-term foreign currency issuer default credit rating as "BB-" and the outlook remained "Stable". On 12 August 2022, Moody's downgraded Türkiye's sovereign rating to "B3" (with a stable outlook). On 19 July 2024, Moody's upgraded Türkiye's sovereign rating to B1 from B3 (with a positive outlook) and Türkiye's foreign currency country ceiling to "Ba3" from "B2" and the local-currency country ceiling to "Ba1" from "Ba3". On 3 May 2024, S&P Global Ratings Europe Limited ("S&P") raised its unsolicited long-term sovereign credit ratings on Türkiye to "B+"

from “B”. On 1 November 2024, S&P raised Türkiye’s sovereign rating to “BB-” from “B+” and its outlook to “Stable” from “Positive”. Note that references to Moody’s and Fitch in this paragraph might refer to the applicable affiliate of Moody’s and Fitch as defined herein. 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 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 Management*” 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). 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, 36.4% in 2023, 16.5% in 2024 and 7.1% as of 28 March 2025. 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 (with, for example, deposit costs versus hedging costs varying in a given period depending upon the Group’s decision whether to compete more aggressively for deposits or utilise hedging opportunities). 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 historically increased the Bank's swap costs (which was compounded by market volatility and higher interest rates). However, in the first quarter of 2025, the impact of swap costs on the Bank's swap-adjusted net interest margin was limited to 26 basis points, as the Bank also utilized swap funding and swap deposits, to help offset overall costs.

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 (using daily average exchange rates) of the Turkish Lira by 36.4% against the U.S. dollar in 2023, 16.5% in 2024 and 7.1% in the first quarter of 2025, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased significantly in 2023, 2025 and in the first quarter of 2025.

The share of Turkish Lira-denominated assets and liabilities in the Group's balance sheet changed from 55.5% and 44.3%, respectively, as of 31 December 2022 to 58.7% and 51.6%, respectively, as of 31 December 2023. This increase in assets reflected robust growth in Turkish Lira-denominated loans whereas the increase in liabilities reflected the acceleration in the Bank's Turkish Lira-denominated deposits and a decline in foreign currency deposits due to regulatory measures comprised in the Central Bank's Liratisation strategy. As of 31 December 2024, the proportions changed to 61.2% and 60.6%, respectively, as a result of the growth in Turkish Lira-denominated loans whereas the increase in liabilities was mainly due to the increase in Turkish Lira-denominated deposits and decrease in foreign currency deposits. As of 31 March 2025, the proportions changed to 60.4% and 58.6%, respectively, as a result of growth in foreign currency loans, primarily due to the increase in the EUR/USD parity, and a rise in foreign-currency deposits following political developments, involving the arrest of Ekrem Imamoglu which triggered higher demand for foreign-currency deposits, mainly driven by corporates. 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 and commercial 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 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 borrowers 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 March 2025, 36.0% of the Group's total loans was denominated in foreign currencies (35.9%, 36.9% and 33.7%, respectively, as of 31 December 2022, 2023 and 2024), of which 36.2% was in U.S. dollars and 43.3% was in euro.

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 66.1%, 43.3%, 43.9%, and 41.9% of the Group's total operating income before provisions for 2022, 2023, 2024 and the first three months of 2025, respectively, and the Group's net interest margin was 9.1%, 5.4%, 5.4% and 5.8%, respectively, over the same periods (11.1%, 6.2%, 5.8% and 5.7%, respectively, for the Bank). 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 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 from 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 Portfolio – The Group might be unable to sustain the level of earnings on its securities portfolio obtained during recent years

The Group has historically generated a portion of its interest income from its securities portfolio, with interest income derived from the Group's securities portfolio in 2022, 2023, 2024 and the first three months of 2025 accounting for 31.3%, 23.1%, 15.4% and 11.4%, respectively, of its total interest income and 22.5%, 14.9%, 11.2% and 8.2%, respectively, of its gross operating income before deducting interest expense and fees and commissions 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 investment securities portfolio provided high real yields compared to other government securities in each of such periods, benefitting from the high inflation environment, but their impact on the Group's earnings might vary as inflation rates change.

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 less than three months) as its source of funding and has a mix of short-, medium- and long-term assets in the form (*inter alia*) of retail, commercial and corporate loans, mortgages and credit cards, which might result in asset-liability maturity gaps and liquidity problems. The Group's loan-to-deposit ratio was 84.7%, 76.9%, 82.9% and 77.3%, respectively, as of 31 December 2022, 2023, 2024 and 31 March 2025. In addition, depositors might withdraw their funds at a rate faster than the rate at which borrowers repay. 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 Group's principal source of funding comes from deposits, these funds are short-term by nature and thus do not enable the Group 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 Group 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 Group 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 (i.e., the sum of funds borrowed, money market borrowings and securities issued, noting that this excludes subordinated debt instruments) was equivalent to 10.4%, 5.8%, 4.8% and 4.7%, respectively, of its assets as of 31 December 2022, 2023, 2024 and 31 March 2025. If growth in the Group's deposit portfolio does not keep pace with growth in its loan portfolio, then the Group will become more reliant upon non-deposit funding sources, some of which might create additional risks of their own such as increased 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, financial liabilities measured at fair value through profit or loss, money market funds, marketable securities issued and subordinated debt) equalled 10.4%, 9.1%, 8.9% and 8.5%, respectively, of its assets as of 31 December 2022, 2023, 2024 and 31 March 2025. While the Group has been successful in extending, at a relatively low cost, the maturity profile of its funding base, even during times of volatility in international markets, this might not continue in the future (including if investor confidence in Türkiye decreases as a result of political, economic or other factors). As of 31 March 2025, the Group had free foreign currency liquidity (including unencumbered foreign currency securities) amounting to US\$5.5 billion while having US\$2.3 billion in foreign currency-denominated external debt to be paid within one year (as of 31 March 2025, an additional US\$3.6 billion in such debt matures in later periods). Particularly in light of the historical volatility of emerging market financings, the Group might have difficulty extending and/or refinancing its existing foreign currency-denominated indebtedness, hindering its ability to avoid the interest rate risk inherent in asset-liability maturity gaps. Should these risks materialise, these circumstances might have a material adverse effect on the Group's business, financial condition and/or results of operations.

These risks might increase as the Group seeks to increase medium- and long-term lending to its customers, including mortgages and project financings, the funding for much of which is likely to be made through borrowings in foreign currency (including refinancing of its foreign currency borrowings).

A rising interest rate environment (such as that developing as of the date of this Base Prospectus in certain markets as a result of increasing inflation and tightening by a number of central banks globally) 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 BRSA's regulation requiring Turkish banks to hold a certain percentage of Turkish Lira deposits) might increase competition among banks, 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 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy").

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 private 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 31 March 2025 (according to the Banks Association of Türkiye), the top seven banking groups in Türkiye (including the Group), three of which were state-controlled, held 71.3% of the Turkish banking sector's total loan portfolio in Türkiye, 70.8% of the total bank assets in Türkiye and 77.0% of the total deposits in Türkiye (in each case, excluding participation banks and development and investment banks). The Bank's management believes that further entries into the sector by foreign competitors, either directly or in collaboration with existing Turkish banks, might increase competition in the market, particularly as foreign competitors might have greater resources and more cost-effective funding sources 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 is, particularly when combined with ongoing competitive pressures from private financial institutions, expected to put downward pressure on net interest margins in at least the short term.

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 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 COVID-19 pandemic, geopolitical conflicts, such as the Israel-Hamas war, and the February 2023 earthquakes), 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. 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, 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*."

International Operations – Adverse changes in the regulatory and economic environment in other jurisdictions in which the Group operates might have a material adverse effect on the Group

While a substantial majority of the Group's operations are in Türkiye, it also (as of the date of this Base Prospectus) maintains operations in countries such as Romania and the Netherlands. The Group's operations outside of Türkiye are subject to differing regulatory environments and domestic economic conditions and require the Group to engage in transactions in relevant local currencies such as the euro. In addition, certain of these jurisdictions are emerging markets, which might expose the Group to risks greater than those associated with more developed markets, including political, economic and social instability, uncertainty of local contractual terms and of enforcing terms in disputes before local courts, the introduction of exchange or foreign investment controls and the complexities and uncertainties of complying with local regulatory requirements. Adverse changes in the regulatory environments, tax and/or other laws, economic and political conditions, relevant exchange rates and/or other circumstances in the other jurisdictions in which the Group operates might have a material adverse effect on the Group's business, financial condition and/or results of operations.

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 banking groups, 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 Management*."

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 significant increase in work-from-home demands on the Group's systems resulting from the COVID-19 pandemic). 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 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.

In October 2014, the Organisation for Economic Co-operation and Development (the "OECD") 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 Financial Action Task Force (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). Subsequently, 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. While, on 28 June 2024, FATF removed Türkiye from the "grey list", if Türkiye is re-placed on the "grey list" in the future or changes its rating of the country these concerns might negatively impact investors' willingness to invest in Türkiye and/or engage with Turkish banks and further changes in Turkish laws and practices might arise from these recommendations, both 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 Annual Financial Statements incorporated by reference herein was qualified with respect to general reserves that were allocated by the Bank. Such qualification in respect of the Group’s BRSA Annual Financial Statements as of and for the year ended 31 December 2022 related to general reserves taken by the Bank’s management through 2022, which reserves did not meet the recognition criteria of TAS 37 (“Provisions, Contingent Liabilities and Contingent Assets”). For example, the Bank’s management increased the general reserves by TL 500,000 thousand (to TL 8,000,000 thousand) in 2022, due to the possible effects of negative circumstances that might arise in the economy or in market conditions. In 2023, the Bank’s management, following the normalisation of macro-economic conditions after the May 2023 elections, reversed all TL 8,000,000 thousand of such general reserves. In later periods, no allocation has been made regarding to general reserves.

During 2023, the Bank’s management (in light of the normalisation of the macro-economic conditions after the May 2023 elections) reversed all of such reserves, resulting in there being no outstanding general reserves as of 31 December 2023; however, the Group’s BRSA Annual Financial Statements as of and for the year ended 31 December 2023 and as of and for the year ended 31 December 2024 were qualified as they “include the impact of reversal of the free provision.” See also the auditor’s report included in each of the BRSA Annual Financial Statements incorporated by reference herein. Similar qualifications might be included in the corresponding audit or review report for future fiscal periods.

Although general reserves 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 reserves are established and lower in the periods in which such reserves are reversed. The Bank’s management has stated that such general reserves have been taken as a result of the Bank’s prudential approach considering the circumstances that might arise from possible changes in the economy and market conditions, with (in particular) the large general reserves taken in 2022 being made in order to limit the impact of the anticipated reduction in inflation in 2023 after the recent period of significant interest income from CPI-linked securities.]

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.

Risks relating to the Group's Relationship with the Bank's Principal Shareholder BBVA – The Group intends to continue its dealings with the BBVA Group and other shareholders although these might give rise to apparent or actual conflicts of interest

The Banking Law places limits on a Turkish bank's exposure to related parties. The Group is within the limits of the Banking Law in terms of its exposure to its related parties (including BBVA and its affiliates (collectively, the "BBVA Group")). With respect to the Bank, all credits with respect to, and services provided to, its related parties (including members of the BBVA Group) are made on an arm's-length basis and all credit decisions with respect to its related parties are required to be approved by the affirmative vote of two-thirds of the Board (other members of the Group have similar requirements). From time to time the Group has purchased and sold assets (including equity participations and real estate) and services to/from BBVA Group companies and the Bank believes that the terms of such transactions have been at least as favourable as those the Group would have received from an unaffiliated party. Where applicable, the value estimations (to the extent that market prices were not available) were made by independent appraisers engaged by the Group's management. Although the Group intends to continue to enter into transactions with related parties on terms similar to those that would be offered to an unaffiliated third party, such transactions create the potential for, or might result in, conflicting interests. See "*Related Party Transactions*."

The interests of the Bank's shareholders (including BBVA) might not be consistent with the interests of investors in the Notes and the Bank's shareholders might take (or cause the Bank to take) actions that might be harmful to investors in the Notes.

Independent Directors – Independent directors constitute a minority of the Bank's directors

As a majority of the members of the Board are associated with BBVA, the opinions held by the Bank's directors might be the same as the views of the Bank's management and thus the Bank's Board might not present an independent voice to balance against the views of the Bank's management. See "*Management*."

Risks Relating to the Notes

While the risks described above are important with respect to the Issuer's ability to make payments due in respect of the Notes, there are additional risks that should be considered by investors in the Notes, including risks relating to the nature of the structure of the Notes and general risks relating to investments in the Notes (both of which are set out in the corresponding sub-category below). Such risks that the Issuer's management has identified as having a material impact on investors in the Notes issued with the terms and conditions set out in this Base Prospectus (the "*Conditions*") are set out in this category of risk factors; *it being understood* that the following does not address any specific conditions of, or circumstances relating to, any particular investor (including such investor's own tax, regulatory or other circumstances) but rather to investors generally speaking.

Risks Relating to the Structure of the Notes

The Notes present investors with certain risks that are applicable to investments in senior unsecured obligations issued by the Issuer. Such risks that the Issuer's management has identified as having a material impact on investors in the Notes are set out in this section.

Unsecured Obligations – The Notes will constitute unsecured obligations of the Bank and will not be guaranteed

The Bank's obligations under the Notes will (subject to Condition 4) constitute unsecured obligations of the Bank and no other member of the Group has guaranteed, or will have any liability for, the Notes (and the BRSA Financial Statements of the Group incorporated into (and discussed in) this Base Prospectus should be understood accordingly as the Bank might not have the ability to access the assets of other members of the Group, including receiving dividends from such other members of the Group). The ability of the Bank to pay such obligations will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows, which might be affected by (*inter alia*) the circumstances described in these "Risk Factors."

Early Redemption – The Notes may be subject to early redemption in certain circumstances

In accordance with Condition 8, the Issuer will, in certain circumstances described below, have the right to redeem Notes prior to their maturity date. This optional redemption feature is likely to limit the market price of an investment in the Notes because, until the end of the period in which the Issuer may elect so to redeem such Notes, the market price of an investment in such Notes generally will not rise substantially above the price at which they can be redeemed. In addition, an investor might not be able to reinvest the redemption proceeds at an effective interest rate as high as the then-applicable interest rate (the “*Interest Rate*”) on the Notes being redeemed and might only be able to do so at a significantly lower interest rate (or through taking on a greater credit risk). Reinvestment risk should be an important element of an investor’s consideration in investing in the Notes.

Taxation. Unless provided otherwise in the applicable Final Terms or Pricing Supplement, the Issuer will have the right to redeem all (but not some only) of a Series of Notes on any Payment Business Day (including in the case of Floating Rate Notes) at the Early Redemption Amount specified in the applicable Final Terms or Pricing Supplement prior to their maturity date stated in the applicable Final Terms or Pricing Supplement (for each Series, its “*Maturity Date*”), if: (a) as a result of any change in, or amendment to, the laws of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws of a Relevant Jurisdiction, which change or amendment becomes effective after the date on which agreement is reached to issue the most recently issued Tranche of the relevant Series of Notes (which will, for the avoidance of doubt, be the date on which the applicable Final Terms or Pricing Supplement is signed by the Issuer), on the next Interest Payment Date, the Issuer would be required to: (i) pay Additional Amounts as provided or referred to in Condition 9 and (ii) make any withholding or deduction for, or on account of, any Taxes imposed, assessed or levied by (or on behalf of) any Relevant Jurisdiction at a rate in excess of the applicable prevailing rates on the date on which agreement is reached to issue the most recently issued Tranche of the relevant Series of Notes, and (b) such requirement cannot be avoided by the Issuer taking reasonable measures available to it. Upon such a redemption, investors in such Series of Notes might not be able to reinvest the amounts received at a rate that will provide an equivalent rate of return as their investment in the redeemed Notes and, in the case of any Floating Rate Notes, the redemption might take place on any day during an Interest Period. See Condition 8.2.

The withholding tax rate on interest payments on bonds (such as the Notes) issued outside of Türkiye by corporations that are tax residents of Türkiye varies depending upon the original maturity of such bonds as specified under the Council of Ministers’ Decrees No. 2009/14592, 2009/14593 and 2009/14594, each dated 12 January 2009, as amended by Decree No. 2010/1182 dated 20 December 2010, Decree No. 2011/1854 dated 26 April 2011 and Presidential Decree No. 842 dated 20 March 2019 (together, the “*Tax Decrees*”). Pursuant to the Tax Decrees, the withholding tax rates are set according to the original maturity of debt instruments issued abroad as follows: (a) 7% withholding tax for debt instruments with an original maturity of less than one year, (b) 3% withholding tax for debt instruments with an original maturity of at least one year and less than three years and (c) 0% withholding tax for debt instruments with an original maturity of three years or more.

Issuer Call. If “Issuer Call” is specified as being applicable in the applicable Final Terms or Pricing Supplement, then the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or Pricing Supplement to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or Pricing Supplement together (if applicable) with all interest accrued and unpaid to (but excluding) the relevant Optional Redemption Date. To the extent Notes have such an optional redemption feature, the Issuer can be expected to redeem such Notes when its cost of borrowing is lower than the interest rate on such Notes. In addition, in the case of any Floating Rate Notes, redemption might take place on any day during an Interest Period. See Condition 8.3.

Effective Subordination – Claims of Noteholders under the Notes will be effectively subordinated to those of certain other creditors

While Notes issued with the Conditions will rank *pari passu* with all of the Bank’s other unsecured and unsubordinated indebtedness, the Notes will be effectively subordinated to the Bank’s secured indebtedness and securitisations, if any, to the extent of the value of the assets securing such transactions, and will be subject to certain preferential obligations under Turkish law (including, without limitation, liabilities that are preferred by reason of reserve

and/or liquidity requirements required by law to be maintained by the Bank with the Central Bank, claims of individual depositors with the Bank to the extent of any amount that such depositors are not fully able to recover from the SDIF, claims that the SDIF might have against the Bank and claims that the Central Bank might have against the Bank with respect to certain loans made by it to the Bank). In addition: (a) creditors of the Bank benefitting from collateral provided by the Bank will have preferential rights with respect to such collateral (e.g., creditors in a covered bond programme) and (b) creditors of a foreign branch of the Bank might have preferential rights with respect to the assets of such branch. Any such preferential claims might reduce the amount recoverable by the Noteholders on any dissolution, winding up or liquidation of the Bank and might result in an investor in the Notes losing all or some of its investment.

Change of Interest Basis – If a Series of Notes includes a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, then this might affect the secondary market and the market price of an investment in such Notes

Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis with respect to a Series of Notes, might affect the secondary market and the market price of investments in such Notes as the change of interest basis might result in a lower interest return for investors. Where Notes convert from a fixed rate to a floating rate, the spread on such Notes might be less favourable than then-prevailing spreads on comparable securities tied to the same reference rate. In addition, the new floating rate at any time might be lower than the rates on other Notes. Where Notes convert from a floating rate to a fixed rate, the fixed rate might be lower than then-prevailing rates on those Notes and might affect the market price of an investment in such Notes.

Settlement Currency – In certain circumstances, investors might need to open a bank account in the Specified Currency of their Notes, payment might be made in a currency other than as elected by a Noteholder or the currency in which payment is made might affect the value of an investment in the Notes or such payment to the relevant Noteholder

In the case of Turkish Lira-denominated Notes held other than through DTC, unless “USD Payment Election” is specified as being applicable in the applicable Final Terms or Pricing Supplement and an election to receive payments in U.S. dollars as provided in Condition 7.8 is made, holders of such Notes would need to have or open (and maintain) a Turkish Lira-denominated bank account, and no assurance can be given that Noteholders will be able to do so either inside or outside of Türkiye. For so long as such Notes are in global form, any Noteholder who does not maintain such a bank account will be unable to transfer Turkish Lira funds (whether from payments on, or the proceeds of any sale of, such Notes) from its account at a clearing system to which any such payment is made.

Under Condition 7.8, if the Fiscal Agent receives cleared funds from the Bank in respect of Turkish Lira-denominated Notes held other than through DTC after the relevant time on the Relevant Payment Date, then the Fiscal Agent will use reasonable efforts to pay any U.S. dollar amounts that Noteholders have elected to receive in respect of such funds as soon as reasonably practicable thereafter. If, for illegality or any other reason, it is not possible for the Fiscal Agent to purchase U.S. dollars with any Turkish Lira funds received, then the relevant payments in respect of such Notes will be made in Turkish Lira. As any currency election in respect of any payment to be made under such Turkish Lira-denominated Notes for the purposes of Condition 7.8 is irrevocable: (a) its exercise might (at least temporarily) affect the liquidity of the applicable Notes, (b) a Noteholder would not be permitted to change its election notwithstanding changes in exchange rates or other market conditions and (c) if the Fiscal Agent cannot, for any reason, effect the conversion of the amount paid by the Issuer in Turkish Lira, then Noteholders will receive the relevant amount in Turkish Lira.

For Notes denominated in a Specified Currency other than U.S. dollars that are held through DTC, if a Noteholder wishes to receive payment in such Specified Currency, then it would need to have or open and maintain a bank account in such Specified Currency. Any Noteholder who does not maintain such a bank account will be unable to receive payments on such Notes in the Specified Currency. Absent an affirmative election to receive such payments in the Specified Currency, the Exchange Agent will convert any such payment made by the Issuer in the Specified Currency into U.S. dollars and the holders of such Notes will receive payment in U.S. dollars through DTC’s normal procedures. See Condition 7.9.

Noteholders will have no recourse to the Bank, any Agent or any other Person for any reduction in value to the holder of any relevant Notes or any payment made in respect of such Notes as a result of such payment being made in the Specified Currency or in accordance with any currency election made by that holder, including as a result of any foreign exchange rate spreads, conversion fees or commissions resulting from any exchange of such payment into any currency other than the Specified Currency. Such exchange, and any fees and commissions related thereto, or payment made in the Specified Currency might result in a Noteholder receiving an amount that is less than the amount that such Noteholder might have obtained had

it received the payment in the Specified Currency and converted such payment in an alternative manner or if payment had been made in accordance with the relevant currency election.

Furthermore, any claim against the Bank that is denominated in a currency other than Turkish Lira would, in the event of the bankruptcy of the Bank, only be payable in Turkish Lira. The relevant exchange rate for determining the Turkish Lira-equivalent amount of any such claim would be the Central Bank's exchange rate for the purchase of the relevant currency that is effective on the date the relevant court decides on bankruptcy of the Bank in accordance with the applicable laws of Türkiye.

Benchmarks Uncertainty – The regulation, reform and/or replacement of “benchmarks” might adversely affect the value of investments in Notes linked to or referencing such “benchmarks”

Certain interest rates and indices that are deemed to be “benchmarks” (such as EURIBOR) are the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion (including the transition away from LIBOR), and “benchmarks” remain subject to ongoing monitoring. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequences could have a material adverse effect on any Notes linked to or referencing such a benchmark.

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it: (a) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU-supervised entities (as defined in Article 3(1)(17) of the Benchmarks Regulation) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation might have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of such benchmark change(s) during the term of such Notes in order to comply with the requirements of the Benchmark Regulation. Such changes might, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the applicable benchmark.

It is not possible to predict with certainty whether and to what extent certain benchmarks will be supported going forward. This might cause a benchmark to perform differently than it has done in the past, and might have other consequences that cannot be predicted, including: (a) discouraging market participants from continuing to administer or contribute to a benchmark, (b) triggering changes in the rules or methodologies used in the benchmark and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations relating to benchmarks might have a material adverse effect on the value of and return on any investment in Notes linked to or referencing a benchmark.

Condition 6.7 provides for certain fallback arrangements (the “*benchmark discontinuation provisions*”) in the event that SONIA, SOFR, EURIBOR, TLREF, ROBOR, PRIBOR, HIBOR, NIBOR, WIBOR, CNH HIBOR or any other relevant benchmark is discontinued or no longer published or a Benchmark Event otherwise occurs, including the possibility that the Interest Rate on the applicable Notes could be set by reference to a successor rate or an alternative reference rate and, in either case, as adjusted by reference to an Adjustment Spread or Benchmark Replacement Adjustment, as applicable. With respect to the benchmark rates for Notes (other than Notes that reference SOFR for which the applicable Final Terms specify Condition 6.7(II) as being applicable), to the extent that the relevant benchmark is discontinued or no longer published or a Benchmark Event otherwise occurs with respect thereto, and no alternative, successor or replacement reference rate is identified or selected in accordance with the benchmark discontinuation provisions, then the Interest Rate on the applicable Notes will be determined by the fallback provisions provided for under Condition 6.2(b); *however*, such provisions, being dependent in part upon the provision by reference banks, might not operate as intended depending upon market circumstances and the availability of interest rate information at the relevant time and might in certain circumstances result in the effective application of a fixed rate based upon the rate that applied in the previous period when any relevant benchmark was available, in effect resulting in such Notes becoming fixed rate notes. Any of these alternative methods might result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on the applicable Notes if any relevant benchmark were available in their current form. Additionally, if any relevant benchmark rate is discontinued or no longer published, then there can be no assurance that the applicable fallback provisions under any related

swap agreements would operate so as to ensure that the benchmark rate used to determine payments under any related swap agreements is the same as that used to determine interest payments under the applicable Notes.

Notwithstanding any other provision of the Conditions or the Agency Agreement, the consent or approval of the Noteholders or Couponholders is not required in the case of amendments to the Conditions pursuant to the benchmark discontinuation provisions to vary the method or basis of calculating the rate(s) or amount of interest or the basis for calculating any Interest Amount in respect of the applicable Notes or for any other variation of the Conditions and/or the Agency Agreement required to be made in the circumstances described in the benchmark discontinuation provisions where the Issuer has delivered to the Calculation Agent a certificate in the form and manner required by the benchmark discontinuation provisions. Any such amendment made pursuant to the benchmark discontinuation provisions might have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder or Couponholder, any such amendment will be favourable to each Noteholder or Couponholder.

In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of the Issuer and/or an Independent Advisor in accordance with the benchmark discontinuation provisions, the relevant benchmark discontinuation provisions might not operate as intended at the relevant time. More generally, any of the above matters or any other significant change to the setting or existence of any relevant benchmark might have a material adverse effect on the value or liquidity of, and the amount payable under, the applicable Notes. No assurance may be provided that relevant changes will not be made to SONIA, SOFR, EURIBOR, TLEF, ROBOR, PRIBOR, HIBOR, NIBOR, WIBOR, CNH HIBOR or any other relevant benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters and make their own assessment about the potential risks imposed by benchmark reforms and investigations when making their investment decision with respect to the Notes.

Any of the factors above and their consequences might have a material adverse effect on the trading market for, value of and return on, any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisors and make their own assessment about the potential risks imposed by the current uncertainty related to the discontinuation of benchmarks, the benchmark discontinuation provisions set out in Condition 6.7 and the Benchmarks Regulation in making any investment decision with respect to any Notes linked to or referencing a benchmark.

SOFR – The use of SOFR as a benchmark is subject to various uncertainties

On 25 April 2019, the Alternative Reference Rates Committee announced its final recommendations for fallback provisions for floating rate notes that set their interest rates based upon the U.S. dollar London interbank offer rate (“USD LIBOR”), including the use of SOFR. As SOFR is a new benchmark with limited historical use in the international capital markets, its impact and development are uncertain. These uncertainties include the following:

The composition and characteristics of SOFR are not the same as those of USD LIBOR and there is no guarantee that SOFR is a comparable substitute for USD LIBOR. The composition and characteristics of SOFR are not the same as those of USD LIBOR. SOFR is a broad U.S. Treasury “repo” financing rate that represents overnight secured funding transactions, which means that SOFR is fundamentally different from USD LIBOR in at least two key manners. Firstly, SOFR is a secured rate while USD LIBOR is an unsecured rate. Secondly, SOFR is an overnight rate while USD LIBOR has represented interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as USD LIBOR would have at any time, including (without limitation) as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For example, since publication of SOFR began in April 2018, changes in SOFR have, on occasion, been more volatile than changes in comparable benchmark or other market rates (including USD LIBOR).

Because SOFR is published by the Federal Reserve Bank of New York, as administrator of SOFR, based upon data received from other sources, the Issuer has no control over its determination, calculation or publication; in addition, there can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SOFR-linked Floating Rate Notes. SOFR is published by the Federal Reserve Bank of New York (the “FRBNY”) and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by U.S. Treasury securities. The FRBNY reports that SOFR includes all trades in the “Broad General Collateral Rate” plus bilateral U.S. Treasury “repo” transactions cleared through the delivery-versus-

payment service offered by the Fixed Income Clearing Corporation (the “FICC”), a subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). SOFR is filtered by the FRBNY to remove a portion of the foregoing transactions considered to be “specials.” According to the FRBNY, “specials” are repos for specific-issue collateral that take place at cash-lending rates below those for general collateral repos because cash providers are willing to accept a lesser return on their cash in order to obtain a particular security.

The FRBNY reports that SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon, which currently acts as the clearing bank for the tri-party repo market, as well as “General Collateral Finance Repo” transaction data and data on bilateral U.S. Treasury repo transactions cleared through the FICC’s delivery-versus-payment service. The FRBNY notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC.

The FRBNY currently publishes SOFR on each of its business days on its website at <https://apps.newyorkfed.org/markets/autorates/sofr>. The FRBNY states on its publication page for SOFR that use of SOFR is subject to important disclaimers, limitations and indemnification obligations, including that the FRBNY (or a successor), as administrator of SOFR, may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

Because SOFR is published by the FRBNY based upon data received from other sources, the Issuer has no control over its determination, calculation or publication. In addition, there can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SOFR-linked securities. If the manner in which SOFR is calculated is changed, then such change might result in a reduction of the amount of interest payable on SOFR-linked securities, which might adversely affect the market price of an investment in such SOFR-linked securities.

As noted above, the FRBNY started publishing SOFR in April 2018, and the SOFR Index began on 2 March 2020, and, therefore, each has a very limited history. The FRBNY also publishes historical indicative SOFRs dating back to 2014, but the future performance of SOFR cannot be predicted based upon historical performance. Such historical indicative data inherently involves assumptions, estimates and approximations. Investors should not rely upon such historical indicative data or upon any historical changes or trends in SOFR as an indicator of the future performance of SOFR. Since the initial publication of SOFR, changes in SOFR have, on occasion, been more volatile than changes in comparable benchmark or other market rates (including USD LIBOR) and SOFR over the term of any Series of SOFR-linked Floating Rate Notes might bear little or no relation to the historical actual or historical indicative data. In addition, the return on and value of SOFR-linked securities might fluctuate more than floating rate debt securities that are linked to less volatile rates. Changes in the levels of SOFR will affect Compounded SOFR and the SOFR Index and, therefore, the return on any related SOFR-linked Notes and the trading price of such Notes but it is impossible to predict whether such levels will rise or fall. Furthermore, there can be no assurance that Compounded SOFR or SOFR will be positive.

The calculation of interest might not accurately reflect an investor’s cost of funding. The interest payable on any Floating Rate Notes for which the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as SOFR Index will be based upon Compounded SOFR, which is calculated using the SOFR Index published by the FRBNY according to the specific formula described under Condition 6.2(b)(v), not the SOFR rate published on or in respect of a particular date during any Interest Period or an arithmetic average of SOFR rates during such period. For this and other reasons, the interest rate on any such Notes during any Interest Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Furthermore, if the SOFR rate in respect of a particular date during an Interest Period is negative, then its contribution to the SOFR Index will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the relevant Notes on the Interest Payment Date for such Interest Period.

Under Condition 6.7(II), if a particular replacement rate cannot be determined for Floating Rate Notes linked to SOFR for which the applicable Final Terms or Pricing Supplement specify Condition 6.7(II) as being applicable, then the next-available replacement rate will apply. In addition, such Condition expressly authorises the Issuer to make certain adjustments to the replacement rate as are necessary to reflect the adoption of the replacement rate, substantially consistent with market practice, without the consent or approval of the Noteholders. The

application of these adjustments might result in adverse consequences to the amount of interest payable on such Notes, which might adversely affect the return on, value of and/or market for an investment in such Notes.

Furthermore, interest on SOFR-linked Floating Rate Notes is only capable of being determined at the end of the relevant Interest Period and immediately or shortly prior to the relevant Interest Payment Date. It might be difficult for investors in SOFR-linked Floating Rate Notes to estimate reliably the amount of interest that will be payable on such securities, and some investors might be unable or unwilling to trade such securities without changes to their information technology systems, both of which might adversely impact the liquidity of such securities. This same lack of advanced notice of the amount of an interest payment would also apply upon an acceleration after an Event of Default.

The SOFR Index Benchmark Replacement is uncertain and any replacement is likely to be a relatively new market index. If the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as SOFR Index and the Issuer determines that a Benchmark Event for SOFR and its related Benchmark Replacement Date have occurred before the Reference Time in respect of any determination of the applicable Benchmark on any date, then the Issuer will determine a Benchmark Replacement in accordance with the benchmark transition provisions described in Condition 6.7(II). After such an event, interest on the relevant Notes will no longer be determined by reference to the applicable Benchmark but instead will be determined by reference to the applicable Benchmark Replacement.

The determination of a Benchmark Replacement, the calculation of the interest rate on the relevant Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of such Notes in connection with a Benchmark Event for SOFR might adversely affect the return on, value of and/or market for an investment in such Notes. Any Benchmark Replacement will likely be a relatively new market index and might itself be thereafter altered or discontinued.

The SOFR Index might be modified or discontinued and Floating Rate Notes for which the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as SOFR Index might bear interest by reference to a rate other than Compounded SOFR, which might adversely affect the value of an investment in any such Notes. The SOFR Index is published by the FRBNY based upon data received by it from sources other than the Issuer and the Issuer has no control over the methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index. There can be no assurance, particularly given its relatively recent introduction, that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any relevant Notes.

If the manner in which the SOFR Index is calculated, including the manner in which SOFR is calculated, is changed, then that change might result in a reduction in the amount of interest payable on any relevant Notes and/or the value of and/or market for an investment in such Notes. In addition, the FRBNY may withdraw, modify or amend the published SOFR Index or SOFR data in its sole discretion and without notice. The interest rate for any Interest Period will not be adjusted for any modifications or amendments to the SOFR Index or SOFR data that the FRBNY may publish after the interest rate for that Interest Period has been determined.

SONIA – The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

Where the applicable Final Terms or Pricing Supplement for a Tranche of Notes specifies that the interest rate for such Notes will be determined by reference to the Sterling Overnight Index Average (“*SONIA*”), interest will be determined on the basis of Compounded Daily SONIA (as defined in Condition 6.2(b)(iii)) by the Calculation Agent or, if the Calculation Method is specified as being “Compounded Index Rate,” by reference to the SONIA Compounded Index. Compounded Daily SONIA differs from the Sterling London interbank offer rate (“*Sterling LIBOR*”) in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas Sterling LIBOR has been expressed on the basis of a forward-looking term and incorporating a credit risk-element based upon inter-bank lending. As such, investors should be aware that Sterling LIBOR and SONIA might behave materially differently as interest reference rates for Notes. The use of SONIA as a reference rate for debt instruments is developing, and is subject to change, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA.

Accordingly, prospective investors in any Notes referencing Compounded Daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. For example, the SONIA Compounded Index has not been published until August 2020 and, accordingly, the Compounded Daily SONIA derived from the SONIA Compounded Index is not a rate commonly used in the market for calculating interest rates (including, pre-August 2020, floating rate notes that reference SONIA). In the context of backwards-looking SONIA rates, market participants and relevant working groups (including ICE Benchmark Administration Limited, Refinitiv and FTSE Russell) have developed forward-looking “term” SONIA reference rates (which seek to measure the market’s forward expectation of an average SONIA rate over a designated term by reference, primarily, to SONIA Overnight Index Swap quotes provided in interdealer central limit order books and, where such data is unavailable, subject to a waterfall of alternative data). The adoption of SONIA has already seen component inputs into Sterling swap rates or other composite rates transferring from Sterling LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in Condition 6.2(b)(iii) as applicable to Notes referencing a SONIA rate. In addition, the Issuer may in the future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes issued by it. The continuing development of Compounded Daily SONIA as an interest reference rate for the capital markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, might result in reduced liquidity or increased volatility or might otherwise affect the market price of any SONIA-referenced Notes from time to time.

Furthermore, interest on Notes that reference Compounded Daily SONIA is only capable of being determined immediately or shortly prior to the relevant Interest Payment Date. It might be difficult for investors in Notes that reference Compounded Daily SONIA to estimate reliably the amount of interest that will be payable on such Notes, and some investors might be unable or unwilling to trade such Notes without changes to their information technology systems, both of which might adversely impact the liquidity of such Notes. Further, if Notes referencing Compounded Daily SONIA become due and payable as a result of an Event of Default under Condition 11, or are otherwise redeemed early on a date other than an Interest Payment Date, then the Interest Rate payable for the final Interest Period in respect of such Notes shall only be determined immediately or shortly prior to the date on which such Notes become due and payable.

In addition, the manner of adoption or application of SONIA reference rates in the eurobond market might differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets might impact any hedging or other financial arrangements that they might put in place in connection with any acquisition, holding or disposal of investments in Notes referencing Compounded Daily SONIA.

As SONIA and the SONIA Compounded Index are published by the Bank of England based upon data from other sources, the Issuer has no control over their determination, calculation or publication. There can be no guarantee that SONIA and the SONIA Compounded Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes that reference SONIA. If the manner in which SONIA and/or the SONIA Compounded Index is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant Notes and the trading prices of investments in such Notes. Furthermore, to the extent the SONIA Compounded Index is no longer published, the applicable rate to be used to calculate the Interest Rate on Floating Rate Notes will be determined using the alternative methods described in Condition 6.2(b)(iii). Such alternative methods might result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on such Notes if SONIA and/or the SONIA Compounded Index had been provided by the Bank of England in its current form. In addition, the use of such alternative methods might also result in a fixed Interest Rate being applied to the relevant Notes.

Since SONIA is a relatively new market index, Floating Rate Notes that reference SONIA might have no established trading market when issued and an established trading market might never develop or might not be very liquid. Market terms for debt securities indexed to SONIA, such as the spread over the index reflected in interest rate provisions, might evolve over time and, as a result, the market price of an investment in SONIA-linked securities might be lower than those of later-issued debt securities that are linked to SONIA. Similarly, if SONIA does not prove to be widely used in debt securities that are similar or comparable to the Notes, then the market price of an investment in SONIA-linked Floating Rate Notes might be lower than that of debt securities that are linked to rates that are more widely used. An investor in SONIA-linked Notes might not be able to sell their investment in such Notes at all or at a price that will provide such investor a yield comparable to similar investments that have a developed secondary market and, thus, such investor might suffer from increased pricing volatility and market risk with respect to its investment in such Notes.

Accordingly, an investment in Floating Rate Notes that reference SONIA entails significant risks not associated with similar investments in conventional debt securities. Any investor should ensure that it understands the nature of the terms of such Notes and the extent of its exposure to risk and that it considers the suitability of such Notes as an investment in the light of its own circumstances and financial condition. An investor should consult its own professional advisors about the risks associated with investment in Notes that reference SONIA and the suitability of investing in such Notes in light of its particular circumstances.

TLREF – The use of TLREF as a benchmark is subject to various uncertainties

Where the applicable Final Terms or Pricing Supplement for a Tranche of Notes specifies that the interest rate for such Notes will be determined by reference to the Turkish Lira Overnight Reference Rate (“*TLREF*”), interest will be determined in respect of the relevant Interest Accrual Period by reference to the BIST TLREF Index and the relevant published TLREF Index thereon on the relevant TLREF Interest Determination Date. TLREF differs from the Turkish Lira Interbank Offer Rate (“*TRLIBOR*”) in a number of material respects, including (without limitation) that TLREF is a backwards-looking, compounded, risk-free overnight rate, whereas TRLIBOR has been expressed on the basis of a forward-looking term and incorporating a credit risk-element based upon inter-bank lending. As such, investors should be aware that TRLIBOR and TLREF might behave materially differently as interest reference rates for Notes. The use of TLREF as a reference rate for debt instruments is developing, and is subject to change, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing TLREF. Accordingly, prospective investors in any Notes referencing TLREF should be aware that the market continues to develop in relation to TLREF as a reference rate in the capital markets and its adoption as an alternative to TRLIBOR.

The market or a significant part thereof may adopt an application of TLREF that differs significantly from that set out in Condition 6.2(b)(ix) as applicable to Notes referencing TLREF. In addition, the Issuer may in the future issue Notes referencing TLREF that differ materially in terms of interest determination when compared with any previous TRLIBOR-referenced Notes issued by it. The continuing development of TLREF as an interest reference rate for the capital markets, as well as continued development of TLREF-based rates for such market and the market infrastructure for adopting such rates, might result in reduced liquidity or increased volatility or might otherwise affect the market price of any TLREF-referenced Notes from time to time.

Furthermore, interest on Notes that reference TLREF is only capable of being determined immediately or shortly prior to the relevant Interest Payment Date. It might be difficult for investors in Notes that reference TLREF to estimate reliably the amount of interest that will be payable on such Notes, and some investors might be unable or unwilling to trade such Notes without changes to their information technology systems, both of which might adversely impact the liquidity of such Notes. Further, if Notes referencing TLREF become due and payable as a result of an Event of Default under Condition 11, or are otherwise redeemed early on a date other than an Interest Payment Date, then the Interest Rate payable for the final Interest Period in respect of such Notes shall only be determined immediately or shortly prior to the date on which such Notes become due and payable.

In addition, the manner of adoption or application of TLREF in the eurobond market might differ materially compared with the application and adoption of TLREF in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of TLREF across these markets might impact any hedging or other financial arrangements that they might put in place in connection with any acquisition, holding or disposal of investments in Notes referencing TLREF.

As TLREF and the BIST TLREF Index are published by Borsa İstanbul, the Issuer has no control over their determination, calculation or publication. There can be no guarantee that TLREF and the BIST TLREF Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes that reference TLREF. If the manner in which TLREF is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant Notes and the trading prices of investments in such Notes. Furthermore, to the extent the BIST TLREF Index is no longer published, the applicable rate to be used to calculate the Interest Rate on Floating Rate Notes will be determined using the alternative methods described in Condition 6.2(b)(ix). Such alternative methods might result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on such Notes if TLREF and/or the BIST TLREF Index had been provided by Borsa İstanbul in its current form. In addition, the use of such alternative methods might also result in a fixed Interest Rate being applied to the relevant Notes.

Since the BIST TLREF Index is a relatively new market index, Floating Rate Notes that reference TLREF might have no established trading market when issued and an established trading market might never develop or might not be very liquid. Market terms for debt securities indexed to TLREF, such as the spread over the index reflected in interest rate provisions, might evolve over time and, as a result, the market price of an investment in TLREF-linked securities might be lower than those of later-issued debt securities that are linked to TLREF. Similarly, if TLREF does not prove to be widely used in debt securities that are similar or comparable to the Notes, then the market price of an investment in TLREF-linked Floating Rate Notes might be lower than that of debt securities that are linked to rates that are more widely used. An investor in TLREF-linked Notes might not be able to sell their investment in such Notes at all or at a price that will provide such investor a yield comparable to similar investments that have a developed secondary market and, thus, such investor might suffer from increased pricing volatility and market risk with respect to its investment in such Notes.

Accordingly, an investment in Floating Rate Notes that reference TLREF entails significant risks not associated with similar investments in conventional debt securities. Any investor should ensure that it understands the nature of the terms of such Notes and the extent of its exposure to risk and that it considers the suitability of such Notes as an investment in the light of its own circumstances and financial condition. An investor should consult its own professional advisors about the risks associated with investment in Notes that reference TLREF and the suitability of investing in such Notes in light of its particular circumstances.

Sustainable Notes - The application of the net proceeds of Sustainable Notes as described in "Use of Proceeds" might not meet investor expectations or be (or remain) suitable for an investor's investment criteria

The Programme provides for the issuance of Sustainable Notes. The applicable Final Terms or Pricing Supplement relating to any specific Tranche of Sustainable Notes will provide that the net proceeds (or an amount equal to the net proceeds) of such Notes will (or, as of the Issue Date, are intended to) (in accordance with the SDG Bond Framework) be used to finance (including refinance - that is, allocate to the funding of existing loans) certain Eligible Loans, for which the Issuer will exercise its judgment and sole discretion in determining the businesses and projects that satisfy the eligibility criteria in the SDG Bond Framework. The Issuer intends to engage a third-party auditor or other person to provide an independent assessment on the alignment of such allocation with the SDG Bond Framework's criteria. A prospective investor in any Sustainable Notes should have regard to the information in "Use of Proceeds" and the applicable Final Terms or Pricing Supplement regarding the use of the net proceeds (or an amount equal to the net proceeds) of such Sustainable Notes and must determine for itself the relevance of such information (together with any other investigation that such investor deems necessary, including a review of the then-applicable SDG Bond Framework) for the purpose of such investor's investment in such Sustainable Notes. In addition, the SDG Bond Framework can be amended by the Issuer from time to time. In particular, no assurance is given by the Issuer, any Arranger, any Dealer or any Agent that the use of such amount for any Eligible Loan(s) will satisfy, whether in whole or part, any present or future expectations of such investor or any of such investor's requirements with respect to any investment criteria or guidelines with which such investor and/or its investments are required to comply. Furthermore, it should be noted that the proceeds of any Eligible Loans may be for specific assets and projects or to "pure play" companies, the proceeds of which loans could be used by such entity for its general corporate purposes.

In addition, it should be noted that there is no clear definition (legal, regulatory or otherwise) of, nor any market consensus as to what constitutes, a "green," "social," "sustainability" or similarly labelled project or as to what attributes are required for a particular project to be so considered, nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change; *however*, the EU's regulation on the establishment of a framework to facilitate sustainable investment (the "*EU Taxonomy*"), which is subject to a phased implementation, provides some definition for such topics within the EU. Accordingly, no assurance is or can be given (whether by the Issuer, an Arranger, a Dealer, the Agents or any other person) to any investor in a Sustainable Note that: (a) any project or uses the subject of, or related to, any Eligible Loans will meet all or any of such investor's expectations regarding any "green," "social," "sustainability" or similarly labelled performance objectives or investment criteria or guidelines with which an investor or its investments are required to comply, whether by any present or future applicable law or standards (including the EU Taxonomy) or any standards resulting from Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "*EU Green Bond Regulation*") (which has applied from 21 December 2024), (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Loans or (c) the SDG Bond Framework will be aligned with the EU Taxonomy or any other sustainability framework.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) that might or might not be made available in connection with the issuance of any Sustainable Notes, including (in particular) to the extent addressing whether any Eligible Loan fulfils any environmental, social, sustainability and/or other criteria. Any such report, assessment, opinion or certification does not, nor shall be deemed to, constitute a part of, nor is incorporated into, this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any Arranger, any Dealer, any Agent or any other person to invest in any Sustainable Notes. Any such report, assessment, opinion or certification is only current as of the date it was issued. Prospective investors in Sustainable Notes must determine for themselves the relevance of any such report, assessment, opinion or certification, the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in Sustainable Notes. The providers of such reports, assessments, opinions and certifications might not be subject to any specific oversight or regulatory or other regime.

In the event that any Sustainable Notes are listed or admitted to trading on any dedicated “green,” “environmental,” “social,” “sustainability” or other similarly labelled securities exchange or market (or segment thereof), whether or not regulated, no representation or assurance is given by the Issuer, any Arranger, any Dealer, any Agent or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law (including with the EU Taxonomy or any standards resulting from the EU Green Bond Regulation or by its own bylaws or other governing rules or investment portfolio mandates). In addition, the criteria for any such listings or admission to trading might vary from one securities exchange or market to another. No representation or assurance is given or made by the Issuer, any Arranger, any Dealer, any Agent or any other person that any such listing or admission to trading will be obtained in respect of any Sustainable Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the applicable Sustainable Notes.

Any Green Bonds will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the SDG Bond Framework. It is not clear if the establishment under the EU Green Bond Regulation of the “European Green Bond” or “EuGB” label and the optional disclosures regime for bonds issued as “environmentally sustainable” could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the “EuGB” label or the optional disclosures regime, such as the Green Bonds. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green Bonds that do not comply with those standards proposed under the EU Green Bond Regulation.

While it is the intention of the Issuer to apply the net proceeds (or an amount equal to the net proceeds) of any Sustainable Notes and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in “Use of Proceeds” (including, as soon as reasonably practicable, to substitute an Eligible Loan for any loan or other project allocated to any Series of Sustainable Notes that ceases to comply with the applicable eligibility criteria), there can be no assurance that the Issuer will be able to do so. In addition, there can be no assurance that any Eligible Loans allocated to a Series of Sustainable Notes will be completed within any specified period or at all or with respect to the results or outcome (whether or not related to the environment, social goals, sustainability goals or similar) as originally expected or anticipated by the Issuer.

Any such event, Eligible Loans not being allocated to the Sustainable Notes or the Issuer’s not obtaining and/or publishing any such reports, assessments, opinions and certifications will neither constitute an “Event of Default” under the relevant Sustainable Notes nor give rise to any other claim of an investor in such Sustainable Notes against the Issuer and have no connection to the terms of the Sustainable Notes, including any impact on pricing or redemption. The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Sustainable Notes no longer being listed or admitted to trading on any securities exchange or market, as aforesaid, might have a material adverse effect on the value of an investment in such Sustainable Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks Relating to Notes Denominated in Renminbi

Notes may be denominated in Renminbi (“*Renminbi Notes*”). An investment in Renminbi Notes involves particular risks, including:

Renminbi Convertibility – Renminbi is not completely freely convertible and there are regulations on the remittance of Renminbi into and outside the PRC, which might affect the liquidity of investments in Renminbi Notes

Renminbi is not completely freely convertible as of the date of this Base Prospectus. The government of the PRC (the “*PRC Government*”) continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in the control by the PRC Government in recent years, particularly over trade transactions involving the import and export of goods and services and other frequent routine foreign exchange transactions. These transactions are known as current account items. Remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are (as of the date of this Base Prospectus) being developed.

Although Renminbi was, as of 1 October 2016, added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People’s Bank of China (the “*PBoC*”), there is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated that have the effect of regulating or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this might affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes.

Renminbi Availability – There is only limited availability of Renminbi outside the PRC, which might affect the liquidity of Renminbi Notes and the Issuer’s ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the regulations imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBoC has entered into agreements on the clearing of Renminbi business (the “*Settlement Agreements*”) with financial institutions in a number of financial centres and cities (the “*RMB Clearing Banks*”) and these RMB Clearing Banks have been authorised to engage in the settlement of Renminbi-denominated trade transactions, the size of Renminbi-denominated financial assets outside the PRC is limited.

There are regulations imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. In addition, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of settling open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade transactions. The relevant RMB Clearing Bank is not obliged to settle for participating banks any open positions resulting from other foreign exchange transactions or conversion services. Where onshore liquidity support from the PBoC is not available, the participating banks will need to source Renminbi from outside the PRC to settle such open positions.

The offshore Renminbi market is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended so as to have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC might affect the liquidity of investments in the Renminbi Notes. To the extent that the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source Renminbi on satisfactory terms, if at all.

Although the Issuer’s primary obligation is to make all payments with respect to Renminbi Notes in Renminbi, where “*RMB Currency Event*” is specified as being applicable in the applicable Final Terms or Pricing Supplement, in the event access to Renminbi becomes restricted to the extent that, by reason of RMB Inconvertibility, RMB Non-Transferability or RMB Illiquidity (each as defined in Condition 7.11), the Issuer is unable to make any payment in respect of the Renminbi Note in Renminbi, the terms of such Renminbi Notes will permit the Issuer to make payment in U.S. dollars converted at the

Spot Rate, all as provided in Condition 7.11. The value of these Renminbi payments in U.S. dollar terms might vary with the prevailing exchange rates in the market.

Renminbi Exchange Rate Risks – An investment in Renminbi Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. On 11 December 2015, the China Foreign Exchange Trade System (the “CFETS”), a sub-institutional organisation of the PBoC, published the CFETS Renminbi exchange rate index for the first time, which index weighs the Renminbi based upon 13 currencies, to guide the market in order to measure the Renminbi exchange rate. This change, and others that might be implemented, might increase the volatility in the value of the Renminbi against other currencies. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China’s actual economic performance. However, the volatility in the value of the Renminbi against other currencies still continues. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless “RMB Currency Event” is specified as being applicable in the applicable Final Terms or Pricing Supplement, and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars converted at the Spot Rate. As a result, the value of these Renminbi payments in U.S. dollars or other foreign currency terms might vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other applicable foreign currencies, then the value of any investment in Renminbi Notes in terms of the U.S. dollar or other applicable foreign currency will decline.

Renminbi Interest Rate Risk – An investment in fixed rate Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation might increase interest rate volatility. If a Series of Renminbi Notes carries a fixed interest rate, then the trading price of an investment in such Renminbi Notes will vary with fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such investment, then they might receive an offer that is less than the amount invested.

Renminbi Payment Mechanics – Payments in respect of Renminbi Notes will be made to investors in the manner specified in the Conditions

Investors might be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or such other RMB Settlement Centre(s) as may be specified in the applicable Final Terms or Pricing Supplement. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely: (a) for so long as the Renminbi Notes are represented by Global Notes held with a common depositary (a “Common Depositary”) or common safekeeper (a “Common Safekeeper”), as the case may be, for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) and, with Euroclear and DTC, the “Clearing Systems”) or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or any such other RMB Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures or the rules and procedures of such alternative clearing system, or (b) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described in Condition 7.11, the Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

PRC Tax Consequences – There might be PRC tax consequences with respect to investment in the Renminbi Notes

In considering whether to invest in the Renminbi Notes, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situation, as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholder’s investment in the Renminbi Notes might be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

Risks Relating to Investments in the Notes Generally

In addition to the structure-specific risks noted above, investors in the Notes will be subject to additional risks relating to investing in the Notes. Such risks that the Issuer’s management has identified as having a material impact on investors in

the Notes are set out in this sub-category; *it being understood* that the following does not address any specific conditions of, or circumstances relating to, any particular investor (including such investor's own tax, regulatory or other circumstances) but rather to investors generally speaking.

No Secondary Market – An active secondary market in respect of the Notes might never be established or might be illiquid and this might adversely affect the price at which an investor could sell its investment in the Notes

The Notes generally will have no established trading market when issued and (even for any Notes that are admitted to the Official List and to trading on the Regulated Market) one might never develop or, if developed, it might not be sustained. If a market does develop, then it might not be very liquid and investments in the Notes might trade at a discount to their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Bank's financial condition. Therefore, investors might not be able to sell their investments in the Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. If an active trading market for investments in the Notes is not developed or maintained, then the market or trading price and liquidity of investments in the Notes might be adversely affected.

Market Price Volatility – The market price of an investment in the Notes might be subject to a significant degree of volatility

The market price of an investment in the Notes might be subject to significant fluctuations in response to actual or anticipated variations in market interest rates, the Issuer's and/or the Group's operating results, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and/or the actual or expected sale by the Group of other debt securities, as well as other factors, including the trading market for debt issued by Turkish governmental entities. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations that, if repeated in the future, might adversely affect the market price of an investment in the Notes without regard to the Issuer's financial condition or results of operations. For example: (a) investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the interest rate paid on such Fixed Rate Notes, then this will adversely affect the market price of an investment in such Fixed Rate Notes, and (b) investment in any Notes involves the risk of adverse changes in the market price of an investment in such Notes if the interest rate or (for Floating Rate Notes) margin of new similar debt instruments of the Issuer would be higher.

Consent for Modifications – The Conditions contain provisions that permit their modification without the consent of all of the investors in the applicable Series

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and for Extraordinary Resolutions to be passed in writing or by way of electronic consents. These provisions permit investors in the Notes in a Series holding defined percentages of the Notes of such Series to bind all investors in the Notes of such Series, including investors that did not attend and vote at the relevant meeting (or did not sign such a written resolution or provide such electronic consent, as applicable) and investors that voted in a manner contrary to the decision of the deciding group. These matters might include (*inter alia*) even: (a) modifying the Maturity Date of the applicable Series or any date for the payment of interest thereon, (b) reducing or cancelling the amount of principal or the amount of interest payable in respect of the applicable Series, (c) altering the currency of payment of the applicable Series or (d) approving any scheme or proposal for the exchange or substitution of Notes for, or the conversion of Notes into, or the cancellation of Notes in consideration of, shares, bonds and/or other securities of the Issuer or any other company formed or to be formed. As a result, binding decisions might be taken by the holders of such defined percentages of the Notes of a Series that are contrary to the preferences of any particular investor in such Series.

In addition, the consent or approval of the Noteholders or the Couponholders is not required in the case of amendments to the Conditions pursuant to the benchmark discontinuation provisions described above under “-Benchmarks Uncertainty” to vary the method or basis of calculating the rate(s) or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of the Conditions and/or the Agency Agreement required to be made in the circumstances described in the benchmark discontinuation provisions.

Further Issues – The Issuer may issue further Notes of any Series, which would dilute the existing Noteholders’ share of the Notes of such Series

As permitted by the Conditions, the Issuer may from time to time, without the consent of the Noteholders of a Series, create and issue further Notes of such Series; *provided* that (among other conditions) such further Notes will be fungible with the outstanding Notes of such Series for U.S. federal income tax purposes as a result of their issuance being a “qualified reopening” under U.S. Treasury regulations §1.1275-2(k) unless the original Notes were, and such further Notes are, offered and sold by (or on behalf of) the Issuer solely in reliance upon Regulation S in offshore transactions to Persons other than U.S. persons. To the extent that the Issuer issues further Notes of a Series, the share of an existing Noteholder of such Series (e.g., in respect of any meeting of holders of the Notes of that Series (see “—Consent for Modifications”)) will be diluted.

Transfer Restrictions – Transfers of investments in the Notes will be subject to certain restrictions and investments in Global Notes can only be held through a Clearing System

Although the CMB has granted the CMB Approval authorising the issuance of a maximum principal amount of Notes (and other securities) pursuant to Decree 32, the Capital Markets Law, the Debt Instruments Communiqué and other related laws as debt securities to be offered outside of Türkiye, the Notes have not been and are not expected to be registered: (a) under the Securities Act or any applicable state’s or other jurisdiction’s securities laws or (b) other than by the Central Bank of Ireland as described herein, with the SEC or any other applicable state’s or other jurisdiction’s regulatory authorities. The offering of the Notes (or beneficial interests therein) will be made pursuant to exemptions from the registration requirements of the Securities Act and in compliance with other securities laws. Accordingly, reoffers, resales, pledges and other transfers of investments in the Notes will be subject to certain transfer restrictions. Each investor is advised to consult its legal advisors in connection with any such reoffer, resale, pledge or other transfer. See “*Transfer and Selling Restrictions.*”

Because transfers of interests in the Global Notes can be effected only through book entries at the applicable Clearing System(s) for the accounts of their respective direct participants, the liquidity of any secondary market for investments in the Global Notes might be reduced to the extent that some investors are unwilling or unable to invest in Notes held in book-entry form in the name of a direct participant in the applicable Clearing System. The ability to pledge interests in the Notes (or beneficial interests therein) might be limited due to the lack of a physical certificate. In the event of the insolvency of a Clearing System or any of their respective participants in whose name interests in the Notes are recorded (or any indirect participants), the ability of beneficial owners to obtain timely or ultimate payment of principal and interest on the Notes might be impaired.

Enforcement of Judgments – It might not be possible for investors to enforce foreign judgments against the Bank or its management

The Bank is a joint stock company organised under the laws of Türkiye (specifically, under the Banking Law). Certain of the directors and officers of the Bank reside inside Türkiye and all or a substantial portion of the assets of such persons might be, and substantially all of the assets of the Bank are, located in Türkiye. As a result, it might not be possible for investors in the Notes to effect service of process upon such persons outside Türkiye or to enforce against them in the courts of jurisdictions other than Türkiye any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions.

In addition, under Türkiye’s International Private and Procedure Law (Law No. 5718), a judgment of a court established in a country other than Türkiye might not be enforced in Turkish courts in certain circumstances. There is no treaty between the UK and Türkiye providing for reciprocal enforcement of judgments; *however*, Turkish courts have rendered at least one judgment confirming *de facto* reciprocity between the UK and Türkiye with respect to the enforcement of judgments of their respective courts. Nevertheless, since *de facto* reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the UK by Turkish courts. The same might apply for judgments obtained in other jurisdictions. For further information, see “*Enforcement of Judgments and Service of Process.*”

Change in Law – The value or market price of an investment in the Notes might be adversely affected by a change in the laws of England or Türkiye or in administrative practice in those jurisdictions

The Conditions are based upon the laws of England and Türkiye and administrative practice in effect as of the date of this Base Prospectus, and having regard to the expected tax treatment of all relevant entities under such laws and practice.

No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or Türkiye (or the laws of any other jurisdiction) (including any change in regulation that might occur without a change in the primary legislation) or administrative practice in England or Türkiye after the date of this Base Prospectus, nor can any assurance be given as to whether any such change might materially adversely affect the ability of the Issuer to make payments under the Notes or the value or market price of an investment in the Notes.

Definitive Notes might need to be Issued – Investors who hold interests in Global Notes in denominations that are not a Specified Denomination might be adversely affected if Definitive Notes are subsequently required to be issued

In relation to any issue of Bearer Global Notes or Registered Global Notes (each a “Global Note”) and having denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount (the “Specified Denomination”), it is possible that interests in such Global Notes might be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, an investor who, as a result of trading such amounts, holds an amount that is less than the minimum Specified Denomination in an account with the relevant Clearing System at the relevant time: (a) would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination and (b) may not receive a Definitive Note in respect of such holding (should Definitive Notes replace the applicable Global Note) and would need to purchase or sell a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If Definitive Notes are issued, then the holders thereof should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination might be illiquid and difficult to trade.

Reliance upon Clearing Systems – Investors in Global Notes will be subject to the rules of the applicable Clearing System and their ability to exercise rights relating to the Notes directly might be limited

Unless issued in definitive form, the Notes will be represented on issue by one or more Global Note(s) that will be: (a) deposited with and (if issued in registered form) registered in the name of a nominee for a Common Depositary or a Common Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or (b) deposited with and registered in the name of a nominee for DTC. Except in the circumstances described in the applicable Global Note and Final Terms or Pricing Supplement, investors in a Global Note will not be entitled to receive Notes in definitive form. Each of the Clearing Systems and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While Notes are represented by a Global Note, investors will be able to trade their beneficial interests therein only through the relevant Clearing Systems and their respective direct and indirect participants.

Except in certain circumstances described in Condition 7.9 with respect to non-U.S. dollar payments for Global Notes for which DTC is the Clearing System, for so long as the Notes are represented by Global Notes, the Issuer will discharge its payment obligations thereunder by making payments through the relevant Clearing System(s). A holder of a beneficial interest in a Global Note must rely upon the procedures of the relevant Clearing System and its participants to receive payments in respect of their interests in such Global Note. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will be subject to the applicable procedures of the applicable Clearing System, its participants and any other intermediary and will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) and its participants to appoint appropriate proxies or to act directly. Similarly, holders of beneficial interests: (a) in a Global Note might have to prove their interests in order to take enforcement action against the Issuer in the event of a default under the relevant Notes and (b) in a Global Note for which DTC is the clearing system will be subject to the applicable procedures of DTC and might not have a direct right to take enforcement action against the Issuer in the event of a default under the relevant Note.

Sanction Targets – Investors in the Notes might have indirect contact with Sanction Targets as a result of the Group’s investments in and business with countries or persons on sanctions lists

The Office of Foreign Assets Control of the U.S. Department of Treasury (“OFAC”) administers regulations that restrict the ability of U.S. persons to invest in, or otherwise engage in business with, certain countries, including Russia, Belarus, Iran and Syria, and specially designated nationals (“SDNs”), and other United States, UK, EU and United Nations

rules impose similar restrictions (the SDNs and other targets of these restrictions being together the “*Sanction Targets*”). As the Bank is not a Sanction Target, these rules do not prohibit U.S. or European investors from investing in, or otherwise engaging in business with, the Bank; *however*, while the Group’s current policy is not to engage in any impermissible business with Sanction Targets (including with respect to the proceeds of the Notes), to the extent that the Group invests in, or otherwise engages in business with, Persons that thereafter become Sanction Targets, investors in the Notes might incur the risk of indirect contact with Sanction Targets. See “*The Group and its Business—Anti-Money Laundering, Combatting the Financing of Terrorism and Anti-Bribery Policies*” and “*The Group and its Business—Compliance with Sanctions Laws*.”

Exchange Rate Risks and Exchange Controls – If an investor has investments in Notes that are not denominated in the investor’s home currency, then such investor will be exposed to movements in exchange rates adversely affecting the value of such investor’s holding; in addition, the imposition of exchange controls in relation to any Notes might result in an investor not receiving payments on those Notes

Except as described otherwise herein, the Issuer will pay principal and interest on the Notes in the Specified Currency, which presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “*Investor’s Currency*”) other than the Specified Currency. These include the risk that exchange rates might significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that the Turkish government and/or authorities with jurisdiction over the Investor’s Currency might impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease: (a) the Investor’s Currency-equivalent yield on the Notes, (b) the Investor’s Currency-equivalent value of the interest and principal payable on the Notes and (c) the Investor’s Currency-equivalent market price of an investment in the Notes.

Government and monetary authorities might impose exchange controls that might adversely affect an applicable exchange rate and/or the ability to convert and/or transfer currency. If this occurs, particularly if it directly affects the Bank’s payments on the Notes, then an investor in the Notes might receive less interest or principal than expected, or no interest or principal, and/or might receive payment in a currency other than the applicable Specified Currency. An investor might also not be able to convert (at a reasonable exchange rate or at all) amounts received in the applicable Specified Currency into the Investor’s Currency, which might materially adversely affect the market price of an investment in the Notes. There might also be tax consequences for investors of any such currency changes.

Credit Ratings – Credit ratings assigned to the Issuer or any Notes might not reflect all risks associated with an investment in those Notes and might be lowered, suspended or withdrawn

The expected initial credit rating(s) (if any) of a Tranche of Notes will be set out in the Final Terms or Pricing Supplement for such Tranche. Any relevant rating agency may lower, suspend or withdraw its rating if, in its sole judgment, the credit quality of the applicable Notes has declined or is in question. If any credit rating assigned to a Series is lowered, suspended or withdrawn, then the market price of an investment in the applicable Notes might decline. Neither any rating agency nor the Issuer has any obligation to maintain any such rating(s) during the life of any Series, including from any particular Rating Agency.

In addition to the ratings of the Programme and/or a Series of Notes provided by the Rating Agencies, and the ratings of the Issuer by the Rating Agencies and JCR Eurasia, one or more other independent credit rating agency(ies) might assign credit ratings to the Programme, a Series of Notes and/or the Issuer, which additional credit ratings of other independent credit rating agency(ies) might be lower than the current rating(s) of such Notes and/or the Issuer. Also, if any credit rating assigned to BBVA or Türkiye is lowered or put on negative watch, then such change might have a negative impact on the Issuer’s credit rating. In addition, the ratings might not reflect the potential impact of all risks relating to the structure, market, additional factors discussed above and other factors that might affect the value or market price of an investment in the Notes.

In general, regulated investors in the EU are restricted under the Regulation (EC) No. 1060/2009 (as amended, the “*EU CRA Regulation*”) from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Similarly, in general, UK-regulated investors are restricted under Regulation (EC) No. 1060/2009, as amended, as it forms part of UK domestic law by virtue of the EUWA (the “*UK CRA Regulation*”) from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended). Such general restrictions also apply in the case of credit ratings issued by non-EU or non-UK credit rating agencies, as the case may be, unless the relevant credit ratings

are endorsed by an EU-registered or UK-registered credit rating agency, respectively, or the relevant non-EU or non-UK rating agency is certified in accordance with the EU CRA Regulation or the UK CRA Regulation, respectively (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of a rating agency rating the Notes changes, then regulated investors in the EU and/or UK might no longer be able to use the rating for regulatory purposes and the Notes might have a different regulatory treatment, which might result in such investors selling their investment in the Notes, which might impact the value of the Notes and/or any secondary market in the Notes. The list of registered and certified rating agencies published by ESMA or the FCA, as the case may be, on its website in accordance with the EU CRA Regulation or UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there might be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA or FCA list.

A credit rating is not a recommendation to buy, sell or hold securities and might be revised, suspended or withdrawn by the applicable rating agency at any time. Similar ratings on different types of securities do not necessarily mean the same thing. Ratings on any Notes also do not address the marketability of investments in such Notes or any market price. Any change in the credit rating(s) of any Notes or the Issuer might adversely affect the price that a subsequent purchaser will be willing to pay for investments in such Notes. The significance of each rating should be analysed independently from any other rating.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Central Bank of Ireland and Euronext Dublin, shall be incorporated into, and form part of, this Base Prospectus:

- a. the BRSA Annual Financial Statements and BRSA Interim Financial Statements,
- b. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 19 April 2013 (on pages 68 to 98 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2013 Conditions”),
- c. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 27 March 2014 (on pages 80 to 113 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2014 Conditions”),
- d. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 25 April 2017 (on pages 74 to 104 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2017 Conditions”),
- e. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 25 April 2018 (on pages 66 to 97 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2018 Conditions”),
- f. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 26 April 2019 (on pages 88 to 124 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2019 Conditions”),
- g. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 15 October 2021 (on pages 215 to 262 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2021 Conditions”),
- h. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 18 July 2023 (on pages 225 to 275 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2023 Conditions”), and
- i. for so long as Notes issued thereunder and listed by the Issuer remain outstanding, the terms and conditions of the Notes contained in the previous base prospectus dated 23 July 2024 (on pages 238 to 290 (inclusive) thereof) prepared by the Bank in connection with the Programme (the “2024 Conditions”).

Following the publication of this Base Prospectus, a supplement to this Base Prospectus might be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with the Prospectus Regulation. Statements contained in any such supplement (or contained in any document (or portions thereof) incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document (or portions thereof) that is incorporated by reference into this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy that may affect the assessment of the Notes does not apply when this Base Prospectus is no longer valid.

The BRSA Financial Statements incorporated by reference into this Base Prospectus, all of which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Bank confirms are direct and accurate). The English language BRSA Financial Statements incorporated by reference herein were not prepared for the purpose of their incorporation by reference into this Base Prospectus.

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

- a. https://www.garantibbvainvestorrelations.com/en/images/pdf/31_March_2025_Unconsolidated_Financial_Report.pdf (with respect to the Bank's BRSA Interim Financial Statements as of and for the three months ended 31 March 2025),
- b. https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2024_Unconsolidated_Financial_Report.pdf (with respect to the Bank's BRSA Annual Financial Statements as of and for the year ended 31 December 2024),
- c. https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2023_Unconsolidated_Financial_Report.pdf (with respect to the Bank's BRSA Annual Financial Statements as of and for the year ended 31 December 2023),
- d. https://www.garantibbvainvestorrelations.com/en/images/pdf/GarantiBBVA-31122022-Unconsolidated_Financial_Report.pdf (with respect to the Bank's BRSA Annual Financial Statements as of and for the year ended 31 December 2022),
- e. https://www.garantibbvainvestorrelations.com/en/images/pdf/31_March_2025_Consolidated_Financial_Report.pdf (with respect to the Group's BRSA Interim Financial Statements as of and for the three months ended 31 March 2025),
- f. https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2024_Consolidated_Financial_Report.pdf (with respect to the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2024),
- g. https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2023_Consolidated_Financial_Report.pdf (with respect to the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2023),
- h. <https://www.garantibbvainvestorrelations.com/en/images/pdf/GarantiBBVA-31122022-Consolidated-Financial-Report.pdf> (with respect to the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2022),
- i. https://www.garantibbvainvestorrelations.com/en/images/pdf/BaseProspectusDatedApril2013_2.pdf (with respect to the 2013 Conditions),
- j. <https://www.garantibbvainvestorrelations.com/en/images/pdf/BaseProspectusdated-March2014.pdf> (with respect to the 2014 Conditions),
- k. https://www.garantibbvainvestorrelations.com/en/images/pdf/Base_Prospectus_Dated_April_2017.pdf (with respect to the 2017 Conditions),
- l. <https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti-2018MTN-Base-Prospectus.pdf> (with respect to the 2018 Conditions),
- m. https://www.garantibbvainvestorrelations.com/en/images/pdf/Final_MTN_Base_Prospectus.pdf (with respect to the 2019 Conditions),
- n. <https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti-2021-Base-Prospectus.pdf> (with respect to the 2021 Conditions),

o. <https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti-MTN-2023-Base-Prospectus.pdf>
(with respect to the 2023 Conditions), and

p. <https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti-MTN-2024-Base-Prospectus.pdf>
(with respect to the 2024 Conditions).

Any statement contained in a document (or a portion thereof) that is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein or in any other document (or, as applicable, relevant portion thereof) incorporated by reference herein, or in any supplement hereto, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Where there is any inconsistency between the information contained in this Base Prospectus and the information contained in (or incorporated by reference into) the information incorporated by reference herein, the information set out in this Base Prospectus shall prevail.

The information set out in any part of the documents listed above that is not incorporated by reference into this Base Prospectus is either not relevant to prospective investors in the Notes or is set out elsewhere in (including being incorporated by reference into) this Base Prospectus, in each case, subject to and in accordance with the provisions of the Prospectus Regulation.

Except for the documents (or portions thereof) incorporated by reference into this Base Prospectus to the extent set out on any website referenced in this Base Prospectus, the contents of any website referenced herein do not, and shall not be deemed to, constitute a part of, nor are incorporated into, this Base Prospectus. Neither the contents of any website referenced in, nor any documents incorporated by reference into, this Base Prospectus have been scrutinised or approved by the Central Bank of Ireland.

USE OF PROCEEDS

The Bank will incur various expenses in connection with the issuance of each Tranche of the Notes, including (as applicable) underwriting fees, legal counsel fees, rating agency expenses and listing expenses. The net proceeds of each issue of Notes (the estimated amount of which net proceeds will, for each Series listed on a regulated market in the EEA, be set out in the applicable Final Terms or Pricing Supplement) will be applied by the Bank for its general corporate purposes; *however*, for any particular Series, the Bank may agree (and so specify in the Final Terms or Pricing Supplement for the Tranche(s) of such Series) with the relevant Dealer(s) or investor(s) that the proceeds of the issuance of the applicable Notes shall be used for one or more specific purpose(s), such as environmental development or sustainability. The use of proceeds, if any, provided in the Final Terms or Pricing Supplement for each Tranche in a Series with more than one Tranche shall be the same.

In addition, where the “Reasons for the Offer and Estimated Net Proceeds” in Part B of the applicable Final Terms or “Reasons for the Offer” in Part B of the applicable Pricing Supplement are stated to be for “green,” “social” or “sustainability” purposes as described in this “Use of Proceeds” section (“*Green Bonds*,” “*Social Bonds*” and “*Sustainability Bonds*,” respectively, and together the “*Sustainable Notes*”), the net proceeds (or an amount equal to the net proceeds) of each issue of Sustainable Notes will (or, as of the applicable Issue Date, will be intended to) be used as so described. Such Notes are not issued as European Green Bonds in accordance with the European Green Bond Regulation. For each Series of Sustainable Notes, such amount is expected to be applied by the Issuer on a portfolio basis in financing (including refinancing) Eligible Projects falling within any of the Green Eligible Categories (“*Green Eligible Projects*” or “*Eligible Green Projects*”) or the Social Eligible Categories (“*Social Eligible Projects*” or “*Eligible Social Projects*”) (both as defined below and further described in the “Sustainable Debt Financing Framework” published on the Bank’s website (as of the date of this Base Prospectus, <https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti-BBVA-sustainable-debt-financing-framework.pdf>) (as amended, supplemented or otherwise updated from time to time, the “*SDG Bond Framework*”)) (together, the “*Eligible Loans*”), including the provision of new Eligible Loans and the refinancing of existing projects. Please note that this has no connection to the terms of any Sustainable Notes, including any impact on the pricing or redemption of such Sustainable Notes. The Issuer, as a member of the BBVA Group, adheres to the SDG Bond Framework (as if references to BBVA therein were to the Issuer), though with some modifications to integrate within the Turkish legal context and the Issuer’s own structure. References in the SDG Bond Framework to “proceeds” or “net proceeds” of bonds issued thereunder shall be understood to include also a reference to an amount equal to the net proceeds of such bonds.

In the case of Green Bonds, such financing (including refinancing) shall be of Green Eligible Projects; in the case of Social Bonds, such financing (including refinancing) shall be of Social Eligible Projects; and in the case of Sustainability Bonds, such financing (including refinancing) shall be of Green Eligible Projects and/or Social Eligible Projects. Such Green Eligible Projects and Social Eligible Projects do not include certain excluded and/or prohibited activities, including (without limitation) within the defense, mining, energy, infrastructure and agribusiness sectors, all as reflected in the Bank’s Environmental & Social Framework, which (as at the date of this Base Prospectus) may be found at https://shareholdersandinvestors.bbva.com/wp-content/uploads/2025/03/Environmental-and-Social-Framework-BBVA_ENG.pdf.

It should be noted that the proceeds of any Eligible Loans may be for specific assets and projects or to “pure play” companies, the proceeds of which loans could be used by such entity for its general corporate purposes. If a loan or other project allocated to any Series of Sustainable Notes ceases to comply with the applicable eligibility criteria, then the Issuer intends to substitute it with an Eligible Loan as soon as reasonably practicable.

Pending the allocation to Eligible Loans of an amount equal to the net proceeds of any Sustainable Notes, such amount is (as indicated in the SDG Bond Framework) intended to be allocated by the Issuer to its treasury liquidity portfolio (*i.e.*, in cash and/or in other short-term and liquid investments).

Within 12 months of the Issue Date of each Tranche of Sustainable Notes and at least once a year until the relevant maturity date, the Issuer intends to publish (in English) on its website a report in accordance with the reporting indicators and processes that are outlined in the “Reporting” section (and may publish the report indicated in the “External Review – Reporting Assurance” section) of the SDG Bond Framework. Where confidentiality agreements limit the amount of detail that can be made available, the information is currently expected to be presented on an aggregated basis for project categories in the report by taking into account the recommendations in the “Handbook - Harmonized Framework for Impact Reporting (June 2022)” (which can be found as at the date of this Base Prospectus) at https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf) for Green Bonds and “Harmonized Framework for Impact Reporting for

Social Bonds (June 2022)” (which can be found as at the date of this Base Prospectus at https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf) for Social Bonds (with corresponding reporting for Sustainability Bonds).

The Issuer intends to obtain an independent verification assessment from an external verifier for each Series of Sustainable Notes as described in the “External Review” section of the SDG Bond Framework. Additional reports might be published from time to time in case of material developments.

“Green Eligible Categories” means projects falling within the “Green Eligible Categories” in the SDG Bond Framework. As at the date of this Base Prospectus, categories of such projects include projects for: (a) renewable energy, (b) energy efficiency, (c) green buildings, (d) clean transport, (e) sustainable water and wastewater management, (f) pollution prevention and control and (g) environmentally sustainable management of living natural resources and land use.

“Social Eligible Categories” means projects falling within the “Social Eligible Categories” in the SDG Bond Framework. As at the date of this Base Prospectus, categories of such projects include projects for: (a) health, (b) education, (c) telecommunications and mass transit, (d) housing, (e) public works infrastructure, (f) arts infrastructure, (g) infrastructure with a social purpose, (h) social enterprises and foundations, (i) financing for individuals qualifying as vulnerable or on low incomes, (j) support for financial inclusion and (k) entrepreneurship and support for micro-businesses.

Neither the SDG Bond Framework, the Bank’s Environmental & Social Framework nor any of the reports, verification assessments, opinions or contents of any of the websites referenced in this “Use of Proceeds” section are, or shall be deemed to, constitute a part of, nor are incorporated into, this Base Prospectus.

SUMMARY FINANCIAL AND OTHER INFORMATION

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

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
			(TL thousands)		
Interest income.....	132,800,968	233,566,637	540,538,651	104,498,974	173,824,309
Interest expense.....	(44,708,341)	(147,200,186)	(414,500,152)	(79,559,222)	(134,502,568)
Net interest income	88,092,627	86,366,451	126,038,499	24,939,752	39,321,741
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674	19,626,300	30,383,178
Dividend income	94,753	104,640	179,401	8,022	8,179
Net trading income/losses(net).....	10,512,298	32,094,651	7,227,055	5,455,697	4,190,051
Other operating income.....	17,449,406	40,534,549	58,642,268	16,027,852	20,387,377
Total operating profit	134,295,404	202,600,915	289,193,897	66,057,623	94,290,526
Expected credit losses ⁽¹⁾	(29,741,042)	(39,486,103)	(58,615,266)	(16,011,261)	(24,065,208)
Other operating expenses	(27,566,610)	(56,053,591)	(106,650,466)	(21,779,664)	(35,640,369)
Profit/(loss) before taxes	76,987,752	107,061,221	123,928,165	28,266,698	34,584,949
Provision for taxes	(18,477,446)	(20,154,005)	(31,749,279)	(5,787,115)	(9,186,250)
Net profit/(loss).....	58,510,306	86,907,216	92,178,886	22,479,583	25,398,699
Attributable to equityholders of the Bank.....	58,285,378	86,374,997	91,243,136	22,290,266	25,095,368
Attributable to minority interests ..	224,928	532,219	935,750	189,317	303,331

(1) Including other provisions.

Balance Sheet Data:

	As of 31 December						As of 31 March	
	2022	%	2023	%	2024	%	2025	%
Assets:	<i>(TL thousands, except for percentages)</i>							
Cash and cash equivalents.....	271,499,741	20.8	524,306,450	23.8	622,570,737	20.7	861,022,143	24.6
Financial assets measured at fair value through profit/(loss) (FVTPL) ⁽¹⁾	5,771,459	0.4	8,589,689	0.4	12,126,843	0.4	9,618,157	0.3
Financial assets measured at fair value through other comprehensive income (FVOCI).....	88,928,400	6.8	101,575,253	4.6	139,088,845	4.6	172,604,245	4.9
Derivative financial assets.....	11,035,218	0.8	11,627,700	0.5	13,960,009	0.5	18,003,039	0.5
Loans	761,104,244	58.4	1,217,975,966	55.3	1,776,363,816	59.2	1,985,190,259	56.7
Lease receivables	18,932,293	1.5	30,022,130	1.4	36,512,833	1.2	43,120,760	1.2
Factoring receivables	9,542,402	0.7	11,593,626	0.5	13,085,083	0.4	18,970,334	0.5
Other financial assets measured at amortised cost	110,019,856	8.4	216,382,865	9.8	270,072,445	9.0	278,119,650	8.0
Expected credit losses	(40,552,805)	(3.1)	(52,410,595)	(2.4)	(61,222,991)	(2.0)	-67,145,997	-1.9
Assets held for sale and assets of discontinued operations.....	780,418	0.1	2,141,054	0.1	3,807,084	0.1	3,779,126	0.1
Ownership investments (net).....	2,280,962	0.2	6,379,791	0.3	9,012,068	0.3	9,938,932	0.3
Tangible assets	11,788,007	0.9	21,952,980	1.0	36,678,845	1.2	39,337,050	1.1
Intangible assets	1,263,022	0.1	2,548,249	0.1	4,364,462	0.1	5,378,503	0.2
Investment property	926,800	0.1	1,590,712	0.1	2,416,949	0.1	2,420,111	0.1
Current tax assets	9,604	0.0	127,590	0.0	159,784	0.0	243,040	0.0
Deferred tax assets	7,105,391	0.5	20,291,063	0.9	20,728,047	0.7	20,976,861	0.6
Other assets	43,143,471	3.3	77,018,572	3.5	102,854,520	3.4	96,712,598	2.8
Total assets	1,303,578,483	100.0	2,201,713,095	100.0	3,002,579,379	100	3,498,288,811	100
Liabilities:								
Deposits	908,739,459	69.7	1,604,930,709	72.9	2,154,347,642	71.7	2,584,663,836	73.9
Funds borrowed	45,856,723	3.5	60,439,559	2.7	68,116,773	2.3	78,344,868	2.2
Money markets funds.....	24,299,009	1.9	55,994,558	2.5	46,882,832	1.6	38,925,718	1.1
Securities issued (net)	17,608,189	1.4	11,142,952	0.5	28,109,501	0.9	46,690,169	1.3
Financial liabilities measured at FVTPL.....	32,020,818	2.5	49,046,956	2.2	57,223,084	1.9	60,503,344	1.7
Derivative financial liabilities	10,952,360	0.8	11,569,225	0.5	15,123,947	0.5	17,212,610	0.5
Lease payables	1,459,250	0.1	2,273,026	0.1	2,949,292	0.1	5,090,092	0.1
Provisions	21,476,401	1.6	21,578,965	1.0	26,447,227	0.9	29,199,767	0.8
Current tax liability	8,050,327	0.6	11,700,581	0.5	18,779,668	0.6	26,650,939	0.8
Deferred tax liability	197,828	0.0	129,369	0.0	186,841	0.0	288,333	0.0
Subordinated debts.....	15,245,929	1.2	23,639,403	1.1	67,070,618	2.2	74,320,874	2.1
Other liabilities	64,548,070	5.0	103,646,274	4.7	185,933,336	6.2	195,731,302	5.6
Total liabilities.....	1,150,454,363	88.3	1,956,091,577	88.8	2,671,170,761	89.0	3,157,621,852	90.3
Shareholders' equity	153,124,120	11.7	245,621,518	11.2	331,408,618	11.0	340,666,959	9.7
Total liabilities and shareholders' equity.....	1,303,578,483	100.0	2,201,713,095	100.0	3,002,579,379	100	3,498,288,811	100

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

CAPITALISATION OF THE GROUP

The Group's total shareholders' equity as of 31 March 2025 was TL 340,666,959 thousand, a 2.8% increase from TL 331,408,618 thousand as of 31 December 2024, which itself was a 34.9% increase from TL 245,621,518 thousand as of 31 December 2023, which itself was a further 60.4% increase from TL 153,124,120 thousand as of 31 December 2022. Shareholders' equity principally changes as a result of the Group's net profit/(loss) and changes in the amount of unrealised gains and losses on available-for-sale assets and financial assets measured at fair value through other comprehensive income (which changes are not included in profit/(loss)). The following table sets forth the components of the Group's shareholders' equity as of the indicated dates and should be read in conjunction with the Group's BRSA Financial Statements (including the notes therein) incorporated by reference into this Base Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands)</i>			
Paid-in capital	4,200,000	4,200,000	4,200,000	4,200,000
Capital reserves.....	784,434	784,434	784,434	784,434
Other comprehensive income/expense items not to be recycled to profit or loss	4,561,421	15,299,688	24,983,291	25,592,697
Other comprehensive income/expense items to be recycled to profit or loss.....	19,914,049	23,453,042	20,607,720	22,664,480
Profit reserves	63,782,784	114,589,030	187,933,574	260,870,304
Profit/(loss)	59,396,697	86,374,997	91,279,430	25,165,219
Minority interest	484,735	920,327	1,620,169	1,389,825
Total shareholders' equity	153,124,120	245,621,518	331,408,618	340,666,959

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

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands)</i>			
Total shareholders' equity.....	153,124,120	245,621,518	331,408,618	340,666,959
Subordinated debt	15,068,843	23,010,071	67,070,618	74,320,874
Total Capitalisation	168,192,963	268,631,589	398,479,236	414,987,833

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

The following discussion and analysis of the consolidated financial position and results of operations of the Group covers the fiscal years ended 31 December 2022, 2023 and 2024 and the first three months of 2024 and 2025. Unless otherwise specified, the financial information presented in this discussion has been extracted from the BRSA Financial Statements incorporated by reference herein without material adjustment. This section should be read in conjunction with such BRSA Financial Statements and (including the notes therein) the other financial information included in (including incorporated by reference into) this Base Prospectus (including the section entitled “*Presentation of Financial and Other Information*”). The BRSA Financial Statements incorporated by reference herein have been prepared in accordance with the BRSA Principles except for the general reserves recognised by the Group as described in “*Presentation of Financial and Other Information*” and “*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification*.” For a discussion of current significant differences between IFRS and the BRSA Principles, see Appendix A (“*Overview of Differences between IFRS and the BRSA Principles*”).

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

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

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

Unconsolidated Compared to Consolidated Financial Statements

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

The Bank produces audited unconsolidated and consolidated annual BRSA Financial Statements and, for each of the first three fiscal quarters of a fiscal year, unaudited unconsolidated and consolidated interim BRSA Financial Statements. The BRSA Annual Financial Statements discussed in this section are principally the Group’s versions. As of 31 December 2022, 2023 and 2024 and 31 March 2025, the Bank had total assets of TL 1,152.2 billion, TL 1,930.1 billion, TL 2,607.7 billion and TL 3,035.0 billion, respectively, as compared to total assets of the Group of TL 1,303.6 billion, TL 2,201.7 billion, TL 3,002.6 billion and TL 3,498.3 billion, respectively, with unconsolidated total assets representing 88.4%, 87.7%, 86.8% and 86.8% of consolidated total assets, respectively. As of the same dates, the Bank had total liabilities of TL 999.5 billion, TL 1,685.3 billion, TL 2,277.7 billion and TL 2,695.5 billion, respectively, as compared to total liabilities of the Group of TL 1,150.5 billion, TL 1,956.1 billion, TL 2,671.2 billion and TL 3,157.6 billion, respectively, with unconsolidated total liabilities representing 86.9%, 86.1%, 85.3% and 85.4% of consolidated total liabilities, respectively.

For 2022, 2023 and 2024, the Bank had current period profit/loss from continued operations of TL 58.5 billion, TL 87.3 billion and TL 92.2 billion, respectively (TL 22.3 billion and TL 25.3 billion, respectively, for the first three months of 2024 and 2025), as compared to current period profit/loss from continued operations of the Group of TL 58.5 billion, TL 86.9 billion and TL 92.2 billion, respectively (TL 22.5 billion and TL 25.4 billion, respectively, for the first three months of 2024 and 2025), with unconsolidated current period profit/loss from continued operations representing 100.0%, 100.5% and 100.0% of consolidated current period profit/loss from continued operations, respectively (99.1% and 99.5%, respectively, for the first three months of 2024 and 2025).

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

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

The Group's financial condition, results of operations and prospects depend significantly upon the macroeconomic, political and regulatory conditions prevailing in Türkiye as well as other factors. The impact of these factors might vary significantly in the future and many of these factors are outside the control of the Group. Prospective investors should (among other things) consider the factors set forth under "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors." The following describes the most significant of such factors since the beginning of 2022. Turkish Economy and Political Developments

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

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

	As of or for the year ended 31 December			As of or for the three months ended 31 March
	2022	2023	2024	2025
	<i>(unless otherwise indicated)</i>			
Nominal GDP at current prices (TL millions).....	15,011,776	26,545,722	43,410,515	N/A ⁽⁵⁾
Real GDP growth in Turkish Lira.....	5.5%	5.1%	3.2%	N/A ⁽⁵⁾
(Deficit)/surplus of consolidated budget/GDP ⁽¹⁾	(0.9)%	(5.2)%	(4.9)%	N/A ⁽⁵⁾
CPI ⁽²⁾	64.3%	64.8%	44.4%	38.10%
Producer Price Inflation ⁽²⁾	97.7%	44.2%	28.5%	23.50%
Central Bank overnight Turkish Lira borrowing interest rate, period-end.....	7.5%	41.00%	46.00%	41.00%
Central Bank one week Turkish Lira repo rate/policy rate, period-end ⁽³⁾	9.0%	42.50%	47.50%	42.50%
Refinancing rate of the Central Bank, period-end.....	10.5%	44.00%	49.00%	46.00%
Central Bank late liquidity window lending interest rate, period-end.....	13.50%	47.00%	52.00%	49.00%
Central Bank weighted average cost of funding, period-end.....	9.0%	42.50%	48.13%	46.00%
Depreciation of the Turkish Lira against the U.S. dollar ⁽⁴⁾	(28.71)%	(36.40)%	(16.50)%	(7.1)%
CPI-based real effective exchange rate appreciation (depreciation) (2003=100).....	16.5%	1.6%	21.8%	1.7%
Gross gold and international currency reserves, period-end (U.S. dollars, millions).....	128,574	141,060	155,057	156,511

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

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

(2) Annual percentage change of the applicable index.

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

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

(5) Data as at 31 March 2025 is not available as at the date of this Base Prospectus.

In the last three fiscal years, economic conditions across emerging markets, including Türkiye, have been volatile as a result of several factors, including policy rate changes and other actions by the U.S. Federal Reserve and other central banks, and the Russian invasion of Ukraine and Israel-Gaza, Israel-Lebanon and Israel-Iran conflicts, the collapse of Bashar al-Assad's regime in Syria and introduction of various tariffs by the U.S. administration on imports from many countries across the world. See "—Global Economic Conditions" below. In addition, there has been considerable uncertainty regarding Türkiye's political and geopolitical conditions resulting from a variety of factors (see "Risk Factors—Risks Relating to

Türkiye—Political Conditions—Political Developments” and “Risk Factors—Risks Relating to Türkiye—Political Conditions—Terrorism and Conflicts”), including changes in the governance and/or policies of the Central Bank.

Partially as a result of these factors, GDP growth in Türkiye has been volatile, which has impacted the Group’s growth and increased non-performing loans in 2022, 2023 and 2024. In 2022, GDP grew by 5.6%, which growth was primarily supported by private consumption, a rise in imports and an increase in finance and insurance activities and information and communication activities. In 2023, GDP grew by 5.1%, which growth was primarily supported by robust contribution from domestic demand on the back of strong growth in private consumption. There was strong growth in 2023, however, in 2024 GDP grew, at a lower rate compared to 2023, by 3.2%, mainly due to the normalisation in economic activity with a change in demand composition in favour of investment and net exports. The level of growth in 2025 remains dependent upon global macroeconomic and geopolitical conditions and the successful implementation of Türkiye’s economic policies. The Turkish government has sought to improve economic growth and, in September 2024, the Turkish Treasury published the Medium Term Programme under which GDP growth was anticipated to be 3.5% in 2024 and 4.0% in 2025, 4.5% in 2026 and 5.0% in 2027. The Bank expects GDP growth to be around 3.5% in 2025, due to the delayed fiscal consolidation, ease in financial conditions and strong momentum observed in the first quarter of the year.

It should be noted that though the Turkish Lira GDP results in nominal Turkish Lira terms are high, as the exchange rate of the Turkish Lira against the U.S. dollar varies (in some years, significantly), these reported changes in GDP would have been different (in some years, significantly different) were they determined in U.S. dollar terms. (e.g., in 2024, the Turkish Lira (using daily average exchange rates) depreciated by 16.5% against the U.S. dollar, which greatly exceeded the year’s nominal GDP increase, resulting in a significant decline in the Turkish GDP in U.S. dollar terms notwithstanding the significant increase in Turkish Lira terms).

In 2022, the CPI inflation rate surged to 64.27% and the domestic producer price inflation rate surged to 97.72% (it should be noted that this is the official inflation rate whereas other analysts have published different rates, in some cases significantly higher than the official rate), reflecting significant increases in the prices of food, energy and imported products as well as recent increases in interest rates and VAT and other consumption taxes. In 2023, the inflation rates were 64.77% and 44.22%, respectively, reflecting the inflationary pressures from food and core prices. In 2024, the inflation rates were 44.40% and 28.50%, respectively, due to favourable base effects and alleviated cost-push factors, although unanchored inflation expectations continued to exert upward pressure. On 5 September 2024, the Government’s publication of the newest Medium Term Programme for the country’s economy anticipated inflation of 17.5%, 9.7% and 7.0% in 2025, 2026 and 2027, respectively. Subsequently, on 7 February 2025, the Central Bank published an inflation report forecasting inflation rates of 24%, 12% and 8% at the end of 2025, 2026 and 2027, respectively. The Bank anticipates year-end inflation in 2025 to be at 26.5%, with a clearer disinflation path, as a result of the restrictive monetary policy and increased support from fiscal consolidation.

Although the EU-defined Turkish government debt level decreased considerably since 2001 and reached its lowest level with 27.2% of GDP in 2015, it then increased to 24.7% as of the end of 2024, and (although this remains well below the Maastricht criteria), Türkiye remains an emerging market and remains susceptible to a higher degree of volatility than more developed markets due to a number of factors (see *“Risk Factors—Risks Relating to Türkiye”*).

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

Impact on Asset Quality. NPLs are particularly sensitive to economic conditions and this remains a key area of focus for the Bank given its strong loan growth and macroeconomic conditions in Türkiye. As of 31 December 2022, 2023 and 2024 and 31 March 2025, the Group’s NPL ratio for its entire loan portfolio was 2.6%, 2.1%, 2.1% and 2.4%, respectively, with an NPL ratio for its retail loan portfolio of 1.9%, 2.2%, 2.3% and 3.9%, respectively, as of such dates and an NPL ratio for its commercial and corporate loan portfolio of 2.8%, 1.6%, 1.8% and 1.5%, respectively, as of such dates. During 2022, 2023, 2024 and the first three months of 2025, the Group had TL 12.0 billion, TL 13.7 billion, TL 17.8 billion and TL 17.8 billion of write-downs and write-offs, respectively, accounting for a 1.46%, 1.05%, 0.95% and 0.84% decline in the NPL ratio, respectively (i.e., the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred). In 2022, NPLs amounting to TL 829,066 thousand were sold, followed by TL 1,288,809 thousand in 2023. In 2024, NPLs amounting to TL 9,960,043 thousand were sold. In the first three months ended 31 March 2025, NPLs amounting to TL 3,039,334 thousand were sold. The effect of NPL sales on the NPL ratio was to reduce it by 0.10% in 2022, 0.10% in 2023, 0.53% in 2024 and 0.14% in the first three months of 2025 (i.e., the NPL ratios for such periods would have been higher by such amounts had such sales not occurred).

In addition, a number of large corporate borrowers have restructured their loans due to financial pressures resulting from the economic volatility in Türkiye, including in particular foreign exchange conditions, and the Bank's management anticipates that further such restructurings and even defaults might occur in corporate and SME loans as conditions remain challenging for borrowers, which might lead to further material NPL inflows. In addition, conditions remain challenging for a number of other large corporate borrowers, which might lead to further material NPL inflows. In 2024, one of the loans extended to Galataport İstanbul Liman İşletmeciliği ve Yatırımları A.Ş. ("**Galataport**") and Doğuş Galataport Gayrimenkul Yatırımları ve Ticaret A.Ş. ("**Doğuş Galataport**") by the Bank became non-performing. On 17 December 2024, the Bank, together with several other creditors, executed a restructuring agreement for the restructuring of the loan provided to Galataport and Doğuş Galataport. The restructuring agreement provided that, in order to collect a portion of the loan within the scope of the restructuring agreement, 49% of the shares representing the total capital of Galataport shall be acquired by the creditors pro-rata to their lending. The restructuring agreement grants a three-year repurchase right to Doğuş Galataport. The transfer of 12.28% of the shares representing the total capital of Galataport (representing a nominal value of TL 5.8 billion) to the Bank was completed on 20 December 2024. As of 31 March 2025, the amount of the non-performing loan payable to the Bank by Galataport stood at TL 8,320 million and Doğuş Galataport was TL 5,300 million. In the event that other loans become non-performing, or there is a slowdown in economic conditions, this might lead to a deterioration in the asset quality of Turkish banks, including the Bank. Yet, given the high coverage ratios of the sector, including the Bank, asset quality deterioration is expected to remain at manageable levels.

As of 31 March 2025, the Bank's Stage 2 loans had a foreign currency coverage ratio of 26.0% and a Turkish Lira coverage ratio of 5.5%. The following table shows the breakdown of Stage 2 loans as a percentage of total Stage 2 loans as of the indicated dates:

	As of 31 December			As of
	2022	2023	2024	31 March
			(%)	2025
Significant increase in credit risk.....	40.9	39.5	55.3	48.9
Restructured loans.....	46.9	34.0	26.9	30.4
Watchlist.....	9.8	12.9	9.2	11.7
Past due.....	2.0	4.6	8.0	8.5

For the three months ended 31 March 2025, 88% of the significant increase in credit risk portfolio was non-delinquent and 5.5% of the significant increase in credit risk portfolio was recorded as NPL.

Changes to Turkish Banking Policy and Regulations

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

In 2022, the Central Bank progressively decreased the policy rate. On 18 August 2022, the MPC decided to reduce the policy rate from 14.00% to 13.00%, followed by further reductions to 12.00% on 22 September 2022, 10.50% on 20 October 2022 and 9.00% on 24 November 2022. The policy rate was further decreased to 8.50% on 23 February 2023, however, following the presidential elections in May 2023, the MPC increased the rate to 15.00% in June 2023 and then raised it incrementally to 50.00% by 21 March 2024. The 50.00% rate was maintained until 26 December 2024, when the MPC decided to reduce the policy rate to 47.50% due to stable underlying inflation trend in November and slowing domestic demand. On the same day, the MPC adjusted the monetary policy operational framework by setting the Central Bank overnight borrowing and lending rates 150 basis points below and above the one-week repo auction rate, respectively. On 23 January 2025, the MPC decided to further reduce the policy rate from 47.50% to 45.00% due to its continued decisiveness regarding

tight monetary stance which is aimed at strengthening the disinflation process through moderation in domestic demand, real appreciation in Turkish Lira, and improvement in inflation expectations. The policy rate was further reduced to 42.50% on 6 March 2025. Most recently, the Turkish Lira depreciated against the U.S. dollar by 7.1% in the first three months of 2025, mainly due to political and social unrest caused as a result of Ekrem Imamoglu's arrest on 19 March 2025, see “—*Political Developments – Political developments in Türkiye might negatively affect the Group's business, financial condition and/or results of operations.*” In response to increased inflationary pressures arising from exchange rate volatility, on 17 April 2025, the MPC decided to increase the policy rate from 42.50% to 46.00%. The MPC cited a decrease in underlying inflation trend in March but also indicated that a slight increase in monthly core goods inflation is expected in April due to recent developments in financial markets, while services inflation is likely to remain relatively flat. The MPC expressed that inflation expectations and pricing behavior continue to pose risks to the disinflation process. The MPC stated that the tight monetary stance will be maintained until price stability is achieved via a sustained decline in inflation, and accordingly, the policy rate will be determined in a way to ensure the tightness required by the projected disinflation path taking into account realized and expected inflation, and the underlying trend. The MPC also announced that it continues to target 5% inflation in the medium term. As noted in “*Risk Factors—Risks Relating to Türkiye—Economic Conditions—Inflation,*” there was a de-linking of market interest rates in Türkiye from Central Bank policy rates in 2022, which had various effects, including resulting in very positive returns on CPI-linked securities and increased profitability of Turkish banks in Turkish Lira terms. For more information on the Central Bank's interest rates, see “*Interest Rates and Central Bank Policy.*”

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

Global Economic Conditions

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

While the global economy recovered in 2021 from the COVID-19, inflation continued to accelerate throughout 2022 and 2023, prompting central banks towards tightening monetary policy, and growth in 2022 and 2023 was negatively impacted by rate increases implemented by the U.S. Federal Reserve and other central banks in response to elevated inflation levels, with economic growth in the EU in particular stagnating in the second half of 2023. Developing countries have also tightened monetary policy in line with these advanced economies. In the second half of 2024, the U.S. Federal Reserve, the ECB and the Bank of England and other central banks started loosening monetary policy and reducing the interest rates. However, economic growth in the U.S. slightly slowed down, where economic growth in the EU slightly improved compared to 2023. By April 2025, the Federal Reserve, the ECB and the Bank of England had policy rates of 4.25%-4.50%, 2.65% and 4.5%, respectively. These and other key factors, such as geopolitical tensions and tariffs on trade imposed by the Trump administration, might have a material adverse impact on international financial markets and economic conditions and, in turn, the market's anticipation of these impacts might have a material adverse effect on the Turkish economy and the Bank's business, financial conditions and/or liquidity. In particular, these factors might disrupt payment systems, money markets, long-term and short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. For further information on macroeconomic risk factors, see “*Risk Factors—Risks Relating to the Group and its Business*” and “*Risk Factors—Risks Relating to Türkiye.*”

Loan Growth

In 2023, consumer loans (excluding credit card loans) increased by 50.3%, Turkish Lira-denominated business banking loans increased by 37.5% and credit card loans grew by 116.3% from 2022. During 2022, the Bank gained market share among commercial banks in Turkish Lira-denominated loans, Turkish Lira-denominated business banking loans, SME loans, consumer general purpose loans and credit cards; *however*, the growth composition changed during 2023, with the Bank gaining market share among commercial banks in 2023 in Turkish Lira-denominated loans, Turkish Lira-denominated business banking loans and SME loans. According to bank-only BRSA weekly data, as of 31 March 2025, the Bank had a market share of 21.6% in Turkish Lira-denominated consumer loans excluding consumer credit cards, compared to its private

peers. As of the same date, the Bank ranked as number one in Turkish Lira-denominated consumer loans and number two in Turkish Lira-denominated business banking loans, compared to its private peers.

Growth in Turkish Lira-denominated loans in 2023, which also carried over into 2024, was significantly impacted by the regulatory environment. In 2024, the growth in Turkish Lira-denominated performing loans was 52.3%, which was above the sector growth of 30.1%. The growth remained strong in credit card loans and Turkish Lira-denominated consumer loans, which increased by 74.0% and 55.1%, respectively, and outperformed the sector's growth of 52.3% and 35.0% respectively, as of 31 December 2024 from the end of the previous year. As the regulatory price cap on Turkish Lira-denominated commercial loans gradually eased throughout 2023 and was removed in 2024, the growth in Turkish Lira-denominated commercial loans was 34.8% during 2024, which was above the sector's growth of 19.7%. The growth in Turkish Lira-denominated commercial loans was lower than other segments as demand from corporates was subdued due to expectation of rate cuts in 2025. In the first quarter of 2025, the growth in Turkish Lira-denominated performing loans was 7.4%, which was above the sector growth of 6.7%. The growth remained strong in credit card loans and consumer loans, which increased by 52.4% and 53.5%, respectively, and outperformed the sector's growth of 35.9% and 35.0% respectively, as of 31 March 2025 from the end of the previous year.

With respect to foreign currency-denominated loans, these increased by 5.0% in 2023 largely due to redemptions and attractive spreads on export loans. In 2024, foreign currency-denominated loan growth was 12.9%. A 2.0% monthly growth cap for foreign currency-denominated loans was introduced in May 2024 which was further tightened to 1.5% in July 2024 (which was further reduced to 1.0% in January 2025). However, the Bank grew in areas such as export loans, which were not subject to the cap in 2024. In the first quarter of 2025, foreign currency-denominated loan growth was 9.0% mainly due to EUR/USD parity increase.

As of 31 March 2025, total loans represented 56.7% of the Group's assets.

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

Currency Exchange Rates

A significant portion of the Group's assets and liabilities is denominated in foreign currencies, particularly U.S. dollars and euro. The share of Turkish Lira-denominated assets and liabilities in the Group's balance sheet changed from 55.5% and 44.3%, respectively, as of 31 December 2022 to 58.7% and 51.6%, respectively, as of 31 December 2023, 61.2% and 55.9%, respectively, as of 31 December 2024 and 60.4% and 54.2%, respectively, as of 31 March 2025. The increases in 2022 and 2023 for Turkish Lira-denominated assets in large part were due to higher demand for Turkish Lira-denominated loans, especially in 2022 and the first three months of 2023, as a result of the interest rates being low as opposed to the inflationary environment, and due to the fact that demand for foreign currency-denominated loans was muted as a result of the volatility in foreign currencies and lack of availability of large foreign currency-denominated project finance loans. In 2024, the demand in Turkish Lira-denominated loans remained strong driven by the robust growth in credit cards and SME loans. In the first quarter of 2025, growth remained strong driven by growth in SME loans and consumer loans.

While the Group monitors its net open position in foreign currencies (*i.e.*, the amount by which its foreign currency-denominated assets differ from its foreign currency-denominated liabilities) and each of the Bank and the Group is required to comply with foreign currency net open position limits promulgated by the BRSA, each of the Bank and the Group has maintained (and likely will continue to maintain) gaps between the balances of its foreign currency assets and liabilities. A bank's limit imposed by the BRSA is defined as an amount plus/minus 20% of the total capital used in the calculation of such bank's regulatory capital adequacy ratios. The Group's and the Bank's foreign currency net long open position ratios were 5.7% and 4.6%, respectively, as of 31 December 2022, 9.5% and 9.3%, respectively, as of 31 December 2023, 7.0% and 6.9%, respectively, as of 31 December 2024 and 9.2% and 9.4%, respectively, as of 31 March 2025.

The Group had a net long open foreign currency position (including both on and off balance sheet positions) of US\$532 million as of 31 December 2022, US\$883 million as of 31 December 2023, US\$809 million as of 31 December 2024 and US\$1,112 million as of 31 March 2025. In 2023, 2024 and the first quarter of 2025, derivative transactions were the primary factor in the continuing large net open foreign currency positions, with the Group hedging its balance sheet against

the possibility of the continued depreciation of the Turkish Lira. The Group utilises swaps opportunistically to manage its funding cost, including (in times of excess foreign currency liquidity) utilising swaps when market conditions are attractive to create additional Turkish Lira liquidity.

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

	As of 31 December			As of
	2022	2023	2024	31 March
				2025
		(millions)		
U.S. dollars	\$(87)	\$167	\$(6)	\$166
Euro ⁽¹⁾	€226	€301	€390	\$441
Other currencies ⁽²⁾	\$377	\$382	\$411	\$489
Total net foreign currency position⁽¹⁾⁽²⁾⁽³⁾	\$532	\$883	\$809	\$1,112

- (1) For the convenience of the reader, the total amounts of euro have first been converted into Turkish Lira by using the rates announced by the Bank as of the last day of the applicable period and were then converted into U.S. dollars based upon the TL/\$ exchange rate as of such dates.
- (2) For the convenience of the reader, the total amounts of other currencies have first been converted into Turkish Lira by using the rates announced by the Bank as of the last day of the applicable period and were then converted into U.S. dollars based upon the TL/\$ exchange rate as of such dates.
- (3) The positions indicated are net of the effects of hedging transactions and other off-balance sheet positions.

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

Currency volatility has been managed by the Group's reasonably balanced foreign currency position and hedging strategy. The Group had (after considering the Group's hedging strategy and other off-balance sheet positions) net foreign exchange and derivatives gains of TL 8,701,043 thousand in 2022, gains of TL 31,639,384 thousand in 2023, gains of TL 7,384,763 thousand in 2024 and gains of TL 2,455,882 thousand in the first quarter of 2025. These results were principally derived from swaps. See also "—Operating Income—Other Operating Income" and "—Other Operating Expenses" in "—Analysis of Results of Operations for the three months ended 31 March 2024 and 2025 and the years ended 31 December 2022, 2023 and 2024."

Exchange rate movements can also have an effect on the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital, which can affect capital adequacy either positively (for example, if the Turkish Lira appreciates, then assets in foreign currencies translate into fewer Turkish Lira in the calculations of capital adequacy ratios and thus increase the capital adequacy ratios) or negatively (for example, if the Turkish Lira depreciates, then assets in foreign currency translate into more Turkish Lira in the calculations of capital adequacy ratios and thus reduce the capital adequacy ratios). In 2022 and 2023, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased as a result of the 28.71% and 36.40%, respectively, depreciation of the Turkish Lira against the U.S. dollar. In 2024, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased as a result of the 19.0% depreciation of the Turkish Lira against the U.S. dollar. In 2024, the Group's capital adequacy ratio increased by 168 basis points, primarily driven by strong net income generation. This positive development offset the adverse impacts associated with dividend distributions, market and credit risk exposures, operational risk, and foreign currency effects. Additionally, the Tier-2 issuance completed in 2024 contributed further to the enhancement of the increase in the Group's capital adequacy ratio. In the first quarter of 2025, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased as a result of the 9.4% depreciation of the

Turkish Lira against the U.S. dollar. See “—*Capital Adequacy*” below and “*Risks Relating to Türkiye—Economic Conditions*” and “*Risks Relating to Türkiye—Turkish Regulatory and Other Matters—Banking Regulatory Matters*.”

Interest Rates and Central Bank Policy

One of the primary factors influencing the Group’s profitability is the level of short-term interest rates in Türkiye (including both policy rates and market rates, which have been further impacted by market expectations regarding inflation and foreign exchange rates), which affects the return on its securities portfolio and its loan and deposit rates. Turkish Lira-denominated treasury bills and bonds sold through public auction had average compound interest rates of 16.96%, 11.46% and 36.60% in 2022, 2023 and 2024, respectively. Interest rates earned and paid on the Group’s assets and liabilities reflect, to a certain degree, current inflation, expectations regarding inflation, shifts in short-term interest rates set by the Central Bank and movements in long-term real interest rates. The fluctuations in short-term and long-term interest rates impact the Group’s net interest income differently based upon the repricing profile of the Group’s interest-earning assets and interest-bearing liabilities. As of 31 March 2025, 14.1% of the Bank’s Turkish Lira-denominated cash loan portfolio carried a floating interest rate (11.0%, 13.1% and 13.3%, respectively, as of 31 December 2022, 2023 and 2024).

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

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

Notwithstanding that general result, the first half of 2023 saw an increased lack of correlation between the policy rate and actual funding costs due to rapid changes in the regulatory environment and the Central Bank’s Liraisation strategy, which increased Turkish Lira deposit costs due to increased competition among Turkish banks. On the other hand, the resultant volatility in the market, which was also impacted by the lead-up to the May 2023 elections, enabled the Bank to reduce its duration gap significantly in order to prepare its balance sheet for potential increases in the policy rate after the election. After the elections, the Central Bank gradually increased the rate to 42.50% as of the end of 2023 and to 50.00% by 21 March 2024. The rate remained at 50.00% until 26 December 2024, when the Central Bank lowered the key interest rate by 2.5 percentage points to 47.50%. Subsequently, on 23 January 2025, the Central Bank reduced the rate by another 2.5 percentage points, bringing it to 45.00% and on 6 March 2025, the CBRT lowered its one-week repo rate by 250 bps, from 45.00% to 42.50%. However, on 17 April 2025, the CBRT raised its one-week repo rate to 46.00%, marking a 350 bps increase from the previous rate of 42.50%. This decision was made in response to heightened inflationary pressures, political instability following the arrest of Istanbul Mayor Ekrem İmamoğlu, and global economic uncertainties, including escalating U.S.-China trade tensions.

In addition, although many regulatory measures were eased by the Central Bank following the election, new ones that incentivise Liraisation (specifically to require exit from the foreign currency-protected deposit scheme) and increased reserve requirement costs were introduced, with respect to which the Turkish banking sector (including the Bank) increased the interest rate paid on Turkish Lira deposits in order to encourage customers to switch to standard Turkish Lira time deposit from foreign currency deposits.

Due to an increasing trend in inflation, income from CPI-linked securities increased in 2022 and 2023 (the CPI used in the determination of the Group’s CPI-linked securities was 85.5% and 61.4% in 2022 and 2023, respectively), serving as a hedge in an inflationary environment. In 2024, income from CPI-linked securities increased, with the CPI used in the determination of the Group’s CPI-linked securities being 48.6% in 2024. In the first quarter of 2025, income from CPI-linked

securities decreased due to an applied CPI valuation rate of 28.0%. As of 31 December 2022, 2023, 2024 and 31 March 2025, 41.0%, 46.8%, 42.4% and 41.9%, respectively, of the Group's securities portfolio consisted of CPI-linked securities.

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

As noted above, the Central Bank has adjusted reserve requirement ratios as a policy tool at various times in the past several years to reduce or encourage certain actions by the banking sector, including both deposit and lending activity. For example, on 19 August 2019, the Central Bank decided to revise the reserve requirement ratios for Turkish Lira liabilities of banks whose annual loan growth (to be calculated according to the procedures and principles determined by the Central Bank) is between 10% and 20% of the sum of their loans of a standard nature and loans under close monitoring (calculated in Turkish Lira) (excluding foreign currency-indexed loans and loans extended to banks). Accordingly, the reserve requirement ratio for such liabilities is set at 2% in all maturity brackets, excluding: (a) deposits and participation funds with one year or longer maturity (excluding deposits/participation funds obtained from banks abroad) and (b) other liabilities with a longer than three year maturity (including deposits/participation funds obtained from banks abroad). Such reserve requirement ratios are applied for a three-month period after the calculation period, which will be determined by the Central Bank.

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

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

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

32586. See also “*Turkish Regulatory Environment—Liquidity and Reserve Requirements*” with respect to certain other actions taken since the beginning of 2022.

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

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

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

	As of 31 December			Three months ended 31 March
	2022	2023	2024	2025
Net interest margin	11.1%	6.2%	5.8%	5.7%
Turkish Lira assets	16.5%	6.6%	6.3%	6.4%
Foreign currency assets.....	2.3%	5.5%	4.5%	4.1%
Average spread				
Turkish Lira assets/liabilities	9.1%	2.1%	2.0%	4.4%
Foreign currency assets/liabilities.....	3.2%	3.3%	3.2%	2.4%

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

	As of 31 December			Three months ended 31 March
	2022	2023	2024	2025
Net interest margin.....	9.1%	5.4%	5.4%	5.8%
Average spread.....	5.3%	(1.4)%	(5.7)%	(8.1)%

In 2023, the net interest margin declined to 5.4% compared to 9.1% in 2022, reflecting the increased funding costs (due in part to strong competition for deposits). In 2024, net interest margin remained stable at 5.4%. In the first quarter of 2025, net interest margin increased to 5.8%. Despite the continuing impact of macroprudential policies which capped the loan growth, Turkish Lira loan to time deposit spread widened with the decrease in Turkish Lira time deposit costs in the first quarter of 2025. Additionally, lower reliance on income from CPI-linked securities and improvement in swap costs provided a further boost while effective loan repricing and duration gap management resulted in favourable Turkish Lira loan yields.

Significant Securities Portfolio

The Group has historically generated a significant portion of its interest income from its securities portfolio, with interest income on the Group’s securities portfolio in 2022, 2023, 2024 and the first quarter of 2025, accounting for 31.3%, 23.1%, 15.4% and 11.4%, respectively, of its total interest income and 22.5%, 14.9%, 11.2% and 8.2%, respectively, of its total operating profit before deducting interest expense and fees and commissions. The CPI-linked securities in the Group’s investment securities portfolio provided high real yields compared to other government securities in each of such periods until the first quarter of 2025, benefiting from the high inflation environment, however, their impact on the Group’s earnings varies as inflation rates change. In the first quarter of 2025, as the inflation rate decreased, yields of the CPI-linked securities also decreased. In the first quarter of 2025, CPI estimate used in the valuation of CPI-linked securities was 28.0% while it was 48.6% in 2024.

The Group has also experienced large realised and unrealised gains and losses from the mark-to-market valuation and sale of securities, the results for which showed gains representing 9.4% of the Group’s other operating income in 2022, gains representing 1.1% of the Group’s other operating income in 2023, losses representing 0.2% of the Group’s other operating income in 2024 and gains representing 7.8% of the Group’s other operating income in the first quarter of 2025. In

addition, the Group experienced meaningful trading income in 2022, 2023, 2024 and in the first quarter of 2025, as a result of increased foreign exchange trading by customers due to the volatility in the Turkish Lira.

Contribution of income from the Group's securities portfolio (including interest earned, trading income and other income) has been significant over the past three fiscal years. Interest income on securities portfolio increased from TL 41,555,705 thousand in 2022 to TL 54,052,934 thousand in 2023, and to TL 83,280,720 thousand in 2024. Despite a lower CPI rate used in the valuation of CPI-linked securities, income on CPI-linked securities was higher in 2024 due to growing internal rate of return value of CPI-linked securities. Other securities' income (excluding CPI-linked securities) also increased year on year due to an increase in the amount of fixed rate securities in the Group's securities portfolio. As of the date of this Base Prospectus, the Bank's management expects that (in the short- to medium-term) the relative size of the Bank's securities portfolio compared to its total assets will likely remain fairly stable as the Group continues its focus on cash loan lending.

The Group's securities portfolio principally contains Turkish government debt securities, with more limited holdings of other securities such as corporate and foreign government debt securities. The Group's investment securities portfolio (which: (a) excludes its financial assets measured at fair value through profit or loss and (b) includes: (i) financial assets measured at fair value through other comprehensive income and (ii) financial assets measured at amortised cost) represented 15.3%, 14.4%, 13.6% and 12.9%, respectively, of the Group's total assets as of 31 December 2022, 2023, 2024 and 31 March 2025.

TFRS 9 provides for a forward-looking expected credit loss ("ECL") approach. See note 3.8 in the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2023, note 3.8 in the Group's BRSA Annual Financial Statements as of and for the year ended 31 December 2024 and note 3.8 in the Group's BRSA Interim Financial Statements as of and for the three months ended 31 March 2025. Therefore, the Group recognises expected credit losses at initial recognition for all financial assets measured at fair value through other comprehensive income (excluding equity instruments) and financial assets measured at amortised cost.

Provisions for Expected Credit Losses

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

In 2024, the Group's provisions for expected credit losses were TL 58,096,119 thousand. Although NPL inflows continued, mainly driven by unsecured consumer loans, the Group's NPL ratio remained stable at 2.1% as of 31 December 2024. In the first quarter of 2025, the Group's provisions for expected credit losses were TL 23,811,824 thousand. As NPL inflows continued, mainly due to net flows from retail and credit card portfolio, driven by higher volume in consumer and credit card loans, the Group's NPL ratio increased to 2.4% as of 31 December 2024.

During 2022, 2023, 2024 and the first three months of 2025, the Group had TL 12.0 billion, TL 13.7 billion, TL 17.8 billion and TL 17.8 billion of write-downs and write-offs, respectively, accounting for a 1.46%, 1.05%, 0.95% and 0.84% decline in the NPL ratio, respectively (*i.e.*, the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred).

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

The Bank's management elected to allocate TL 330,000 thousand in general reserves in 2009 in order to act conservatively in the context of the uncertainty created by the global financial crisis. The Bank's management revised these reserves over the years, including increasing them by TL 500,000 thousand in 2022 (to TL 8,000,000 thousand), in each case due to the possible effects of negative circumstances that might arise in the economy or in market conditions. During 2023, the Bank's management (in light of the normalisation of the macro-economic conditions after the May 2023 elections) reversed all of such general reserves. EY's audit reports included in the BRSA Annual Financial Statements incorporated by reference into this Base Prospectus were qualified with respect to general reserves that were allocated by the Bank in 2023,

because general reserves are not permitted under the BRSA Principles. See “*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification.*”

Critical Accounting Policies

The Group’s accounting policies are integral to understanding its financial condition and results of operations presented in the BRSA Financial Statements. The Group’s critical accounting policies under the BRSA Principles as of and for the year ended 31 March 2025 are described in the notes to the Group’s BRSA Financial Statements (critical accounting policies for BRSA Interim Financial Statements for other accounting periods being set forth in the notes in the applicable BRSA Financial Statements).

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

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

Classification of financial assets

Financial assets comprise cash, contractual rights to obtain cash or another financial asset from or to exchange financial instruments with a counterparty, or capital instrument transactions with a counterparty. They have the ability to affect and diminish the liquidity, credit and interest rate risks in the Group’s financial statements. The rules that apply to the classification of financial assets under TFRS 9 are described below.

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

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

Financial assets measured at fair value through other comprehensive income: In addition to financial assets within a business model for which there is an intention of holding to collect contractual cash flows and to sell, financial asset with contractual terms for which expected cash flows are solely payments of principal and interest at certain dates are classified as financial assets measured at fair value through other comprehensive income. These financial assets are recognised by adding transaction cost to acquisition cost, the sum of which represents the initial fair value of the financial asset. After their initial recognition, financial assets measured at fair value through other comprehensive income are remeasured at their fair value. Interest income, calculated with the effective interest rate method, arising from financial assets measured at fair value through other comprehensive income and dividend income from equity securities are recorded under the Group’s income statement. “Unrealised gains and losses” arising from the difference between the amortised cost and the fair value of financial assets measured at fair value through other comprehensive income are not reflected in the Group’s income statement until the acquisition of the financial asset, sale of the financial asset, disposal of the financial asset and impairment of the financial

asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” line item under shareholders’ equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are reflected to the Group’s income statement.

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

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

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

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

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

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

Hedge Accounting

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

Impairment of Financial Assets and Expected Credit Losses

The Group’s accounting policy for losses/expected credit losses arising from the impairment of customer loans and other financial assets is described in note 3.8 of the Group’s BRSA Financial Statements as of and for the year ended

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

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

- (a) *Objective Default:* There is an objective default if the debt is past due more than 90 days, and/or
- (b) *Subjective Default:* There is a subjective default if a debt is unlikely to be paid regardless of the existence of any past-due amount or the number of days past due.

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

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

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

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

Fair Value of Securities

The Group's securities are classified as either financial assets measured at fair value through profit or loss or investment securities (which include both financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost). Financial assets measured at amortised cost are recorded at their acquisition cost and measured at amortised cost calculated as per the effective interest rate method and financial assets measured at fair value through other comprehensive income (which collectively represented 43.5%, 31.1%, 33.0% and 37.5% respectively, of the Group's total securities portfolio as of 31 December 2022, 2023, 2024 and 31 March 2025) were recorded at fair value, with changes in fair value being recorded in income (for the trading portfolio and where there is an impairment or sale of financial assets measured at fair value through other comprehensive income) or shareholders' equity (for mark-to-market movements in financial assets measured at fair value through other comprehensive income).

The following table sets out the distribution of the Group's securities recorded at fair value as of each of the indicated dates (31 March 2025 is not included as interim periods are not required by the BRSA to be reported):

	31 December		
	2022	2023	2024
	(TL thousands)		
Financial assets measured at fair value through profit or loss (net) (excluding derivative financial assets held for trading)	5,771,459	8,589,689	12,126,843

Financial assets measured at fair value through other comprehensive income..	88,928,400	101,575,253	139,088,845
Total	94,640,975	110,110,092	151,161,626

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

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

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

Derivatives

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

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

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

Defined Benefit Plan

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

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

Taxation

Income tax is calculated on the basis of taxable income as calculated by applicable tax laws, which differ in certain material respects from the BRSA Principles. The Group’s effective tax rate was 24.0% for 2022, 19.0% for 2023, 25.6% for 2024 and 26.6% for the first quarter of 2025 (20.5% for the first quarter of 2024), respectively. In preparing its financial statements, the Group is required to estimate taxes on income, which involves an estimation of current tax expenses together with an assessment of temporary differences resulting from differences between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding bases used in the calculation of taxable profit. The Group’s carrying value of deferred tax assets assumes that the Group will be able to generate sufficient future taxable income based upon estimates and assumptions. If these estimates and related assumptions prove to be incorrect, then the Group might be required to record valuation allowances against its deferred tax assets resulting in additional tax expense in its income. The Group evaluates the recoverability of the deferred tax assets on each business day.

Key Performance Indicators

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

Ratios	As of (or for the year ended) 31 December			As of (or for the three months ended) 31 March
	2022	2023	2024	2025
Annual(ised) net interest margin	9.1%	5.4%	5.4%	5.8%
Annual(ised) core net interest margin	4.9%	2.4%	2.1%	4.1%
Net fees and commissions income/expenses as a percentage of total operating profit	13.6%	21.8%	33.8%	32.4%
Core banking revenue as a percentage of total assets	5.8%	5.1%	6.0%	1.8%
Cost-to-income ratio	25.6%	34.3%	46.1%	50.6%
Annual(ised) operating expenses as a percentage of average total assets	2.4%	3.0%	3.9%	4.1%
NPL ratio	2.6%	2.1%	2.1%	2.4%
Group's capital adequacy ratios				
Tier 1 capital adequacy ratio ⁽¹⁾⁽⁴⁾	16.2%	16.8%	16.1%	13.7%
Common equity Tier 1 capital adequacy ratio ⁽²⁾⁽⁴⁾	16.2%	16.8%	16.1%	13.7%
Total capital adequacy ratio ⁽³⁾⁽⁴⁾	18.6%	18.9%	19.8%	17.1%
Expected credit losses to NPLs	197.6%	196.4%	155.3%	134.8%
Expected credit losses to gross loans	2.4%	1.0%	1.5%	2.0%
				0.8%
Return on average total assets	5.1%	4.6%	3.4%	
Return on average shareholders' equity	47.4%	44.5%	32.5%	30.7%
Loan-to-deposit ratio	84.7%	76.9%	82.9%	77.3%
Net cumulative cost of risk	2.45%	1.89%	1.07%	1.99%
Net cumulative cost of risk excluding currency impact	1.30%	0.61%	0.78%	1.43%

- (1) The "Tier 1" capital adequacy ratio is calculated by dividing the "Tier 1" capital (after required deductions) by the aggregate of the value at credit risk, value at market risk and value at operational risk. See "*Capital Adequacy*" below.
- (2) The common equity Tier 1 capital adequacy ratio is calculated by dividing the "Common Equity Tier 1" capital (after required deductions) by the aggregate of the value at credit risk, value at market risk and value at operational risk. See "*Capital Adequacy*" below.
- (3) The total capital adequacy ratio is calculated by dividing: (a) the "Tier 1" capital (*i.e.*, its share capital, reserves and retained earnings) *plus* the "Tier 2" capital (*i.e.*, the "supplementary capital," which comprises expected credit losses for Stage 1 and Stage 2 assets, subordinated debt, unrealised gains/(losses) on available-for-sale assets and revaluation surplus (reduced by certain items such as leasehold improvements and intangibles)) and *minus* items to be deducted from capital (the "deductions from capital," which comprises items such as unconsolidated equity interests in financial institutions and assets held for resale but held longer than five years), by (b) the aggregate of the risk-weighted assets and off-balance sheet exposures (*i.e.*, value at credit risk), value at market risk and value at operational risk. See "*Capital Adequacy*" below.
- (4) On 17 June 2021 (as revised multiple times thereafter), the BRSA announced that capital adequacy ratio calculations until such date as determined by the BRSA may be calculated using a favourable foreign exchange rate. If such measure had not been taken into account, then the Group's Tier 1, common equity Tier 1 and total capital adequacy ratios would decline to 14.5%, 14.5%, and 16.8%, respectively, as of 31 December 2022, 14.5%, 14.5%, and 16.5%, respectively, as of 31 December 2023, 14.7%, 14.7%, and 18.2%, respectively, as of 31 December 2024 and 13.0%, 13.0% and 16.3% respectively, as of 31 March 2025.

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

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Net interest income	88,092,627	86,366,451	126,038,499	39,321,741
Average interest-earning assets	973,128,470	1,599,809,771	2,327,583,438	2,770,445,832
Nonannualised net interest margin	9.1%	5.4%	5.4%	1.4%
Annualisation factor	N/A	N/A	N/A	4.06
Net interest margin	9.1%	5.4%	5.4%	5.8%

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

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Net interest income	88,092,627	86,366,451	126,038,499	39,321,741
Swap costs.....	(10,075,636)	(4,464,870)	(31,921,648)	(1,815,623)
Income from CPI-linked securities..	(33,575,554)	(37,325,700)	(44,816,375)	(8,213,321)
Foreign currency-protected deposit scheme related remuneration.....	-	(9,689,000) ⁽¹⁾	-	-
Average interest-earning assets	903,186,356	1,429,818,400	2,279,389,626	2,879,964,446
Core net interest margin.....	4.9%	2.4%	2.2%	4.1%

(1) For the purposes of calculating the core net interest margin in 2023, the foreign currency-protected deposit scheme related remuneration, which is recorded under trading line, is excluded, given that this was a funding cost.

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

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674	30,383,178
Total operating profit	133,311,376	199,324,012	287,168,372	93,749,959
Net fees and commissions income/expenses as a percentage of total operating profit.....	13.6%	21.8%	33.8%	32.4%

The calculation of the Group's core banking revenue as a percentage of total assets for the indicated periods is as follows:

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Net interest income	88,092,627	86,366,451	126,038,499	39,321,741
Swap costs.....	10,075,636	4,464,870	31,921,648	1,815,623
Income from CPI-linked securities.....	(33,575,554)	(37,325,700)	(44,816,375)	(8,213,321)
Net interest income including swap costs excluding income from CPI-linked securities	44,441,437	44,575,881	49,300,476	29,292,797
Net Fees and Commissions	18,146,320	43,500,624	97,106,674	30,383,178
Net Trading Income	10,512,298	32,094,651	7,227,055	4,190,051
Swap costs	10,075,636	4,464,870	31,921,648	1,815,623
Net Trading Income excluding swap costs	20,587,934	36,559,521	39,148,703	6,005,674
Currency Hedge	7,447,986	13,041,198	4,427,063	2,709,663
Net Trading Income excluding swap costs and currency hedge costs	13,139,948	23,518,323	34,721,640	3,296,011
Core banking revenue	75,727,705	111,594,828	181,128,790	62,971,986
Total assets.....	1,303,578,483	2,201,713,095	3,002,579,379	3,498,288,811
Core banking revenue as a percentage of total assets	5.8%	5.1%	6.0%	1.8%

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

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025

	<i>(TL thousands, except percentages)</i>			
Net interest income	88,092,627	86,366,451	126,038,499	39,321,741
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674	30,383,178
Net trading income/losses	10,512,298	32,094,651	7,227,055	4,190,051
Dividend income	94,753	104,640	179,401	8,179
Other income	17,449,406	40,534,549	58,642,268	20,387,377
Provisions for loans, provisions for marketable securities and general reserves	(26,505,040)	(39,154,209)	(58,096,119)	70,478,702
Total income	107,790,364	163,446,706	231,097,778	13,561,064
Personnel expenses	10,141,331	20,849,382	40,785,353	22,079,305
Other operating expenses	17,425,279	35,204,209	65,865,113	35,640,369
Total cost	27,566,610	56,053,591	106,650,466	70,478,702
Cost-to-income ratio	25.6%	34.3%	46.1%	50.6%

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

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Personnel expenses	10,141,331	20,849,382	40,785,353	13,561,064
Other operating expenses	17,425,279	35,204,209	65,865,113	22,079,305
Operating expenses	27,566,610	56,053,591	106,650,466	35,640,369
Average total assets	1,144,109,433	1,885,199,322	2,740,078,680	3,250,434,095
Nonannualised operating expenses as a percentage of average total assets	2.4%	3.0%	3.9%	1.0%
Annualisation factor	N/A	N/A	N/A	4.06
Operating expenses as a percentage of average total assets	2.4%	3.0%	3.9%	4.1%

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Loans	769,289,135	1,233,433,116	1,786,815,863	1,997,770,165
NPLs	20,289,804	26,158,606	39,145,869	49,511,188
Total loans	789,578,939	1,259,591,722	1,825,961,732	2,047,281,353
NPL ratio	2.6%	2.1%	2.1%	2.4%

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Expected credit losses (Stage 3)	14,689,002	17,730,763	26,198,191	32,528,284
Expected credit losses (Stages 1 & 2)	25,397,287	33,635,130	34,612,392	34,220,938
Total provisions	40,086,289	51,365,893	60,810,583	66,749,222
NPLs	20,289,804	26,158,606	39,145,869	49,511,188
Expected credit losses to NPLs	197.6%	196.4%	155.3%	134.82%

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Expected credit losses (Stage 3)	6,288,528	10,951,966	25,328,186	10,474,107

Expected credit losses (Stages 1 & 2)	19,716,512	28,202,243	32,767,933	13,337,717
Total provision expenses	26,005,040	39,154,209	58,096,119	23,811,824
Collections	(10,381,297)	(28,508,883)	(42,375,985)	(14,629,066)
Net provision expense	15,623,743	10,645,326	15,720,134	9,182,758
Average total loans	644,810,356	1,048,910,810	1,022,024,604	1,997,770,165
Nonannualised expected credit losses to gross loans	2.40%	1.00%	1.5%	0.5%
Annualisation factor.....	1.0	1.0	1.0	4.1
Expected credit losses to gross loans	2.4%	1.0%	1.5%	1.9%

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

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>(TL thousands, except percentages)</i>			
Net profit/(loss).....	58,510,306	86,907,216	92,178,886	25,398,699
Average shareholders' equity.....	123,461,491	195,418,043	283,478,635	336,037,789
Nonannualised return on average shareholders' equity	47.40%	44.50%	32.5%	7.6%
Annualisation factor.....	1.00	1.00	1.00	4.06
Return on average shareholders' equity	47.4%	44.5%	32.5%	30.7%

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

	Year ended 31 December			Three months ended
	2022	2023	2024	31 March 2025
	<i>(TL thousands, except percentages)</i>			
Net profit/(loss).....	58,510,306	86,907,216	92,178,886	25,398,699
Average total assets.....	1,144,109,433	1,885,199,322	2,740,078,680	3,250,434,095
Nonannualised return on average total assets	5.1%	4.6%	3.4%	0.8%
Annualisation factor.....	1.00	1.00	1.00	4.06
Return on average total assets	5.1%	4.6%	3.4%	3.2%

The calculation of the Group's loan-to-deposit ratio for the indicated periods is as follows:

	Year ended 31 December			Three months ended
	2022	2023	2024	31 March 2025
	<i>(TL thousands, except percentages)</i>			
Performing Loans (including Lease + Factoring receivables)	769,289,135	1,233,433,116	1,786,815,863	1,997,770,165
Total Deposits	908,739,459	1,604,930,709	2,154,347,642	2,584,663,836
Loan-to-deposit ratio	84.7%	76.9%	82.9%	77.3%

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

	Year ended 31 December			Three months ended
	2022	2023	2024	31 March 2025
	<i>(TL thousands, except percentages)</i>			
Net Provisions	15,895,173	19,211,830	16,524,853	9,516,056
Average Loans and Receivables - Cumulative.....	649,611,615	1,015,124,125	1,547,008,920	1,936,621,543
Net Cumulative Cost of Risk	2.45%	1.89%	1.07%	1.99%
Net Provisions	15,895,173	19,211,830	16,524,853	9,516,056
Currency Impact.....	(7,447,986)	(13,041,198)	(4,427,063)	(2,709,663)
Net Provisions excluding currency impact	8,447,187	6,170,632	12,097,790	6,806,393

Average Loans and Receivables - Cumulative.....	649,611,615	1,015,124,125	1,547,008,920	1,936,621,543
Net Cumulative Cost of Risk excluding currency impact	1.30%	0.61%	0.78%	1.43%

Analysis of Results of Operations for the three months ended 31 March 2024 and 2025 and the years ended 31 December 2022, 2023 and 2024

As of 31 March 2025, the Bank had the following market shares among private commercial banks (each as measured on a bank-only basis): (a) based upon BRSA weekly data, 21.6% of Turkish Lira-denominated consumer loans excluding consumer credit cards, 19.9% of TL denominated business loans including SME loans, 19.6% of performing loans, 19.7% of consumer general purpose loans including overdraft, 22.7% of consumer loans (including credit cards), 28.8% of consumer mortgage loans, 23.7% of consumer credit cards, 20.8% in customer deposits and 22.0% in customer demand deposits, and (b) based upon BRSA monthly data, 9.8% of total assets, 16.0% in net fees and commissions and 15.5% in net income.

The following summary financial and operating data as of and for the years ended 31 December 2022, 2023 and 2024 and the three months ended 31 March 2024 and 2025 have been extracted from the Group's BRSA Annual Financial Statements and BRSA Interim Financial Statements without material adjustment. This information should be read in conjunction with such BRSA Financial Statements (including the notes therein).

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

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
Interest income.....	132,800,968	233,566,637	540,538,651	104,498,974	173,824,309
Interest expense	(44,708,341)	(147,200,186)	(414,500,152)	(79,559,222)	(134,502,568)
Net interest income	88,092,627	86,366,451	126,038,499	24,939,752	39,321,741
Net fees and commissions income/expenses....	18,146,320	43,500,624	97,106,674	19,626,300	30,383,178
Dividend income.....	94,753	104,640	179,401	8,022	8,179
Net trading income/losses (net).....	10,512,298	32,094,651	7,227,055	5,455,697	4,190,051
Other operating income.....	17,449,406	40,534,549	58,642,268	16,027,852	20,387,377
Total operating profit	134,295,404	202,600,915	289,193,897	66,057,623	94,290,526
Expected credit losses ⁽¹⁾	(29,741,042)	(39,486,103)	(58,615,266)	(16,011,261)	(24,065,208)
Other operating expenses.....	(27,566,610)	(56,053,591)	(106,650,466)	(21,779,664)	(35,640,369)
Profit/(loss) before taxes	76,987,752	107,061,221	123,928,165	28,266,698	34,584,949
Provision for taxes	(18,477,446)	(20,154,005)	(31,749,279)	(5,787,115)	(9,186,250)
Net profit/(loss).....	58,510,306	86,907,216	92,178,886	22,479,583	25,398,699
Attributable to equityholders of the Bank.....	58,285,378	86,374,997	91,243,136	22,290,266	25,095,368
Attributable to minority interests	224,928	532,219	935,750	189,317	303,331

(1) Includes other provisions.

Results of Operations for the three months ended 31 March 2024 and 2025

Net Profit/(Loss)

The Group's net profit/(loss) for a period is calculated by reducing its total operating profit for such period by expected credit losses on loans and other receivables, personnel expenses, other operating expenses and provision for taxes for such period. The Group's net profit/(loss) for the first three months of 2025 was TL 25,398,699 thousand, increasing by 13.0% from TL 22,479,583 thousand for the same period of 2024. The net profit/(loss) for the three months ended 31 March 2024 was affected by certain exceptional items, which are quantified in the table below:

Exceptional items	Three months ended 31 March	
	2024	2025
	(TL thousands)	

Sale of assets	-	(238,207)
General reserves ⁽¹⁾	-	-
Tax effects of the items listed above	-	53,596
Total impact on net profit/(loss)	-	184,610
Net profit/(loss)	22,479,583	25,398,699
Net profit/(loss) adjusted for exceptional items	<u>22,479,583</u>	<u>25,214,088</u>

(1) See “—Provisions for Expected Credit Losses” above. As such general reserves are not permitted under the BRSA Principles, the Group’s independent auditors noted this departure in the Group’s BRSA Financial Statements by qualifying their opinion. Should the Bank’s management determine that market conditions have improved to such an extent that such additional reserves are not required, then they might elect to reverse such reserves in future periods, which would have the result of increasing income in such period.

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

Total Operating Profit

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

	Three months ended 31 March	
	2024	2025
Net interest income	37.8%	41.7%
Net fees and commissions income/expenses	29.7%	32.2%
Dividend income	0.0%	0.0%
Net trading income/losses	34.0%	20.6%
Other operating income	24.3%	21.6%

Net Interest Income

The Group’s net interest income is the difference between its interest income and its interest expense (each described below) and is the principal area of income for the Group. As a result, the differential between the interest rates that the Group receives on interest-earning assets and the interest rates that it pays on interest-bearing liabilities (*i.e.*, its average spread) and the volume of such assets and liabilities have the most significant impact on the Group’s results of operations. This net interest income represented 37.8% and 41.7% of the Group’s total operating profit in the first three months of 2024 and 2025, respectively.

Net interest income amounted to TL 39,321,741 thousand in the first three months of 2025, which was a 36.6% increase from TL 24,939,752 thousand in the same period of the prior year. This increase was primarily due to higher income on loans, CPI-linked securities and remuneration income from required reserves held at the Central Bank.

The Group’s net interest margin was 5.7% in the first three months of 2025, which was an increase from 5.4% for full year 2024. Additionally, lower reliance on income from CPI-linked securities and improvement in swap costs provided a further boost while effective loan repricing and duration gap management resulted in favourable Turkish Lira loan yields. Despite the low policy rate (8.50% as of March 2023; *however*, after the presidential elections in May 2023, the Central Bank increased the rate to 15.00%, though such remains well below the level of inflation), the costs for Turkish Lira deposits increased notably due to increased competition for Turkish Lira deposits among Turkish banks as a result of regulatory changes intended to encourage the Liratisation of the economy. On the other hand, yields on Turkish Lira-denominated loans experienced a downward trend due to the alignment of commercial loan interest rates to a regulatory cap designed to incentivise banks to avoid being required to purchase additional low-yielding Turkish government securities (See “*Turkish Regulatory Environment—Liquidity and Reserve Requirements*”). In 2024, the Group’s net interest margin remained stable at 5.4%. In this environment, the Bank’s management managed loan growth to seek an optimal balance that minimised the negative impact of these regulatory changes while reducing the duration gap in order to position the balance sheet for an

expected increasing interest rate environment. See also “—Significant Factors Affecting the Group’s Financial Condition and Results of Operations—Interest Rate Environment.”

Interest Income. Interest income is the interest (including the amortisation of interest-earning assets purchased at a discount and the interest component of lease receivables entered into for margin management purposes) and certain loan-related fees (such as closing fees received on project finance loans) received by the Group on its interest-earning assets, principally loans and debt securities. Interest income is a function of both the volume of interest-earning assets and the yield that the Group earns on these holdings. In the first quarter of 2025, the Group’s interest income increased by 66.3% to TL 173,824,309 thousand from TL 104,498,974 thousand for the same period of 2024. The following table sets out the interest-earnings on the Group’s interest-earning assets during the indicated periods:

	Three months ended 31 March	
	2024	2025
	<i>(TL thousands)</i>	
Interest income on loans.....	76,214,793	123,538,707
Interest income on reserve deposits.....	3,450,600	16,171,535
Interest income on banks.....	3,082,424	10,899,870
Interest income on money market transactions	2,207,581	1,326,284
Interest income on securities portfolio	16,753,357	19,894,158
Financial lease income	1,412,609	1,603,031
Other interest income	1,377,610	390,724
Total interest income	104,498,974	173,824,309

As noted above, interest income is a function of both the volume of, and yield earned on, the Group’s interest-earning assets. In the first three months of 2025 compared to the same period of the previous year, the change in interest income was principally due to a 62.1% increase in “interest income on loans” resulting largely from increasing loan volumes and improved yields through the Group’s selective lending strategy on more profitable products. During the period, interest income on loans increased due in large part to increasing yields on loans, while interest income from securities also increased significantly due to higher interest rates and increased income on CPI-linked securities. As a result, total interest income in the first quarter of 2025 increased by 66.3% when compared to the same period of 2024.

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

	Three months ended 31 March	
	2024	2025
Total average yield for the Bank	24.73%	32.62%
Deposits at banks.....	16.65%	36.30%
Investments in securities.....	20.82%	29.63%
Loans and advances to customers	27.26%	8.18%
Total average yield for the Group.....	22.18%	24.36%

The increase in the yield earned by the Bank in the first three months of 2025 compared to the same period of the previous year primarily resulted from the Bank’s strategy to improve net interest margin and focus on income from core banking operations.

Interest Expense. Interest expense is the interest and certain loan-related fee expenses (such as fees paid on syndicated loans) of the Group on its interest-bearing liabilities, principally time deposits. As with interest income, interest expense is a function of both the volume of interest-bearing liabilities and the interest rates that the Group pays on these liabilities. In the first three months of 2025, the Group’s interest expense increased by 69.1% to TL 134,502,568 thousand from TL 79,559,222 thousand in the same period of 2024. The following table sets out the interest expense on the Group’s interest-bearing liabilities by category during the indicated periods:

	Three months ended 31 March	
	2024	2025

	(TL thousands)	
Interest on deposits	74,142,657	117,257,194
Interest on funds borrowed	2,293,082	2,443,637
Interest on money market transactions.....	1,369,904	12,470,750
Interest on securities issued.....	1,183,166	2,002,691
Lease interest expense.....	107,054	248,195
Other interest expenses	463,359	80,101
Total interest expense	79,559,222	134,502,568

The increase in the Group's interest expense in the first three months of 2025 as compared to the same period of the previous year was principally in line with the increase in the size of its funding base and interest rates. As noted above, changes in the interest rates that the Group pays on its interest-bearing liabilities significantly affect the Group's interest expense. As the Group's interest-bearing deposits represent the largest portion of its liabilities (44.6% and 55.4%, respectively, as of 31 March 2024 and 2025), the interest rates that the Group pays on its deposits typically have the largest impact on the Group's interest expense. The following table sets forth the average interest rates paid by the Bank (daily average) and the Group (quarterly average) on interest-bearing deposits and other interest-bearing liabilities for the indicated periods:

	Three months ended 31 March	
	2024	2025
Total interest rates for the Bank	29.42%	32.62%
Deposits	33.75%	36.30%
Short-term debt (one year or less).....	38.02%	29.63%
Long-term debt	11.02%	8.18%
Repurchase agreements.....	5.15%	33.57%
Total interest rates for the Group.....	22.18%	24.36%

The increase in interest rates was mainly due to high interest rate and macroprudential measures. See “—Financial Condition—Liabilities” below. See “—Financial Condition—Liabilities” below.

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

Net Fees and Commissions Income/Expenses

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

The Group's net fees and commissions income/expenses for the first three months of 2025 was TL 30,383,178 thousand, an increase of 54.8% from TL 19,626,300 thousand for the same period of the prior year. This change was primarily driven by credit card and consumer loan originations and money transfer fees, both of which resulted from the strong growth in the economy and high inflation.

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

	Three months ended 31 March	
	2024	2025
	(TL thousands)	
Fees and commissions received	28,233,141	43,314,803

Non-cash loans	1,130,943	1,481,414
Cash loans.....	1,915,825	2,480,355
Brokerage and Asset Management	1,665,160	2,497,707
Money transfer.....	1,937,856	2,857,765
Insurance.....	622,865	887,652
Payment systems.....	20,268,750	31,931,875
Other	523,417	912,245
Early Repricing	168,325	265,790
Fees and commissions paid.....	8,606,841	12,931,625
Non-cash loans	24,676	19,018
Cash loans.....	-	-
Brokerage and Asset Management	-	-
Money transfer.....	46,475	79,930
Insurance.....	-	-
Payment systems.....	8,059,863	12,079,550
Other	475,827	753,127
Net Fees and Commissions Income.....	19,626,300	30,383,178

Dividend Income

Dividend income, which is principally received from the Group's securities portfolio and certain small equity investments, is a very small portion of the Group's income. Dividend income of TL 8,022 thousand in the first three months of 2024 and TL 8,179 thousand in the same period of 2025.

Net Trading Income/Losses

Net trading income/losses represent trading account income/losses, income/losses from derivative financial instruments and foreign exchange gain/losses. In the first three months of 2024, the Group experienced a net trading income of TL 5,455,697 thousand, compared with net trading gains of TL 4,190,051 thousand in the same period of 2025. These net trading gains in 2024 and 2025 resulted from foreign exchange gain. Swap funding is used by the Bank opportunistically to manage its funding cost.

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

	Three months ended 31 March	
	2024	2025
	(TL thousands)	
Trading Income		
Trading account income	954,088	2,869,074
Derivative financial instruments	13,256,470	23,354,304
Foreign exchange gain.....	122,230,390	199,489,664
Total trading income.....	136,440,948	225,713,042
Trading Losses		
Trading account losses.....	(958,322)	(1,134,905)
Derivative financial instruments	(14,729,222)	(24,116,660)
Foreign exchange losses	(115,297,707)	(196,271,426)
Total trading losses	(130,985,251)	(221,522,991)
Net trading income/losses.....	5,455,697	4,190,051

Other Operating Income

Other operating income includes various additional sources of income, including the collection or reversal of previous periods' provisions (including from the sale of NPLs), banking services-related costs recharged to customers, premium income from insurance business and income on custody services. Total other operating income was TL 19,846,810 thousand in the first three months of 2025, increasing by 29.9% from TL 15,276,200 thousand in the same period of 2024. The following table sets out the Group's other operating income by category for the indicated periods:

Three months ended 31 March

	2024	2025
	(TL thousands)	
Prior Year Reversals	11,739,956	14,629,066
Stage 1	5,284,483	5,423,945
Stage 2	2,836,669	6,048,434
Stage 3	3,235,505	2,823,389
Others	383,299	333,298
Income from term sale of assets.....	982,240	300,816
Others.....	2,554,004	4,916,928
Other operating income.....	15,276,200	19,846,810

During the first three months of 2025, TL 3,039,334 thousand in non-performing receivables of the Group were sold; whereas during the first three months of 2024, TL 2,025,295 thousand in non-performing receivables of the Group were sold.

Provision for Losses on Loans or other Receivables

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

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

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

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

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

	Three months ended 31 March	
	2024	2025
	(TL thousands)	
Expected credit losses.....	15,971,476	23,811,824
12 month ECL (Stage 1).....	4,891,957	6,499,960
Significant increase in credit risk (Stage 2).....	5,791,101	6,837,757
Impaired credits (Stage 3).....	5,288,418	10,474,107
Impairment losses on securities.....	-	57,486
Financial assets measured at fair value through profit or loss.....	-	57,486
Financial assets measured at fair value through other comprehensive income.....	-	-
Impairment losses on associates, subsidiaries and joint-ventures	-	-
Associates.....	-	-
Subsidiaries.....	-	-
Joint-ventures (business partnership).....	-	-
Others.....	39,785	195,898
Total.....	16,011,261	24,065,208

The following table sets out the Group's expected credit losses for loans during the first three months of both 2024 and 2025:

	Stage 1	Stage 2	Stage 3	Total
	(TL thousands)			
Balances at beginning of period (1 January 2024).....	5,851,076	27,784,054	17,730,763	51,365,893
Additions during the period (+).....	3,090,957	4,864,323	2,125,289	10,080,569
Disposal (-)	(3,721,715)	(2,817,765)	(141,140)	(6,680,620)
Debt sale (-)	-	-	(2,025,294)	(2,025,294)

Write-offs (-).....	-	-	(1,399,500)	(1,399,500)
Transfer to Stage 1	1,793,609	(1,782,132)	(11,477)	-
Transfer to Stage 2	(643,791)	656,545	(12,754)	-
Transfer to Stage 3	(15,146)	(1,443,436)	1,458,582	-
Foreign currency differences.....	155,745	1,690,000	284,036	2,129,781
Balance as of 31 March 2024.....	6,510,735	28,951,589	18,008,505	53,470,829
Balances at beginning of period (1 January 2025).....	8,918,792	25,693,600	26,198,191	60,810,583
Additions during the period (+).....	4,830,349	6,281,924	7,763,950	18,876,223
Disposal (-)	(5,011,962)	(5,571,542)	(2,652,120)	(13,235,624)
Debt sale (-)	(8)	(330)	(2,249,952)	(2,250,290)
Write-offs (-).....	-	-	(173,408)	(173,408)
Transfer to Stage 1	2,460,564	(2,440,888)	(19,676)	-
Transfer to Stage 2	(1,808,886)	1,840,740	(31,854)	-
Transfer to Stage 3	(37,862)	(3,274,749)	3,312,611	-
Foreign currency differences.....	329,734	2,011,462	380,542	2,721,738
Balance as of 31 March 2025.....	9,680,721	24,540,217	32,528,284	66,749,222

The Group's NPL ratio increased to 2.4% as of 31 March 2025 as compared to 2.1% as of 31 December 2024, mainly due to net flows from retail and credit card portfolio, as the natural consequence of robust consumer and credit card growth driven by higher volume in consumer and credit card loans.

The Group also reflects on its balance sheet a category of "loans under follow-up," which are loans transferred to Stage 2 due to a significant increase in credit risk since initial recognition based upon TFRS 9. This amount was TL 107,204,867 thousand, TL 129,895,560 thousand, TL 208,931,164 thousand and TL 214,680,577 thousand, respectively, 31 December 2022, 2023, 2024 and 31 March 2025 portions of which amount might later either be transferred to Stage 1 (*i.e.*, when a loan becomes a loan in good standing) or be transferred to Stage 3 and treated as an NPL (and have related specific provisions) should a loan become non-performing.

There were no additional general reserves in the first three months of either 2024 or 2025. The provisions were taken in accordance with the conservatism principle applied by the Group in considering the circumstances that may arise from any changes in the economy or market conditions. See "*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification.*"

Write-off policy

The general policy of the Bank regarding the write-off process for loans is to write-off a loan that has, during the legal follow-up process, been determined to be uncollectible. As information regarding write-offs is only reported by the Group on an annual basis, see: "Results of Operations for the years ended 31 December 2021, 2022 and 2023 - Write-off Policy."

Personnel Expenses

Personnel expenses include the salaries and wages that the Group pays to its employees. Personnel expenses increased by 56.9% to TL 13,561,064 thousand in the first three months of 2025 from TL 8,640,634 thousand in the same period of 2024. This increase was principally the result of higher wage levels due to salary increases driven by inflation. The Group's management anticipates that the currently elevated level of Turkish inflation will result in higher personnel expenses in the remainder of 2025.

Other Operating Expenses

The Group's other operating expenses include traditional business expenses such as depreciation and amortisation expenses on tangible and intangible assets and operational lease-related expenses. Other operating expenses in the first three months of 2025 increased by 68.0% to TL 22,079,305 thousand from TL 13,139,030 thousand in the same period of the prior year, which change principally resulted from an increase in "other expenses," which includes various normal course expenses such as legal expenses and utility charges, none of which is individually material.

As noted above, as a banking institution, the Group's management focuses closely on the Group's efficiency and (within the context of maintaining the quality of its services) seeks to decrease its cost-to-income ratio. The Group's cost-to-

income ratio (which includes both personnel expenses as well as other operating expenses) increased from 46.1% in full year 2024 to 50.6% in the first three months of 2025, which change was due to increasing expenses as a result of annual salary adjustments and roll-over impact of previous annual salary adjustments. A similar ratio monitored by the Group is operating expenses to average total assets ratio (operating expenses as a percentage of average total assets), which was 4.1% during the first three months of 2025 (non-annualised operating expenses as a percentage of average total assets was 1.0% as at the same date), decreasing from 3.9% in full year 2024.

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

	Three months ended 31 March	
	2024	2025
	<i>(TL thousands)</i>	
Reserve for employee termination benefits	209,856	302,721
Impairment losses on tangible assets	809	735
Depreciation expenses of tangible assets	411,098	687,681
Impairment losses on intangible assets		0
Amortisation expenses of intangible assets	163,068	334,784
Impairment losses on assets to be disposed	0	922
Depreciation expenses of right-of-use assets	211,126	312,864
Impairment losses on assets held for sale and discontinued assets	0	1,519
Operational lease-related expenses	137,437	180,620
Repair and maintenance expenses	158,732	188,602
Advertisement expenses	529,975	1,358,558
Loss on sale of assets	1,956	94,233
Other expenses ⁽¹⁾	7,367,284	12,640,898
Others ⁽²⁾	3,947,689	5,975,168
Other operating expenses	13,139,030	22,079,305

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

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

Provision for Taxes

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

Income taxation charges for the first three months of 2025 amounted to TL 8,934,984 thousand, which was a 6.4% increase from TL 8,399,106 thousand in the same period of 2024. The Group's taxation charges during the first three months of 2025 included a deferred tax credit of TL 251,266 thousand whereas in the same period of 2024 the deferred tax credit was TL 2,611,991 thousand, both as a result of improvements in mark-to-market valuation of derivative financial instruments.

Taxes on income from the Group's non-Turkish operations were immaterial in the first three months of 2024 and 2025.

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

Net Profit/(Loss)

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

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

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

- (1) See “—Provisions for Expected Credit Losses” above. As such general provisions are not permitted under the BRSA Principles, the Group’s independent auditors noted this departure in the Group’s BRSA Financial Statements by qualifying their audit opinion.
- (2) The fine in 2022 resulted from the Central Bank’s application of an additional fee of a “penal nature” to Turkish banks (including the Bank) on the grounds that they did not fulfil their obligation to inform the Central Bank about spot foreign currency transfers abroad. The positive amount in 2023 reflects the reversal of fines.

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

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

Total Operating Profit

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

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

Net Interest Income

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

interest income was mainly due to higher spread between the Turkish Lira-denominated loans (excluding credit card loans) yields and Turkish Lira-denominated deposit costs. Also, in 2024, despite a lower CPI rate used in the valuation of CPI-linked securities, income on CPI-linked securities was higher due to growing internal rate of return value of CPI-linked securities. However, while income from CPI-linked securities was higher year in year, its contribution to net interest margin was lower.

The Group's net interest margin was 9.1%, 5.4% and 5.4%, respectively, in 2022, 2023 and 2024. In 2022, the Group's net interest margin expanded, primarily due to lower funding costs, especially in the first half of the year, due in part to the Central Bank's low policy rate and an increase in interest income as a result of significant increases in loans. In 2023, the main factors behind the contraction were interest rate caps imposed on Turkish Lira-denominated business loans in the first half of the year during a low-interest environment and, in the second half, the continued increase in Turkish Lira deposit costs due to the increases in the Central Bank's policy rate (which was 8.50% as of March 2023; *however*, after the presidential elections in May 2023, the Central Bank increased the rate in steps to 50.00%, and then reduced it to 47.50% in November 2024 and to 45.00% in January 2025) and the continued impact of regulations (See "*Turkish Regulatory Environment—Liquidity and Reserve Requirements*"). In 2024, the Group's net interest margin remained stable at 5.4%. In this environment, the Bank's management managed loan growth to seek to minimise the negative impact of these regulatory changes while reducing the duration gap in order to position the balance sheet for an expected increasing interest rate environment. Interest earning on CPI-linked securities also contributed in both 2022 and 2023; *however*, despite an increased volume of income accruals, the contribution of CPI-linked securities decreased in 2023 due to the decline in the October inflation rate from 85% in 2022 to 62% in 2023. See also "*—Significant Factors Affecting the Group's Financial Condition and Results of Operations—Interest Rate Environment.*" In 2024, despite the continuing impact of macroprudential policies, which capped the loan growth and led to an increase in the cost of deposits, due to increased reserve requirements and revised conversion targets for conversion of foreign currency-protected deposits to standard Turkish Lira deposits, the Group's net interest margin remained stable, mainly with the support of interest income from reserve requirements.

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

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

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

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

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

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

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

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

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

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

	2022	2023	2024
Total interest rates for the Group	7.70%	15.06%	28.39%
Total interest rates for the Bank	8.83%	18.14%	32.65%
Deposits.....	9.00%	20.29%	37.81%
Short-term debt (one year or less).....	11.87%	22.15%	36.42%
Long-term debt.....	8.15%	9.61%	9.73%
Repurchase agreements.....	8.67%	4.43%	17.86%

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

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

The second largest component of the Group's operating income is its net fees and commissions income/(expenses). The Group earns fee and commission income on both capital-intensive products (such as origination fees on cash loans and fees for credit cards, letters of credit and guarantees) and capital-free products (such as money transfers, payment system fees,

investment advice and brokerage fees in respect of debt and equity trading). The principal drivers for fee and commission income are money transfer and payment system fees.

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

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

	2022	2023	2024
		(TL thousands)	
Fees and commissions income	25,181,084	60,066,697	141,650,649
Non-cash loans	1,908,133	3,440,414	5,083,119
Cash loans.....	2,609,414	4,752,014	8,077,685
Brokerage and Asset Management	2,211,701	2,997,193	5,238,887
Money transfer.....	2,924,668	5,751,007	8,850,582
Insurance	517,233	1,315,798	2,777,078
Payment systems	14,016,473	38,027,562	106,925,772
Other.....	993,463	3,782,710	4,697,526
Fees and commissions expenses	7,034,764	16,566,073	44,543,975
Non-cash loans	71,015	67,557	93,753
Cash loans.....	-	-	-
Brokerage and Asset Management	-	-	-
Money transfer.....	92,229	142,822	194,592
Insurance	-	-	-
Payment systems	6,234,331	15,100,897	41,872,574
Other.....	637,189	1,254,797	2,383,056
Net fees and commissions income/expenses	18,146,320	43,500,624	97,106,674

Dividend Income

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

Net Trading Income/Losses

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

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

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

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

Other Operating Income

Other operating income includes various additional sources of income, including the collection or reversal of previous periods' provisions (including from the sale of NPLs), banking services-related costs recharged to customers, premium income from insurance business and income on custody services. Total other operating income was TL 16,465,378 thousand in 2022, increasing by 190.5% in 2023 to TL 37,257,646 thousand and further increasing by 152.0% to TL 56,616,743 thousand in 2024. The following table sets out the Group's other operating income by category for the indicated years:

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

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

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

In 2022, 2023 and 2024, non-performing loans, lease receivables and factoring receivables of the Bank and/or its consolidated financial subsidiaries amounting to TL 829,066 thousand, TL 1,070,392 thousand and TL 3,808,010 thousand, respectively, were sold. After reflecting the related provisions that had been provided for in prior periods, a gain/(loss) from these sales amounting to TL 7,702 thousand, TL 22,170 thousand and TL 2,867 thousand, respectively, was recognised under "other operating income."

Provision for Losses on Loans or other Receivables

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

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

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

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

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

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

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

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

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

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

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

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

The Bank’s management increased the general reserves by TL 500,000 thousand (to TL 8,000,000 thousand) in 2022, due to the possible effects of negative circumstances that might arise in the economy or in market conditions. In 2023, the Bank’s management (in light of the normalisation of the macro-economic conditions after the May 2023 elections) reversed all TL 8,000,000 thousand of such general reserves. In later periods, no allocation has been made regarding to general reserves. See “*Risk Factors—Risks Relating to the Group and its Business—Other Group-Related Risks—Audit Qualification.*”

Write-off policy

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

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

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

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

Personnel Expenses

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

Other Operating Expenses

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

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

inflation. A similar ratio monitored by the Group is its operating expenses to average total assets ratio (operating expenses as a percentage of average total assets), which ratio was 2.4% in 2022, 3.0% in 2023 and 3.9% in 2024.

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

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

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

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

Provision for Taxes

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

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

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

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

Financial Condition

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

Balance Sheet Data:	As of 31 December						As of 31 March	
	2022	%	2023	%	2024	%	2025	%
<i>(TL thousands, except for percentages)</i>								
Assets:								
Cash and cash equivalents.....								
Financial assets measured at fair value through profit/(loss) (FVTPL) ⁽¹⁾	271,499,741	20.8	524,306,450	23.8	622,570,737	20.7	861,022,143	24.6
Financial assets measured at fair value through other comprehensive income (FVOCI).....	5,771,459	0.4	8,589,689	0.4	12,126,843	0.4	9,618,157	0.3
Derivative financial assets.....	88,928,400	6.8	101,575,253	4.6	139,088,845	4.6	172,604,245	4.9
Loans.....	11,035,218	0.8	11,627,700	0.5	13,960,009	0.5	18,003,039	0.5
Lease receivables.....	761,104,244	58.4	1,217,975,966	55.3	1,776,363,816	59.2	1,985,190,259	56.7
Factoring receivables.....	18,932,293	1.5	30,022,130	1.4	36,512,833	1.2	43,120,760	1.2
Other financial assets measured at amortised cost ..	9,542,402	0.7	11,593,626	0.5	13,085,083	0.4	18,970,334	0.5
Expected credit losses.....	110,019,856	8.4	216,382,865	9.8	270,072,445	9.0	278,119,650	8.0
Assets held for sale and assets of discontinued operations.....	(40,552,805)	(3.1)	(52,410,595)	(2.4)	(61,222,991)	(2.0)	(67,145,997)	(1.9)
Ownership investments (net).....	780,418	0.1	2,141,054	0.1	3,807,084	0.1	3,779,126	0.1
Tangible assets.....	2,280,962	0.2	6,379,791	0.3	9,012,068	0.3	9,938,932	0.3
Intangible assets.....	11,788,007	0.9	21,952,980	1.0	36,678,845	1.2	39,337,050	1.1
Investment property.....	1,263,022	0.1	2,548,249	0.1	4,364,462	0.1	5,378,503	0.2
Current tax assets.....	926,800	0.1	1,590,712	0.1	2,416,949	0.1	2,420,111	0.1
Deferred tax assets.....	9,604	0.0	127,590	0.0	159,784	0.0	243,040	0.0
Other assets.....	7,105,391	0.5	20,291,063	0.9	20,728,047	0.7	20,976,861	0.6
Total assets.....	43,143,471	3.3	77,018,572	3.5	102,854,520	3.4	96,712,598	2.8
Liabilities:	1,303,578,483	100.0	2,201,713,095	100.0	3,002,579,379	100.0	3,498,288,811	100.0
Deposits.....								
Funds borrowed.....	908,739,459	69.7	1,604,930,709	72.9	2,154,347,642	71.7	2,584,663,836	73.9
Money markets funds.....	45,856,723	3.5	60,439,559	2.8	68,116,773	2.3	78,344,868	2.2
Securities issued (net).....	24,299,009	1.9	55,994,558	2.5	46,882,832	1.6	38,925,718	1.1
Financial liabilities measured at FVTPL.....	17,608,189	1.4	11,142,952	0.5	28,109,501	0.9	46,690,169	1.3
Derivative financial liabilities.....	32,020,818	2.5	49,046,956	2.2	57,223,084	1.9	60,503,344	1.7
Lease payables.....	10,952,360	0.8	11,569,225	0.5	15,123,947	0.5	17,212,610	0.5
Provisions.....	1,459,250	0.1	2,273,026	0.1	2,949,292	0.1	5,090,092	0.1
Current tax liability.....	21,476,401	1.6	21,578,965	1.0	26,447,227	0.9	29,199,767	0.8
Deferred tax liability.....	8,050,327	0.6	11,700,581	0.5	18,779,668	0.6	26,650,939	0.8
Subordinated debts.....	197,828	0.0	129,369	0.0	186,841	0.0	288,333	0.0
Other liabilities.....	15,245,929	1.2	23,639,403	1.1	67,070,618	2.2	74,320,874	2.1
Total liabilities.....	64,548,070	5.0	103,646,274	4.7	185,933,336	6.2	195,731,302	5.6
Shareholders' equity.....	1,150,454,363	88.3	1,956,091,577	88.8	2,671,170,761	89.0	3,157,621,852	90.3
Total liabilities and shareholders' equity....	153,124,120	11.7	245,621,518	11.2	331,408,618	11.0	340,666,959	9.7

(1) As disclosed in note 5.1.2.2 of the Group's BRSA Financial Statements dated as of and for the year ended 31 December 2024, loans whose contractual conditions are inconsistent with a basic lending agreement (consideration for the time value of money and credit risk are typically the most significant elements of interest) are measured at fair value through profit or loss. As of 31 December 2024, loans with a fair value of TL 54.062 (31 December 2023: TL 54,850) have been classified under other financial assets.

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

Assets

As of 31 March 2025, the Group's total assets amounted to TL 3,498,288,811 thousand a 16.5% increase from TL 3,002,579,379 thousand as of 31 December 2024, itself a 36.4% increase from TL 2,201,713,095 thousand as of 31 December 2023, itself a 68.9% increase from TL 1,303,578,483 thousand as of 31 December 2022. Cash and balances with central banks (and, after a change to the presentation of the financial statements as per new rules introduced by the BRSA, cash and cash equivalents) represented 20.8%, 23.8%, 20.7% and 24.6% of the Group's total assets as of 31 December 2022, 2023, 2024 and 31 March 2025, respectively, as most of the Group's funds are invested in interest-earning assets. The following describes the Group's loans and financial assets (including: (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income and (c) financial assets measured at amortised cost), which jointly represented 73.2%, 69.7%, 72.8% and 69.8%, respectively, of the Group's total assets as of 31 December 2022, 2023, 2024 and 31 March 2025.

Loans. Loans to customers represented 58.4%, 55.3%, 59.2% and 56.7% of the Group's total assets as of 31 December 2022, 2023, 2024 and 31 March 2025, respectively. The Group's loans amounted to TL 1,985,190,259 thousand

as of 31 March 2025, an 11.8% increase from TL 1,766,363,816 thousand as of 31 December 2024, itself a 45.8% increase from TL 1,217,975,966 thousand as of 31 December 2023, itself a 60.0% increase from TL 761,104,244 thousand as of 31 December 2022. Note 5.1.5 in the Group's BRSA Financial Statements provides significant details about the breakdown of the Group's loan portfolio, including information on performing loans, collateral, maturity, consumer loan breakdown and provisions.

This growth was spread across a wide range of groups and industries, reflecting the Group's ability to meet the strong demand for consumer loans and loans to certain industry sectors (including energy and transportation vehicles) and the impact of the KGF programme. The Bank has a low direct exposure to the real estate sector and benefits from state guarantees for its loans to various large infrastructure projects. In 2023, the growth in Turkish Lira-denominated performing loans was 59.1%, which was slightly above the sector growth of 53.3%. The growth remained strong in credit card loans and consumer loans, which increased by 116.3% and 50.3%, respectively, as of 31 December 2023 from the end of the previous year. As the regulatory price cap on Turkish Lira-denominated commercial loans gradually eased throughout 2023, the Bank adjusted its overall lending strategy accordingly while maintaining its SME-oriented growth strategy. As such, the growth in Turkish Lira-denominated commercial loans was 37.5% during 2023, which was slightly below the sector's growth of 38.9%. In the 2024, the growth in Turkish Lira-denominated performing loans was 52.3%, which was above the sector growth of 30.1%. The growth remained strong in credit card loans and consumer loans, which increased by 74.0% and 52.3%, respectively, as of 31 December 2024 from the end of the previous year. As the regulatory price cap on Turkish Lira-denominated commercial loans were removed in 2024, the growth in Turkish Lira-denominated commercial loans was 34.8% during 2024, which was above the sector's growth of 19.7%. The growth in Turkish Lira-denominated commercial loans was lower than other segments as demand from corporates was subdued due to expectation of rate cuts in 2025. In the first quarter of 2025, the growth in Turkish Lira-denominated performing loans was 7.4%, which was above the sector growth of 6.7 %. The growth remained strong in credit card loans and Turkish Lira-denominated consumer loans, which increased by 52.4% and 53.5%, respectively, and outperformed the sector's growth of 35.9% and 35.0% respectively, as of 31 March 2025 from the end of the previous year. With respect to foreign currency-denominated loans, these loans increased by 5.0% in 2023 due largely to attractive spreads on export loans. In 2024, foreign currency-denominated loan growth was 12.9%. A 2.0% monthly growth cap for foreign currency-denominated loans was introduced in May 2024, which was further tightened to 1.5% in July 2024, later to 1.0% in January 2025 and 0.5% in March 2025. However, the Bank grew in areas such as export loans, which were not subject to the cap in 2024. In the first quarter of 2025, foreign currency-denominated loan growth was 9%, which was due to the appreciation of euro against U.S. dollars, given that the volume of the Bank's euro-denominated loans is higher than the volume of U.S. dollars-denominated loans.

In the first three months of 2025, the Group's NPLs increased by 26.5% to TL 49,511,188 thousand, which was mainly due to inflow coming from unsecured consumer loans and credit cards. In 2024, the Group's NPLs increased by 49.6% to TL 39,145,869 thousand, which was mainly due to inflow coming from unsecured consumer loans and credit cards. The Group's NPLs increased by 28.9% to TL 26,158,606 thousand as of 31 December 2023 from TL 20,289,804 thousand as of 31 December 2022, which was mainly due to continuing NPL inflows of unsecured consumer loans driven by growth in the volume of unsecured consumer loans.

As of 31 December 2022, 2023, 2024 and 31 March 2025, the Group's restructured loans amounted to TL 47,882,654 thousand, TL 43,060,173 thousand, TL 52,189,560 thousand and TL 60,558,077 thousand, respectively. The increase in the Group's restructured loans in the first quarter of 2025 was as a result of restructuring of credit cards receivables and consumer loans. The increase in the Group's restructured loans in 2024 was the result of restructuring of credit card receivables. For additional information on the movement of the NPL balances in the Group's balance sheet, see note 5.1.5.10 in the Group's BRSA Financial Statements (see "*—Significant Factors Affecting the Group's Financial Condition and Results of Operations—Impact on Asset Quality*").

The NPL ratio declined to 2.1% as of 31 December 2023 from 2.6% in 2022, which was due to significant increase in loans during a time of limited NPL inflows and TL 13,668,003 thousand in write-downs and write-offs in 2023 and TL 1,288,809 thousand of NPL sales, both of which reduced the NPL ratio. The Group's NPL ratio remained stable at 2.1% as of 31 December 2024, as a result of strong collection performance, TL 9,960,043 thousand NPL sales, write-downs and write-offs amounting to TL 17,811,603 thousand. The Group's NPL ratio increased to 2.4% as of 31 March 2025, mainly due to net flows from retail and credit card portfolio, driven by higher volume in consumer and credit card loans. During 2022, 2023, 2024 and the first three months of 2025, the Group had TL 12.0 billion, TL 13.7 billion, TL 17.8 billion and TL 17.8 billion of write-downs and write-offs, respectively, accounting for a 1.46%, 1.05%, 0.95% and 0.84% decline in the NPL ratio, respectively (i.e., the NPL ratio would have been higher by such amount had such write-downs and write-offs not occurred).

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

Financial Assets. Financial assets (including: (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income and (c) financial assets measured at amortised cost), principally Turkish government securities, have historically represented a significant portion of the Group's assets. As of 31 December 2022, 2023, 2024 and 31 March 2025, investment securities represented 15.7%, 10.9%, 14.0% and 13.2%, respectively, of the Group's total assets. In each of these periods, the change in investment securities as a portion of the Group's total assets was the result of the Bank's focus on lending. The following table provides information as to the breakdown of the Group's financial asset portfolio (excluding derivative financial assets held for trading) as of the indicated dates:

	As of 31 December						As of 31 March	
	2022	%	2023	%	2024	%	2025	%
<i>(TL thousands, except for percentages)</i>								
Financial assets measured at fair value through profit/(loss)								
Government securities.....	2,513,999	1.2	5,357,399	1.6	10,342,555	2.5	6,807,579	1.5
Equity securities.....	2,647,455	1.3	2,167,803	0.7	531,582	0.1	1,267,952	0.3
Other financial assets	610,005	0.3	1,064,487	0.3	1,252,706	0.3	1,542,626	0.3
Total financial assets measured at fair value through profit/(loss)	5,771,459	2.8	8,589,689	2.6	12,126,843	2.9	9,618,157	2.0
Financial assets measured at fair value through other comprehensive income								
Government securities.....	77,097,126	37.8	79,943,012	24.6	104,232,716	24.8	133,894,207	29.1
Equity securities.....	1,022,719	0.5	1,930,116	0.6	3,268,408	0.8	3,820,613	0.8
Other financial assets	10,808,555	5.3	19,702,125	6.1	31,587,721	7.5	34,889,425	7.6
Total financial assets measured at FVOCI..	88,928,400	43.6	101,575,253	31.2	139,088,845	33.1	172,604,245	37.6
Financial assets measured at amortised cost								
Government securities.....	105,264,533	51.6	199,007,329	61.1	242,442,776	57.6	250,839,885	54.6
Other financial assets	4,755,323	2.3	17,375,536	5.3	27,629,669	6.6	27,279,765	5.9
Total financial assets measured at amortised cost	110,019,856	53.9	216,382,865	66.5	270,072,445	64.2	278,119,650	60.5
Expected credit losses (-).....	(466,516)	(0.2)	(1,044,702)	(0.3)	(412,408)	(0.1)	(396,775)	(0.1)
Total.....	204253,199	100.0	325,503,105	100.0	420,875,725	100	459,945,277	100

As of 31 December 2022, 2023, 2024 and 31 March 2025, respectively, securities issued by Türkiye represented 90.3%, 87.1%, 84.8% and 85.1% of the Group's securities portfolio consisting of: (a) financial assets measured at fair value through profit or loss (excluding derivative financial assets), (b) financial assets measured at fair value through other comprehensive income and (c) financial assets measured at amortised cost.

The most significant changes in the Group's securities portfolio from 2022 through the first three months of 2025 was the increase in holdings of Turkish government securities held as financial assets measured at amortised cost in the table above, which increased from 51.6% of the Group's total investment securities portfolio as of 31 December 2022 to 61.1% as of 31 December 2023, to 57.6% as of 31 December 2024 and to 54.6% as of 31 March 2025.

Pursuant to Turkish market practice, the Group pledges securities to acquire funding under security repurchase agreements. The Group utilises such funding depending upon the difference in rates paid on deposits compared to Central Bank rates, which vary based upon market conditions as well as Central Bank policy. The securities in its securities portfolio that were so pledged amounted to TL 24,788,685 thousand as of 31 December 2022, TL 45,308,190 thousand as of 31 December 2023, TL 40,479,558 thousand as of 31 December 2024 and TL 45,709,322 thousand as of 31 March 2025, comprising 12.1%, 13.9%, 9.6% and 9.9%, respectively, of the Group's total securities portfolio.

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

Liabilities

As of 31 March 2025, the Group's total liabilities amounted to TL 3,157,621,852 thousand, an 84.6% increase from TL 2,671,170,761 thousand, itself a 73.2% increase from TL 1,956,091,577 thousand as of 31 December 2023, itself a 58.8% increase from TL 1,150,454,363 thousand as of 31 December 2022.

The Group's TL 987,789,401 thousand in average interest-bearing liabilities during the first three months of 2025 resulted primarily from average time deposits of customers (87.8%), average funds borrowed (4.0%) and average securities issued (2.4%). These same categories represented 85.6%, 4.4% and 1.2%, respectively, of the Group's TL 1,387,669,537 thousand in average interest-bearing liabilities during 2024, 85.6%, 5.9% and 1.1%, respectively, of the Group's TL 922,741,292 thousand in average interest-bearing liabilities during 2023, 80.5%, 8.9% and 4.1%, respectively, of the Group's TL 536,903,774 thousand in average interest-bearing liabilities during 2022.

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

Deposits. Deposits have been and are expected to continue to be the most important source of funding for the Group. The Group's total deposits amounted to TL 2,584,663,836 thousand as of 31 March 2025, a 20.0% increase from TL 2,154,347,642 thousand as of 31 December 2024, itself a 34.2% increase from TL 1,604,930,709 thousand as of 31 December 2023, itself a 76.6% increase from TL 908,739,459 thousand as of 31 December 2022. Foreign currency deposits (principally U.S. dollars and euro) represented 53.2%, 45.3%, 41.9% and 44.0% of the Group's total deposits as of 31 December 2022, 2023, 2024 and 31 March 2025, respectively. For additional information on the Group's deposits, see note 5.2.1 in the Group's BRSA Interim Financial Statements and "*Selected Statistical and Other Information—Deposits.*"

Funds borrowed. As deposits are generally of a short-term duration, the Group has obtained wholesale funding on a more limited basis principally to better match the maturity and currency of its longer-term assets. This funding has included the Bank's borrowings (including syndicated bank loans) and financings collateralised by certain of the wire transfers and other remittances received by the Bank from its correspondent banks and other senders of such transfers. Funds borrowed amounted to TL 78,344,868 thousand as of 31 March 2025 (1.9% of the Group's total liabilities), TL 68,116,773 thousand as of 31 December 2024 (2.3% of the Group's total liabilities), TL 60,439,559 thousand as of 31 December 2023 (2.7% of the Group's total liabilities), TL 45,856,723 thousand as of 31 December 2022 (3.5% of the Group's total liabilities). A portion of these liabilities (either when incurred or as a result of aging) are themselves short-term (as of 31 March 2025, 25.7% of funds borrowed were "short term" (*i.e.*, having a remaining term-to-maturity of one year or less) as compared to 15.6%, 13.7% and 22.9%, respectively, as of 31 December 2022, 2023 and 2024). For additional information on the Group's funds borrowed, see note 5.2.2 in the Group's BRSA Interim Financial Statements and "*Selected Statistical and Other Information—Funds Borrowed and Certain Other Liabilities.*"

Securities issued. Securities issued amounted to TL 46,690,169 thousand as of 31 March 2025 (constituting 1.5% of the Group's total liabilities), increasing its share of the Group's total liabilities as compared to TL 28,109,501 thousand as of 31 December 2024 (constituting 0.9% of the Group's total liabilities), increasing its share of the Group's total liabilities as compared to TL 11,142,952 thousand as of 31 December 2023 (2.5% of the Group's total liabilities) and TL 17,608,189 thousand as of 31 December 2022 (1.4% of the Group's total liabilities). In the first quarter of 2025, the increase was due to various medium term note issuances. In 2024, the increase was due to the issuance of Tier-2 bonds and various Series of Notes under the Programme. In 2023 the decline was due to the Bank's strategy for its wholesale portfolio, taking into consideration the high liquidity levels of the Bank and unfavourable market conditions for new issuances, the Bank utilised bilateral loans and rolling over syndicated loans (while not refinancing a maturing eurobond in 2023). The share of the outstanding balances of such transactions in the Group's balance sheet changes depending upon the relative costs of funding in the market; *however*, it has increased in recent years due to the Group's successful use of the Programme (which it launched in 2013). For additional information on the Group's securities issued, see note 5.2.4 in the Group's BRSA Interim Financial Statements.

Shareholders' Equity

The Group's total shareholders' equity as of 31 March 2025 amounted to TL 340,666,959 thousand, an increase of 2.8% from TL 331,408,618 thousand as of 31 December 2024, itself an increase of 34.9% from TL 245,621,518 thousand as of 31 December 2023, which was an increase of 60.4% from TL 153,124,120 thousand as of 31 December 2022. Shareholders' equity principally changes as a result of the Group's net profit/(loss) and changes in the amount of unrealised gains and losses

on financial assets measured at fair value through other comprehensive income (which changes are not included in profit/(loss)). The following tables summarise the components of the Group's shareholders' equity as of the indicated dates:

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	(TL thousands)			
Paid-in capital	4,200,000	4,200,000	4,200,000	4,200,000
Capital reserves	784,434	784,434	784,434	784,434
Other comprehensive income/expense items not to be recycled to profit or loss	4,561,421	15,299,688	24,983,291	25,592,697
Other comprehensive income/expense items to be recycled to profit or loss	19,914,049	23,453,042	20,607,720	22,664,480
Profit reserves	63,782,784	114,589,030	187,933,574	260,870,304
Profit/(loss)	59,396,697	86,374,997	91,279,430	25,165,219
Minority interest	484,735	920,327	1,620,169	1,389,825
Total shareholders' equity	153,124,120	245,621,518	331,408,618	340,666,959

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

The Bank's dividend policy is to distribute up to 30% of the distributable net profit subject (as is required by law) to the approval of the BRSA. With respect to 2022 net income, the BRSA limits for distributions was 15% of a bank's distribution net income, which represented the maximum amount that the Bank elected to distribute in the following year. With respect to 2023 net income, the Bank distributed in April 2024 13.5% of its distributable net income for the year 2023. With respect to 2024 net income, the Bank distributed in April 2025 20% of its distributable net income for the year 2024. See "Ownership—Dividends and Dividend Policy."

Off-Balance Sheet Commitments and Contingencies

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

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

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

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

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	(TL thousands)			
Letters of guarantee	187,090,406	343,736,133	482,063,138	558,744,095
Letters of credit.....	35,059,723	53,548,755	58,671,180	71,211,112
Bank acceptances.....	3,918,563	7,962,125	8,433,493	9,414,714
Endorsements.....	5,653,771	2,619,600	3,539,092	4,181,590
Other guarantees	646,094	12,043,653	19,617,000	21,913,600
Total guarantees and sureties	232,368,557	419,910,266	572,323,903	665,465,111

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

Commitments. The Group’s “commitments” are composed principally of unused credit limits for credit cards, overdrafts, checks and loans to customers and commitments for credit-linked-notes, under which the Group has unused commitments of TL 1,777,680,203 thousand as of 31 March 2025, an increase of 17.8% from TL 1,508,498,618 thousand as of 31 December 2024, itself an increase of 101.4% from TL 748,892,416 thousand as of 31 December 2023, itself an increase of 200.2% from TL 249,499,657 thousand as of 31 December 2022. These increases are consistent with the general growth of the Group’s lending business, including its credit card business.

Derivative Financial Instruments. The Group’s exposure to derivative transactions arises principally in connection with customer-dealing and funding activities. The Group also enters into certain derivatives transactions in order to hedge its currency, interest rate and other risks. The Group enters into derivative financial instruments with domestic and foreign counterparties that it considers to be creditworthy (mostly with an investment grade rating) or, in most cases, that are fully secured. As of 31 March 2025, the Group’s face values of outstanding derivative contracts arising from various derivatives amounted to TL 2,443,278,085 thousand, a 46.1% increase from TL 1,671,806,611 thousand, itself a 41.9% increase from TL 1,177,937,839 thousand as of 31 December 2023, itself a 9.0% increase from TL 1,081,008,221 thousand as of 31 December 2022. The changes resulted from currency swap transactions and interest rate swaps entered into for the Group and its customers mainly in order to hedge the positions against the volatility in exchange rates and interest rates in the markets. See note 5.3.2 in the BRSA Interim Financial Statements and, for a breakdown of the Group’s commitments arising from derivatives as of 31 December 2022, 2023, 2024 and 31 March 2025, see “*Selected Statistical and Other Information—Derivative Transactions.*”

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

Capital Adequacy

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

In order to implement the rules of the report entitled “A Global Regulatory Framework for More Resilient Banks and Banking Systems” published by the Basel Committee in December 2010 and revised in June 2011 (*i.e.*, Basel III) into Turkish law, the Equity Regulation and amendments to the then-existing capital adequacy regulation each entered into force on 1 January 2014. Subsequently, the BRSA replaced such capital adequacy regulation with the Capital Adequacy Regulation, which entered into force on 31 December 2016. The Equity Regulation defines capital of a bank as the sum of: (a) principal capital (*i.e.*, Tier 1 capital), which is composed of core capital (*i.e.*, Common Equity Tier 1 capital) and additional principal capital (*i.e.*, additional Tier 1 capital) and (b) supplementary capital (*i.e.*, Tier 2 capital) *minus* capital deductions. Pursuant to the Capital Adequacy Regulation: (i) both the unconsolidated and consolidated minimum common equity Tier 1 capital adequacy ratios are 4.5% and (ii) both unconsolidated and consolidated minimum Tier 1 capital adequacy ratios are 6.0%; *however*, due to the application of certain requirements (including the D-SIBs requirements, which only applies on a consolidated basis), such ratios as they apply to the Bank as of the date of this Base Prospectus are 7.0% and 8.5%, respectively, on a Bank-only basis and 8.6% and 10.1%, respectively, on a Group basis.

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

The Group maintains regulatory capital adequacy ratios on both a Bank-only and consolidated basis in excess of the regulatory minimums required and recommended levels. The Group’s Tier 1 and common equity Tier 1 capital adequacy ratios both stood at 16.2% as of 31 December 2022 and then increased to 16.8% as of 31 December 2023 before decreasing to 16.1% as of 31 December 2024 and then decreased to 13.7% as of 31 March 2025 (18.1%, 18.4%, 18.0% and 15.6%, respectively, with respect to the Bank).

The Group’s total capital adequacy ratio of 18.6% as of 31 December 2022 increased to 18.9% as of 31 December 2023, increased to 19.8% as of 31 December 2024 and then decreased to 17.1% as of 31 March 2025 (20.6%, 20.6%, 21.9% and 19.3%, respectively, with respect to the Bank). On 19 December 2024, the BRSA announced that capital adequacy ratio calculations until such date as determined by the BRSA may be calculated using the Central Bank’s foreign exchange buying rates as of 28 June 2024 also that negative revaluation differences of securities classified under “financial assets measured at fair value through other comprehensive income” need not be included in the capital calculation. If such measure had not been taken into account, then the Group’s total capital adequacy ratios as of 31 March 2025 and 31 December 2024 would decline to 16.3% and 18.2%, respectively (18.4% and 20.3%, respectively, with respect to the Bank).

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
<i>(TL thousands, except percentages)</i>				
Paid-in capital	4,200,000	4,200,000	4,200,000	4,200,000
Paid-in capital inflation adjustment.....	772,554	772,554	772,554	772,554
Reserves.....	63,782,784	114,589,030	187,933,574	260,870,304
Profit.....	59,396,697	86,374,997	91,279,430	25,165,219
Tier 1 Capital (I)	152,025,140	241,666,189	327,125,355	335,368,696
Tier 2 Capital (II).....	22,370,738	30,426,490	75,256,969	83,185,087
Deductions (III)	82	2,356	8,779	2,553
Own Funds (I+II-III).....	174,395,796	272,090,323	402,373,545	418,551,230
Risk Weighted Assets (including market and operational risk).....	937,541,310	1,437,302,870	2,035,471,894	2,448,979,969
Capital Ratios:				
Tier 1 capital adequacy ratio ⁽¹⁾	16.2%	16.8%	16.1%	13.7%
Common equity Tier 1 capital adequacy ratio ⁽¹⁾	16.2%	16.8%	16.1%	13.7%
Total capital adequacy ratio ⁽¹⁾	18.6%	18.9%	19.8%	17.1%

- (1) On 17 June 2021 (as revised multiple times thereafter), the BRSA announced that capital adequacy ratio calculations until such date as determined by the BRSA may be calculated using a favourable foreign exchange rate. If such measure had not been taken into account, then the Group's Tier 1, common equity Tier 1 and total capital adequacy ratios would decline to 14.5%, 14.5%, and 16.8%, respectively, as of 31 December 2022, 14.5%, 14.5%, and 16.5%, respectively, as of 31 December 2023, 14.7%, 14.7%, and 18.2%, respectively, as of 31 December 2024 and 13.0%, 13.0%, and 16.3%, respectively, as of 31 March 2025.

The significant increases in the Group's capital in 2023 was driven by growth in the Group's retained earnings, despite significant depreciation of the Turkish Lira. In 2024, the Group's capital remained stable, primarily due to strong income generation, the BRSA's termination of the 200% risk-weight on commercial cash loans and 150% risk-weight on retail cash loans, along with the two Tier-2 issuances in 2024, which largely offset the negative effects of increases in operational market and credit risk adjustments, as well as dividend payments. In the first quarter of 2025, the Group's capital decreased despite the contribution of an increase in net income, mainly due to negative effects of market, credit and operational risk adjustments and the dividend payment.

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

Liquidity and Funding

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

The ability to maintain or replace interest-bearing deposits is a key factor in determining liquidity requirements, as well as the exposure to interest and exchange rate risks. The Group's principal sources of funding are short-term and demand deposits and the Group has developed a diversified and stable deposit base in each of its retail, commercial, corporate and SME business lines, including having one of the largest shares of the Turkish demand deposit market. As of the date of this Base Prospectus, the Bank's management believes that funds from the Group's deposit-taking operations generally will continue to meet its liquidity needs for the foreseeable future; *however*, maturities of large borrowings or securities offerings do from time to time require the Group to have sufficient liquidity on hand, which does require the Group to closely monitor market conditions for potential opportunities to obtain replacement financing on a cost-effective basis. As of 31 December 2022, 2023, 2024 and 31 March 2025, the Group's loan-to-deposit ratio was 84.7%, 76.9%, 82.9% and 77.3%, respectively. In 2023, the ratio declined significantly due to regulatory changes that limited loan growth and encouraged conversion of foreign currency deposits to Turkish Lira. In 2024, the increase in the Group's loan-to-deposit ratio was due to growth in foreign currency-denominated loans and in Turkish Lira-denominated loans. For additional information on deposits, see "*Selected Statistical and Other Information—Deposits*." In the first quarter of 2025, the ratio declined attributable to the implementation of macroprudential measures aimed at tightening consumer loan growth, which in turn moderated lending activity.

To a lesser extent, the Group also funds its operations through short-term and long-term borrowings, eurobond issuances and other domestic and international transactions. The Bank uses the relationships that it develops with its correspondent banks in connection with international payment and trade-related finance activities to raise funds from the syndicated loan markets. The Bank has also capitalised on its ability to generate foreign currency-denominated payments from abroad (such as diversified payment rights) by tapping international capital markets through "future flow" transactions. See "*Selected Statistical and Other Information—Funds Borrowed and Certain Other Liabilities*."

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

The Bank is subject to the BRSA's regulations on the measurement of the liquidity adequacy of a bank. The Regulation on Liquidity Coverage Ratios was published in order to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30-calendar day

period. According to this regulation, the liquidity coverage ratio of banks is not permitted to fall below 100% on an aggregate basis and 80% on a foreign currency-only basis. See “*Turkish Regulatory Environment—Capital Adequacy.*”

The Group’s simple averages of daily liquidity ratios for each of the last three months of the past three fiscal years and each month during the first quarter of 2025 are shown below:

	Turkish Lira + Foreign Currency	Foreign Currency
31 October 2022.....	218.36%	556.61%
30 November 2022.....	212.16%	511.81%
31 December 2022.....	216.28%	499.90%
31 October 2023.....	230.51%	273.56%
30 November 2023.....	216.66%	275.78%
31 December 2023.....	221.86%	316.78%
31 October 2024.....	181.03%	195.34%
30 November 2024.....	159.29%	184.82%
31 December 2024.....	158.02%	209.76%
31 January 2025.....	154.69%	191.15%
28 February 2025.....	164.23%	184.13%
31 March 2025.....	140.14%	158.15%

The following table sets out the calculation of the Group’s period-end liquidity ratios during each of the past three fiscal years, including the “liquidity coverage ratios” that are applied to the applicable asset and liability category in determining (with respect to assets) how much liquidity the Group maintains and (with respect to liabilities) how much liquidity the Group is required to maintain:

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

The following table sets out similar information for the three months ended 31 March 2025:

	Three months ended 31 March 2025
	<i>(TL thousands, except percentages)</i>
Net Provisions.....	9,516,056
Average Loans and Receivables - Cumulative.....	1,936,621,543
Net Cumulative Cost of Risk	1.99%
Net Provisions.....	9,516,056
Currency Impact.....	(2,709,663)
Net Provisions excluding currency impact	6,806,393
Average Loans and Receivables - Cumulative.....	1,936,621,543
Net Cumulative Cost of Risk excluding currency impact	1.43%

	Three months ended 31 March 2025	
	TL + FC	Foreign Currency
	<i>(TL thousands, except percentages)</i>	
<u>High-Quality Liquid Assets</u>		
Total high-quality liquid assets	820,526,614	396,906,908
Cash Outflows		
Retail deposits and deposits from small business customers, of which.....	127,886,430	57,117,203
<i>Stable deposits</i>	16,390,839	716,819
<i>Less stable deposits</i>	111,495,591	56,400,384
Unsecured wholesale funding, of which	486,303,338	209,021,803
Non-operational deposits	375,381,870	177,528,932
Unsecured funding	110,921,468	31,492,871
Secured wholesale funding	3,717,587	2,385,223
Other cash outflows, of which	164,670,591	118,667,857
<i>Outflows related to derivative exposures and other collateral requirements</i>	13,375,855	87,687,410
<i>Payment commitments and other off-balance sheet commitments granted for debts to financial markets</i>	151,294,736	30,980,447
Other revocable off-balance sheet commitments and contractual obligations	1,304,787	1,202,178
Other irrevocable or conditionally revocable off-balance sheet obligations	3,072,759	3,008,686
Total Cash Outflows	786,955,492	391,402,950
Cash Inflows		
Secured receivables.....		
Unsecured receivables	231,016,185	97,169,573
Other cash inflows	11,781,333	61,186,085
Total Cash Inflows	242,797,518	158,355,658
Total High-Quality Liquid Assets (HQLA)	820,526,614	396,906,908
Total Net Cash Outflows	544,157,974	233,047,292
Liquidity Coverage Ratio	153.02%	177.81%

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

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

Capital Expenditures

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

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

SELECTED STATISTICAL AND OTHER INFORMATION

The following tables present certain selected statistical and other information for the Group (or, in certain indicated circumstances, the Bank) as of the indicated dates and for the indicated periods. Except as specifically noted herein, the selected statistical and other information should be read in conjunction with the BRSA Annual Financial Statements (including the notes therein) and the information contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” All foreign currency amounts in this section were notionally converted into Turkish Lira in the manner described in Section Three of the Group’s BRSA Annual Financial Statements as of and for the year ended 31 December 2024.

I. Distribution of Assets, Liabilities and Shareholders’ Equity; Interest Rates and Interest Differential

A. Average Balance Sheet and Interest Data

The following tables set out the average balances of assets and liabilities, and the interest earned or expensed on such amounts, of the Bank for the indicated years. For purposes of the following tables, except as otherwise indicated, the average for each year is calculated on a daily basis and is based upon management estimates (and thus are not equivalent to the parallel APM definitions). For purpose of the following tables: (a) non-accruing credits have been treated as non-interest-earning assets and (b) loan fees have been included in interest income.

	2022			2023			2024		
	Average Balance	Avg. Yield	Interest Income	Average Balance	Avg. Yield	Interest Income	Average Balance	Avg. Yield	Interest Income
(TL thousands, except percentages)									
ASSETS									
Average interest-earning assets									
Deposits with banks ⁽¹⁾	68,248,881	5.0%	3,445,574	132,995,716	6.02%	8,008,432	210,706,932	23.14%	48,757,251
<i>Turkish Lira</i>	33,070,381	7.8%	2,576,840	76,291,478	5.34%	4,077,526	179,563,126	25.33%	45,484,110
<i>Foreign currency</i>	35,178,500	2.5%	868,734	56,704,238	6.93%	3,930,906	31,143,806	10.51%	3,273,141
Investments in securities	130,224,146	31.6%	41,162,769	229,038,808	23.26%	53,272,451	339,233,650	24.01%	81,439,323
<i>Turkish Lira</i>	77,992,528	48.8%	38,052,807	150,495,110	32.14%	48,371,727	244,896,407	30.89%	75,660,303
<i>Foreign currency</i>	52,231,618	6.0%	3,109,962	78,543,698	6.24%	4,900,724	94,337,243	6.3%	5,779,020
Loans and advances to customers, and other interest-earning assets	526,326,230	15.4%	81,224,232	818,984,850	18.64%	152,679,384	1,234,520,272	29.96%	369,837,247
<i>Turkish Lira</i>	355,554,964	21.7%	72,876,951	594,225,790	21.70%	128,968,115	897,254,417	37.83%	339,387,307
<i>Foreign currency</i>	170,771,265	2.4%	8,347,280	224,759,060	10.55%	23,711,270	337,265,855	9.03%	30,449,940
Total for average interest-earning assets	724,799,256	17.4%	125,832,575	1,181,019,375	18.12%	213,960,267	1,784,460,855	28.02%	500,033,821
<i>Turkish Lira</i>	466,617,873	25.2%	113,506,598	821,012,379	22.10%	181,417,367	1,321,713,950	34.84%	460,531,720
<i>Foreign currency</i>	258,181,384	3.1%	12,325,977	360,006,996	9.04%	32,542,899	462,746,904	8.54%	39,502,101
Average non-interest-earning assets									
Cash and cash equivalents	44,344,339			55,882,450			74,770,725		
Tangibles	9,236,495			18,207,127			30,909,465		
Equity participations	24,293,820			41,568,187			70,085,968		
Other assets and accrued income	155,794,295			230,567,622			315,969,474		
Average total non-interest-earning assets	233,668,949			346,225,386			491,735,632		
Average total assets	958,468,206			1,527,244,760			2,276,196,486		

(1) Comprises balances with banks and interbank funds sold.

	2022			2023			2024		
	Average Balance	Avg. Rate	Interest Expense	Average Balance	Avg. Rate	Interest Expense	Average Balance	Avg. Rate	Interest Expense
(TL thousands, except percentages)									
LIABILITIES									
Average interest-bearing liabilities									
Deposits from customers.....	372,099,850	9.00%	33,502,100	628,601,515	20.29%	127,544,256	962,906,893	37.81	364,105,889
<i>Turkish Lira</i>	232,666,117	14.05%	32,689,943	546,809,838	23.25%	127,156,354	898,372,040	40.51	363,925,203
<i>Foreign currency</i>	139,433,733	0.58%	812,156	81,791,678	0.47%	387,902	64,534,852	0.28	180,686
Short-term debt and other interest-bearing liabilities ⁽¹⁾	1,876,200	11.87%	222,694	1,271,011	22.15%	281,573	2,345,574	36.42	854,329
<i>Turkish Lira</i>	968,912	18.38%	178,107	677,400	32.48%	220,029	1,171,799	63.90	748,773
<i>Foreign currency</i>	907,288	4.91%	44,586	593,611	10.37%	61,544	1,173,775	8.99	105,556
Long-term debt and other interest-bearing liabilities.....	101,471,621	8.15%	8,266,485	101,052,031	9.61%	9,707,784	141,865,983	9.73	13,808,981
<i>Turkish Lira</i>	2,363,127	22.73%	537,112	1,142,606	45.93%	524,818	962,915	109.76	1,056,852
<i>Foreign currency</i>	99,108,495	7.80%	7,729,372	99,909,425	9.19%	9,182,967	140,903,068	9.05	12,752,129
Repurchase agreements.....	6,028,821	8.67%	522,483	35,886,574	4.43%	1,590,616	117,132,338	17.86	20,915,376
<i>Turkish Lira</i>	3,158,499	13.44%	424,654	3,149,386	10.70%	337,134	36,027,047	49.86	17,964,883
<i>Foreign currency</i>	2,870,321	3.41%	97,829	32,737,188	3.83%	1,253,482	81,105,291	3.64	2,950,493
Total for average interest-bearing liabilities	481,476,492	8.83%	42,513,761	766,811,132	18.14%	139,124,229	1,224,250,788	32.65	399,684,575
<i>Turkish Lira</i>	<i>239,156,655</i>	<i>14.15%</i>	<i>33,829,817</i>	<i>551,779,230</i>	<i>23.24%</i>	<i>128,238,335</i>	<i>936,533,802</i>	<i>40.97</i>	<i>383,695,711</i>
<i>Foreign currency</i>	<i>242,319,837</i>	<i>3.58%</i>	<i>8,683,944</i>	<i>215,031,902</i>	<i>5.06%</i>	<i>10,885,894</i>	<i>287,716,987</i>	<i>5.56</i>	<i>15,988,865</i>
Average non-interest-bearing liabilities and equity									
Deposits-demand.....	322,125,181			487,582,678			656,357,524		
Accrued expenses and other liabilities.....	35,356,902			79,135,058			108,382,074		
Current and deferred tax liabilities	6,379,903			6,583,139			7,418,521		
Shareholders' equity and net profit.....	113,129,728			187,132,753			279,787,579		
Total average non-interest-bearing liabilities and equity	476,991,714			760,433,628			1,051,945,698		
Total average liabilities and equity.	958,468,206			1,527,244,760			2,276,196,486		

(1) Interbank Money Market (*Bankalararası Para Piyasası*) placements are included under “Short-term debt and other interest-bearing liabilities.”

The following tables set out the average balances of assets and liabilities, and the interest earned or expensed on such amounts, of the Group for the indicated years. For purposes of the following tables, the average is calculated as the average of the opening, quarter-end and closing balances for the applicable year. For the purpose of the following tables: (a) non-accruing credits have been treated as non-interest-earning assets and (b) loan fees have been included in interest income.

	2022			2023			2024		
	Average Balance	Average Yield	Interest Income	Average Balance	Average Yield	Interest Income	Average Balance	Average Yield	Interest Income
(TL thousands, except percentages)									
ASSETS									
Average interest-earning assets									
Banks.....	20,378,384	3.52%	718,077	72,351,883	7.74%	5,596,569	150,431,544	7.21%	10,838,986
Financial assets measured at fair value through profit/(loss).....	2,109,160	11.12%	234,465	7,251,060	8.19%	593,524	7,152,295	14.85%	1,062,337
Interbank money market placements.....	37,871,532	7.29%	2,760,820	61,543,380	7.54%	4,637,906	30,971,535	20.05%	6,209,142
Financial assets measured at fair value through other comprehensive income...	81,051,307	25.25%	20,461,672	92,448,267	22.83%	21,106,469	124,063,400	23.06%	28,603,748
Loans.....	683,181,988	12.48%	85,245,876	1,064,326,601	15.23%	162,139,970	1,610,178,361	24.39%	392,678,020
Financial assets measured at amortised cost.....	84,755,390	24.61%	20,859,568	180,302,507	17.94%	32,352,941	265,389,504	20.20%	53,614,635
Total for average interest-earning assets.	909,347,761	14.33%	130,280,478	1,478,223,697	15.32%	226,427,379	2,188,186,638	22.53%	493,006,868
Average non-interest-earning assets	234,761,672			406,975,624			551,892,042		
Total average assets	1,144,109,433			1,885,199,322			2,740,078,680		

	2022			2023			2024		
	Average Balance	Average Rate	Interest Expense	Average Balance	Average Rate	Interest Expense	Average Balance	Average Rate	Interest Expense
	(TL thousands, except percentages)								
LIABILITIES									
Average interest-bearing liabilities									
Deposits	408,504,371	8.40%	34,307,435	796,426,377	16.51%	131,507,584	1,176,554,809	31.54%	371,132,294
Funds borrowed	47,928,079	6.65%	3,184,986	51,162,917	16.08%	8,228,429	62,541,804	16.80%	10,505,757
Interbank money market takings	20,863,546	5.30%	1,105,104	47,987,498	5.95%	2,856,006	93,028,151	27.40%	25,488,397
Securities issued	63,667,971	4.82%	3,068,434	71,491,496	4.25%	3,036,749	120,668,523	4.44%	5,351,701
Total for average interest-bearing liabilities	540,963,966	7.70%	41,665,959	967,068,288	15.06%	145,628,768	1,452,793,287	28.39%	412,478,149
Average non-interest-bearing liabilities and equity	603,145,467			918,131,034			1,287,285,393		
Total average liabilities and equity	1,144,109,433			1,885,199,322			2,740,078,680		

The following table shows the net interest income and net yield for the Bank for the indicated years.

	2022	2023	2024
	(TL thousands, except percentages)		
Net interest income			
Turkish Lira	79,676,782	53,179,033	76,836,010
Foreign currency	3,642,032	21,657,005	23,513,236
Total	83,318,814	74,836,038	100,349,246
Net yield			
Turkish Lira	17.08%	6.48%	5.81%
Foreign currency	1.41%	6.02%	5.08%
Total	11.50%	6.34%	5.62%

The following table shows the net interest income and net yield for the Group for the indicated years.

	2022	2023	2024
	(TL thousands, except percentages)		
Net interest income	88,092,627	86,366,451	126,038,499
Net yield	9.69%	5.84%	5.76%

B. Net Changes in Interest Income and Expense – Volume and Rate Analysis

The following table provides a comparative analysis of net changes in the Bank's interest earned and interest paid by reference to changes in average volume and rates for the indicated years. Changes in interest income and interest expense are attributed either to changes in average balances (volume changes) or changes in average rates (rate changes) for interest-earning assets and sources of funds on which interest is earned or expensed. Volume change is calculated as the change in volume multiplied by the current rate, while the rate change is calculated as the change in rate multiplied by the previous volume. The rate volume change (change in rate multiplied by change in volume) is allocated between volume change and rate change at the ratio each component bears to the absolute value of their total. Average balances represent the average of the opening and closing balances for the indicated years. For purpose of the following tables, NPLs have been treated as non-interest-earning assets.

	2024/2023		
	Increase (decrease) due to changes in		
	Volume	Rate	Net Change
	(TL thousands)		
Interest income			
Deposits with banks	23,472,810	17,276,008	40,748,819
Turkish Lira	26,159,151	15,247,432	41,406,584
Foreign currency	(2,686,341)	2,028,576	(657,765)
Investments in securities	30,132,610	(1,965,737)	28,166,872
Turkish Lira	29,165,110	(1,876,534)	27,288,577
Foreign currency	967,499	(89,203)	878,296
Loans and advances to customers, and other interest-earning assets	124,778,497	92,379,367	217,157,863
Turkish Lira	114,620,856	95,798,336	210,419,193
Foreign currency	10,157,640	(3,418,969)	6,738,671

Total interest income	<u>178,383,916</u>	<u>107,689,638</u>	<u>286,073,554</u>
Interest expense			
Deposits from customers.....	142,367,454	94,194,178	236,561,633
<i>Turkish Lira</i>	142,415,770	94,353,079	236,768,849
<i>Foreign currency</i>	(48,316)	(158,900)	(207,216)
Short-term debt and other interest-bearing liabilities	368,092	204,665	572,757
<i>Turkish Lira</i>	315,918	212,826	528,744
<i>Foreign currency</i>	52,174	(8,161)	44,013
Long-term debt and other interest-bearing liabilities	3,512,821	588,375	4,101,196
<i>Turkish Lira</i>	(197,221)	729,254	532,034
<i>Foreign currency</i>	3,710,041	(140,879)	3,569,162
Repurchase Agreements.....	18,154,004	1,170,757	19,324,761
<i>Turkish Lira</i>	16,394,442	1,233,307	17,627,749
<i>Foreign currency</i>	1,759,562	(62,550)	1,697,012
Total interest expense	<u>164,402,370</u>	<u>96,157,976</u>	<u>260,560,346</u>
Net change in net interest income	<u>13,981,546</u>	<u>11,531,662</u>	<u>25,513,208</u>

	2023/2022		
	Increase (decrease) due to changes in		
	Volume	Rate	Net Change
	<i>(TL thousands)</i>		
Interest income			
Deposits with banks	3,802,252	760,606	4,562,858
<i>Turkish Lira</i>	2,310,024	(809,338)	1,500,686
<i>Foreign currency</i>	1,492,228	1,569,944	3,062,172
Investments in securities	24,945,321	(12,835,639)	12,109,681
<i>Turkish Lira</i>	23,303,582	(12,984,662)	10,318,920
<i>Foreign currency</i>	1,641,739	149,023	1,790,762
Loans and advances to customers, and other interest-earning assets.....	57,495,569	13,959,584	71,455,153
<i>Turkish Lira</i>	51,800,051	4,291,112	56,091,163
<i>Foreign currency</i>	5,695,517	9,668,472	15,363,989
Total interest income	<u>86,243,141</u>	<u>1,884,550</u>	<u>88,127,692</u>
Interest expense			
Deposits from customers.....	72,778,296	21,263,860	94,042,157
<i>Turkish Lira</i>	73,051,667	21,414,744	94,466,411
<i>Foreign currency</i>	(273,371)	(150,883)	(424,254)
Short-term debt and other interest-bearing liabilities	(127,208)	186,087	58,879
<i>Turkish Lira</i>	(94,687)	136,608	41,921
<i>Foreign currency</i>	(32,521)	49,479	16,957
Long-term debt and other interest-bearing liabilities	(486,989)	1,928,289	1,441,300
<i>Turkish Lira</i>	(560,605)	548,311	(12,294)
<i>Foreign currency</i>	73,616	1,379,978	1,453,594
Repurchase Agreements.....	1,142,604	(74,471)	1,068,133
<i>Turkish Lira</i>	(976)	(86,544)	(87,520)
<i>Foreign currency</i>	1,143,579	12,073	1,155,652
Total interest expense	<u>73,306,703</u>	<u>23,303,765</u>	<u>96,610,468</u>
Net change in net interest income	<u>12,936,439</u>	<u>(21,419,215)</u>	<u>(8,482,776)</u>

II. Securities Portfolio

The Group's securities portfolio comprises trading securities (*i.e.*, debt and equity securities that the Group principally holds for the purpose of short-term profit taking, which are reflected in the balance sheet as “financial assets measured at fair value through profit or loss”) and investment securities (*i.e.*, both “financial assets measured at amortised cost” and “financial assets measured at fair value through other comprehensive income”). The Group also enters into purchases (or sales) of securities under agreements to resell (or repurchase) substantially identical investments at a certain date in the future at a fixed price (*i.e.*, “repos”). Securities sold under repurchase agreements continue to be recognised in the

balance sheet and are measured in accordance with the accounting policy for the related security portfolio as appropriate. The Group's portfolio of marketable securities consists primarily of Turkish government securities (including bonds, treasury bills and eurobonds) denominated in Turkish Lira, U.S. dollars and euro.

As of 31 December 2024, the size of the Group's aggregate securities portfolio increased by 29.0% to TL 421,234,071 thousand from TL 326,492,957 thousand as of 31 December 2023, itself a 59.5% increase from TL 204,660,831 thousand as of 31 December 2022. In 2024, despite a lower CPI rate used in the valuation of CPI-linked securities, income on CPI-linked securities was higher due to the growing IRR-value of CPI-linked securities. Other securities' income (excluding CPI-linked securities) also went up year-over-year due to opportunistic additions to fixed rate securities. The significant changes in 2023 were the result of new regulations, including requirements for a bank (if it were not to achieve certain targets) to purchase long-term, Turkish Lira fixed rate securities issued by the Turkish government. Accordingly, the Group's volume of Turkish Lira-denominated securities as of 31 December 2022 and 2023 was TL 129,946,244 thousand and TL 202,656,754 thousand, respectively, of which 27.6% and 44.4%, respectively, consisted of long-term Turkish Lira fixed-rate securities issued by the Turkish government. See "*Turkish Regulatory Environment—Liquidity and Reserve Requirements*" with respect to certain regulatory requirements to hold such securities.

A. Book Value of Securities

The following table sets out a breakdown of securities (on a book-value basis) held by the Group as of the indicated dates:

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Financial assets measured at fair value through profit or loss	5,771,459	8,589,689	12,126,843
Turkish Lira-denominated	3,747,045	3,702,038	5,188,266
Foreign currency-denominated and indexed	2,024,414	4,887,651	6,938,577
Financial assets measured at fair value through other comprehensive income	88,928,400	101,575,253	139,088,845
Turkish Lira-denominated	63,766,271	57,354,432	
Foreign currency-denominated and indexed	25,162,129	44,220,821	82,265,767
	110,019,856	216,382,865	56,823,078
Financial assets measured at amortised cost			270,072,445
Turkish Lira-denominated	62,454,628	141,655,134	
Foreign currency-denominated and indexed	47,565,228	74,727,731	201,058,415
			69,014,030
Total	204,660,831	326,492,957	421,234,071

Financial Assets Measured at Fair Value through Profit or Loss

The Group's trading securities portfolio is composed of debt and equity securities that the Group principally holds for the purpose of short-term profit taking. These include investments designated as trading instruments. These securities are referred to as "financial assets measured at fair value through profit or loss" and any financial asset that does not qualify for amortised cost measurement at fair value through other comprehensive income must be measured after initial recognition at fair value through profit or loss.

After initial recognition, securities that are classified as "financial assets measured at fair value through profit or loss" are measured at estimated fair value. When market prices are not available or if liquidating a position would reasonably be expected to affect market prices, fair value is determined by reference to price quotations for similar instruments traded in different markets or management's estimates of the amounts that can be realised.

The following table sets out a breakdown of the Group's financial assets measured at fair value through profit or loss as of the indicated dates:

As of 31 December

	2022	2023	2024
		(TL thousands)	
Government securities.....	2,513,999	5,357,399	10,342,555
Equity securities.....	2,647,455	2,167,803	531,582
Other securities	610,005	1,064,487	1,252,706
Total.....	5,771,459	8,589,689	12,126,843

As of 31 December 2024, the size of the Group's financial assets measured at fair value through profit or loss increased by 41.2% to TL 12,126,843 thousand from TL 8,589,689 thousand as of 31 December 2023, itself a 48.8% increase from TL 5,771,459 thousand as of 31 December 2022. The Group's portfolio of financial assets measured at fair value through profit or loss comprises Turkish Lira-denominated bonds, eurobonds, bonds issued by corporations (including financial institutions) and foreign governments. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Fair Value of Securities.*"

Investment Securities Portfolio

The Group's investment portfolio consists of "financial assets measured at amortised cost" and "financial assets measured at fair value through other comprehensive income."

"Financial assets measured at amortised cost" are financial assets (other than bank loans and receivables) with fixed or determinable payments and fixed maturities that the Group intends and has the ability to hold to maturity. The Group cannot classify any financial asset as financial assets measured at amortised cost if the Group has, during the current fiscal year or during the two preceding fiscal years, sold or transferred any financial assets measured at amortised cost before their maturities. "Financial assets measured at fair value through other comprehensive income" are financial assets that are neither held for trading purposes nor are intended to be held to maturity (*i.e.*, financial assets measured at amortised cost). Financial assets measured at fair value through other comprehensive income can include certain debt and equity investments. The Group classifies investment securities depending upon the intention of management at the time of the purchase thereof, though such can be reclassified if the intention of management later changes.

Financial assets measured at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. Financial assets measured at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The contractual terms of both financial asset categories should give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost portfolio. The Group's portfolio of "financial assets measured at amortised cost" consists principally of Turkish Lira-denominated Turkish government bonds and treasury bills, Turkish government eurobonds and bonds issued by foreign governments.

The following table sets out certain information relating to the Group's portfolio of financial assets measured at amortised cost as of the indicated dates (including income accruals):

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Government securities.....	105,264,533	199,007,329	242,442,776
Other securities	4,755,323	17,375,536	27,629,669
Total.....	110,019,856	216,382,865	270,072,445

As of 31 December 2024, the size of the Group's financial assets measured at amortised cost (including income accruals) increased by 24.8% to TL 270,072,445 thousand from TL 216,382,865 thousand as of 31 December 2023, itself a 96.7% increase from TL 110,019,856 thousand as of 31 December 2022. In 2023, the portfolio of fixed rate notes issued by the Turkish Treasury continued to increase in order to comply with new regulatory requirements described herein. In 2024, as these regulatory measures were progressively revised and subsequently phased out, the growth in fixed-rate note holdings moderated. The Group remains focused on a core banking-oriented management strategy, with a continued emphasis on lending and customer-centric activities over securities-based investments.

Financial assets measured at fair value through other comprehensive income portfolio. The Group's portfolio of "financial assets measured at fair value through other comprehensive income" consists of Turkish government bonds and treasury bills, Turkish government eurobonds and bonds issued by corporations (including financial institutions) and foreign governments.

The following table sets out certain information relating to the Group's portfolio of financial assets measured at fair value through other comprehensive income as of the indicated dates:

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Government securities.....	77,097,126	79,943,012	104,232,716
Equity securities.....	1,022,719	1,930,116	3,268,408
Other securities	10,808,555	19,702,125	31,587,721
Total	88,928,400	101,575,253	139,088,845

As of 31 December 2024, the size of the Group's financial assets measured at fair value through other comprehensive income increased by 36.9% to TL 139,088,845 thousand from TL 101,575,253 thousand as of 31 December 2023, itself a 14.2% increase from TL 88,928,400 thousand as of 31 December 2022. In both 2022 and 2023, the portfolio of foreign exchange-denominated securities remained stable while the portfolio of Turkish Lira-denominated securities increased due both to regulatory changes and the purchase of additional CPI-linked securities. In 2024, the overall securities portfolio increased further, driven by opportunistic investments in fixed-rate securities.

As of 31 December 2022, 2023 and 2024, the Group's BRSA Financial Statements included unrealised gains (net of tax) amounting to TL 19,914,049 thousand, TL 23,453,042 thousand and TL 20,607,720 thousand, respectively, in other comprehensive income under shareholders' equity.

In 2022, 2023 and 2024, net gains transferred to income on disposal from other comprehensive income amounted to TL 8,281,861 thousand, TL 5,370,840 thousand and TL 4,758,457 thousand, respectively.

B. Maturities of Securities

The following tables set out the maturities of the securities in the Group's total securities portfolio as of 31 December 2024:

	1 year or less	After 1 year through 5 years	After 5 years (TL thousands)	Undistributed	Total
Financial assets measured at fair value through profit or loss.....	4,035,627	5,840,596	2,229,895	20,725	12,126,843
Financial assets measured at fair value through other comprehensive income	31,588,595	66,701,683	40,798,567	-	139,088,845
Financial assets measured at amortised cost	41,752,398	143,806,502	84,513,545	-	270,072,445
Total	77,376,620	216,348,781	127,542,007	20,725	421,288,133

	1 year or less	After 1 year through 5 years	After 5 years	Undistributed	Total
Financial assets measured at fair value through profit or loss	5.2%	2.7%	1.7%	100.0%	2.9%
Financial assets measured at fair value through other comprehensive income.....	40.8%	30.8%	32.0%	0.0%	33.0%
Financial assets measured at amortised cost	54.0%	66.5%	66.3%	0.0%	64.1%
Total.....	100.0%	100.0%	100.0%	100.0%	100.0%

	1 year or less	After 1 year through 5 years	After 5 years	Total
		(TL thousands)		
Turkish government bonds and treasury bills	30,856,033	196,755,218	126,320,199	353,931,450
Bonds issued by corporations.....	27,048,831	25,656,616	49,962,626	102,668,073
Total	57,904,864	222,411,834	176,282,825	456,599,523

	1 year or less	After 1 year through 5 years	After 5 years	Total
Turkish government bonds and treasury bills	53.3%	88.5%	71.7%	77.5%
Bonds issued by corporations	46.7%	11.5%	28.3%	22.5%
Total	100.0%	100.0%	100.0%	100.0%

The following table sets out the remaining maturities of the Group's consolidated securities portfolio as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	(TL thousands)		
Financial assets measured at fair value through profit or loss	5,771,459	8,589,689	12,126,843
Three months or less	3,090,298	919,382	3,403,804
Over three months through 12 months	1,348,608	2,651,022	631,823
Over one year through five years	1,049,405	2,701,862	5,840,596
Over five years.....	268,081	347,171	2,229,895
Undistributed.....	15,067	1,970,252	20,725
Financial assets measured at fair value through other comprehensive income	88,928,400	101,575,253	139,088,845
Three months or less	6,311,069	5,031,558	10,371,857
Over three months through 12 months	16,591,529	9,209,320	21,216,738
Over one year through five years	41,939,653	68,244,523	66,701,683
Over five years.....	24,086,149	18,904,658	40,798,567
Undistributed.....	-	185,194	-
Financial assets measured at amortised cost.....	110,019,856	216,382,865	270,072,445
Three months or less	387,196	11,931,524	14,569,970
Over three months through 12 months	12,804,649	27,642,777	27,182,428
Over one year through five years	80,862,443	145,557,197	143,806,502
Over five years.....	15,964,889	31,133,718	84,513,545
Undistributed.....	679	117,649	-
Total	204,660,831	326,492,957	421,234,071

The following table sets out the Group's total securities portfolio in Turkish Lira and in foreign currencies as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	(TL thousands)		
Turkish Lira-denominated securities.....	129,967,944	202,711,604	288,512,448
Foreign currency and foreign currency-indexed securities	74,692,887	123,781,353	132,721,623
Total securities	204,660,831	326,492,957	421,234,071

C. Securities Concentrations

As of 31 December 2024, the Group did not hold debt securities of any one issuer that (in the aggregate) had a book value in excess of 10% of the Group's shareholders' equity, other than securities issued by the Turkish government. As of such date, the Group's TL 128,138,236 thousand of Turkish government securities represented 38.7% of the Group's shareholders' equity.

The following table provides information regarding financial assets measured at fair value through profit/(loss): (a) provided as collateral/blocked assets with respect to various banking, insurance and asset management transactions and (b) subject to repurchase agreements as of the indicated dates:

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Collateralised/blocked assets	752,685	1,320,961	2,395,535
Assets subject to repurchase agreements	-	-	67,594
Total	752,685	1,320,961	2,463,129

The following table provides information regarding financial assets measured at fair value through other comprehensive income: (a) provided as collateral/blocked assets with respect to various banking, insurance and asset management transactions and (b) subject to repurchase agreements as of the indicated dates:

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Collateralised/blocked assets	34,218,839	28,500,043	22,248,583
Assets subject to repurchase agreements	8,452,415	16,808,147	18,163,381
Total	42,671,254	45,308,190	40,411,964

The following table provides information regarding financial assets measured at amortised cost: (a) provided as collateral/blocked assets with respect to various banking, insurance and asset management transactions and (b) subject to repurchase agreements as of the indicated dates:

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Collateralised/blocked assets	71,305,713	87,113,578	56,725,105
Assets subject to repurchase agreements.....	16,336,270	36,937,136	32,037,733
Total	87,641,983	124,050,714	88,762,838

Pursuant to market practice, the Group pledges securities to acquire funding under security repurchase agreements. The securities so pledged amounted to TL 24,788,685 thousand as of 31 December 2022, TL 53,745,283 thousand as of 31 December 2023 and TL 50,268,708 thousand as of 31 December 2024, comprising 12.1%, 16.5% and 11.9%, respectively, of the Group's securities portfolio on such dates. Such securities are included in the above tables.

III. Loans

The Group's loans (*i.e.*, cash loans) amounted to TL 1,776,363,816 thousand as of 31 December 2024, increasing by 45.8% from TL 1,217,975,966 thousand as of 31 December 2023, itself a 60.0% increase from TL 761,104,244 thousand as of 31 December 2022. These increases in the Group's loans and advances to customers resulted from an increase in foreign currency exchange rates together with customer-driven growth. In 2023, the growth in Turkish Lira-denominated performing loans was primarily driven by credit card loans, which increased by 116.3% to TL 242,368,968 thousand. In 2024, the growth in Turkish Lira-denominated performing loans was primarily driven by credit card loans, which increased by 74.0% to TL 421,831,383 thousand.

Turkish Lira-denominated business banking loans were also a big contributor to the growth in 2023, increasing by 37.5% to TL 328,271,687 thousand as of 31 December 2023. In 2024, contribution from Turkish Lira-denominated consumer loans was significant, which increased by 55.1% to TL 282,498,268 thousand as of 31 December 2024. In 2023, the Group grew particularly in SME loans and strategically revised its lending priorities due to regulatory measures. In 2024, the Group grew particularly in mortgages and general purpose loans. As discussed below, there are several important characteristics of the Group's loans portfolio, including diversification based upon sector and currency.

Loans represent the largest component of the Group's assets. As of 31 December 2022, 2023 and 2024, the Group's total loans and advances to customers, less expected credit losses but including lease and factoring receivables, comprised 60.6%, 57.2% and 60.8%, respectively, of the Group's total assets.

As of 31 December 2024, on the basis of the total amount of cash loans advanced, 86.7% of the Bank's loans were fixed rate and the rest were variable rate. The average interest rate that the Bank charged to borrowers in 2024 was 50.62% for Turkish Lira-denominated loans and advances and 9.03% for foreign currency-denominated loans and advances, calculated on the basis of daily averages of balances and interest rates and according to the Bank's management's estimates, as compared to 25.2% and 9.2%, respectively, in 2023 and 23.3% and 6.6%, respectively, in 2022.

The Group provides financing for various purposes and although the majority of commercial and corporate loans have an average maturity of up to 36 months, for certain commercial and corporate loans (such as working capital and project finance loans) and for certain retail loans (such as mortgage loans) the maturities are up to 10 years (or occasionally over 10 years). As of 31 December 2024, the Group's loans with remaining maturities over one year and over five years composed 73.9% and 26.1%, respectively, of the Group's total loans.

A. Types of Loans

The following table sets out the composition of the Bank's total performing loan portfolio (but excluding financial lease receivables and factoring receivables) by industry sectors as of the indicated dates:

	As of 31 December					
	2022		2023		2024	
	(TL thousands, except percentages)					
Consumer loans	190,194,313,231	28.4%	359,107,981,971	33.7%	592,513,648	37.9%
Energy	74,718,471,524	11.2%	66,684,794,282	6.3%	69,984,662	4.5%
Transport Vehicles and Logistics.....	62,460,143,688	9.3%	96,407,632,508	9.0%	139,215,555	8.9%
Retailer	37,932,655,850	5.7%	51,323,747,604	4.8%	86,872,030	5.6%
Agriculture, Farming, Animals and Food	40,518,309,540	6.1%	55,135,420,621	5.2%	75,927,746	4.9%
Other Servicess	24,260,285,832	3.6%	40,700,601,595	3.8%	66,350,779	4.2%
Mining Metals and Other Fabricated Products	42,447,482,591	6.3%	70,327,776,521	6.6%	91,719,781	5.9%
Construction.....	21,036,014,520	3.1%	35,042,651,386	3.3%	43,202,170	2.8%
Textile.....	22,141,799,475	3.3%	37,415,265,847	3.5%	46,398,680	3.0%
Tourism and Entertainment.....	22,735,678,540	3.4%	32,130,499,971	3.0%	54,682,597	3.5%
Paper, Chemicals and Plastics.....	27,597,642,460	4.1%	39,975,392,861	3.7%	46,055,708	2.9%
Real Estate	25,796,170,402	3.9%	38,717,589,856	3.6%	61,704,590	4.0%
Durable Consumption and Electric Appliances.....	13,000,575,740	1.9%	23,534,951,824	2.2%	27,947,090	1.8%
Finance	30,567,167,946	4.6%	40,069,544,587	3.8%	55,609,819	3.6%
Forestry and Non-metal Mineral Products	12,592,122,317	1.9%	24,239,589,974	2.3%	31,415,291	2.0%
Machinery and equipment.....	9,456,057,033	1.4%	18,326,967,550	1.7%	23,588,917	1.5%
Information Technology and Media.....	7,054,748,042	1.1%	13,176,617,251	1.2%	18,699,292	1.2%
Ship.....	1,752,002,703	0.3%	1,928,021,842	0.2%	3,847,700	0.2%
Special Purpose Institutions	1,174,388,786	0.2%	1,662,952,999	0.2%	1,668,274	0.1%
Civil Public Service Institutions and Municipalities ...	1,901,296,780	0.3%	20,355,272,636	1.9%	24,553,312	1.6%
Total.....	669,337,326,999	100.0%	1,066,263,273,685	100.0%	1,561,957,641	100.0%
Consumer loans	190,194,313,231	28.4%	359,107,981,971	33.7%	592,513,648	37.9%
Energy	74,718,471,524	11.2%	66,684,794,282	6.3%	69,984,662	4.5%

B. Maturities and Sensitivities of Loans to Changes in Interest Rates

The following table sets out certain information relating to the maturity profile of the Bank's performing cash loan portfolio (based upon scheduled repayments but excluding interest accruals) as of the indicated dates:

	After 1 year			
	1 year or less ⁽¹⁾	through 5 years	After 5 years	Total
	(TL thousands)			
31 December 2024	882,800,141	404,891,323	195,349,651	1,483,041,115
31 December 2023	520,035,197	286,600,60	203,700,785	1,010,336,141
31 December 2022	283,767,181	176,731,229	179,360,841	639,859,250

(1) Includes demand loans, loans having no stated schedule of repayment and no stated maturity and overdrafts.

Composition of Loan Portfolio by Currency

As of 31 December 2024, foreign currency-denominated loans comprised 34.4% of the Group's loan portfolio (of which U.S. dollar-denominated obligations were the most significant), compared to 37.4% as of 31 December 2023 and 36.4% as of 31 December 2022. The share of foreign currency-denominated loans decreased in the Group's loan portfolio as of 31 December 2023 and 2024 compared to the previous year, despite the depreciation of the Turkish lira, due to macroprudential measures aimed at tightening foreign currency-denominated loan growth.

The following table sets out an analysis by currency of the exposure of the Group's cash loans portfolio as of the indicated dates (excluding Stage 1 and Stage 2 expected credit losses but including lease and factoring receivables):

	As of 31 December ⁽¹⁾					
	2022		2023		2024	
	(TL thousands, except percentages)					
Turkish Lira	501,833,075	63.56%	788,929,942	62.63%	1,199,357,240	65.60%
U.S. dollar.....	129,145,882	16.36%	203,432,983	16.15%	258,549,626	14.14%
Euro and others	158,599,982	20.09%	267,228,797	21.22%	370,444,680	20.26%
Total.....	789,578,939	100.00%	1,259,591,722	100.00%	1,828,351,546	100.00%

(1) The foreign currency-indexed loans included under Turkish Lira-denominated loans in the Group's BRSA Financial Statements are presented above under the relevant foreign currency column.

C. Risk Elements

1. Non-performing Loans and Restructured or Rescheduled Loans

The following table sets out the composition of the Group's total NPLs (gross) and restructured or rescheduled loans as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	<i>(TL thousands)</i>		
NPLs.....	20,289,804	26,158,606	39,145,869
Restructured or rescheduled loans.....	47,882,654	43,060,173	67,655,644

A loan is categorised as non-performing (*i.e.*, Stage 3) when the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan agreement due to a lack of assets, a high indebtedness ratio, insufficient working capital and/or insufficient equity on the part of the customer. See "Summary of Loan Loss Experience" for certain criteria in relation to concepts of the "restructuring" of loans pursuant to the Classification of Loans and Provisions Regulation.

2. Potential Problem Loans

As of each of 31 December 2022, 2023 and 2024, there were no material amounts of loans that are not included in the preceding table but for which information known to the Group about possible credit problems of borrowers caused the Bank's management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms and that might result in disclosure of such loans in the above table for future years. See "—Summary of Loan Loss Experience" below.

3. Loan Concentrations

As of each of 31 December 2022, 2023 and 2024, the Group's loan portfolio did not contain any concentration of credits that exceeded 10% of its total loans that are not otherwise already disclosed as a category of loans pursuant to "Types of Loans" above. For the purposes of this paragraph, loan concentrations are considered to exist when there are credits to a multiple number of borrowers engaged in similar activities that would cause them to be similarly impacted by economic or other conditions.

From an individual borrower perspective, as of 31 December 2024, the gross cash loans to the Bank's 10 largest customers (on a Bank-only basis) represented 4.9% of its gross loan portfolio (including loans measured at fair value through profit or loss), essentially decreased from 10.8% as of 31 December 2023 and 8.3% as of 31 December 2022. In recent years, as a result of improvements in the Turkish economy, the percentage of smaller loans in the loan portfolio has been on an increasing trend. Although limited to some extent by the Group's selective growth strategy, the percentage of small loans like retail and SME loans increased in 2022, 2023 and 2024, as the economy improved and customer demand increased and might continue to increase in the near future.

D. Other Interest-Earning Assets

As of each of 31 December 2022, 2023 and 2024, the Group's other interest-earning assets did not include any non-loan assets that would be included in III.C.1. ("Non-performing Loans and Restructured or Rescheduled Loans") or III.C.2. ("Potential Problem Loans") above if such assets were loans.

IV. Summary of Loan Loss Experience

The Bank's head office risk committee: (a) is responsible for monitoring the Bank's loan portfolio and establishing allowances and provisions in relation thereto based upon reports provided by the branch or other applicable risk committees and (b) provides monthly reports to the Bank's Board of Directors detailing all aspects of the Bank's loan activity, including the number of new problem loans, the status of existing NPLs and the level of collections. The head office risk committee also conducts evaluations of other assets and off-balance sheet contingent liabilities.

According to the default definition, a financial asset is considered to be in objective default when more than 90 days past due or subjective default when unlikely to be paid. The Bank considers a financial asset to be defaulted, and Stage 3 (credit-impaired), as follows:

Objective Default: Financial assets that are past due more than 90 days. The current definition of default used by the Bank and its consolidated financial subsidiaries is based upon a more than 90 days past due definition (*i.e.*, default status starts on the 91st day).

Subjective Default: Financial assets that are considered to be unlikely to be paid. Whenever it is considered that an obligor is unlikely to pay its credit obligations, the related financial asset is considered to be in default regardless of the existence of any past-due amount or the number of days past due.

In accordance with the applicable regulations, the Bank makes specific allowances for expected credit losses. These specific allowances must be increased gradually so that the reserves reach a ceiling level of 100% of the NPL, subject to the amount and type of collateral securing such loan. As noted above, a loan is categorised as non-performing when interest, fees or principal remain unpaid 90 days after the due date. The Group maintains a stricter provisioning policy than required by applicable regulations and seeks to maintain credit loss reserves of equal or greater amounts than NPLs after consideration of the fair value of collateral received.

TFRS 9 provides for a forward-looking ECL approach, which forms an impairment model that has three stages based upon the change in credit quality since initial recognition. The ECLs are measured as an allowance equal to either 12-month ECL for Stage 1 assets or lifetime ECL for Stage 2 or Stage 3 (credit-impaired) assets. An asset moves from Stage 1 to Stage 2 when its credit risk increases significantly since initial recognition.

At each reporting date, it is assessed whether the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring on the financial asset is determined. As of each reporting date, if the credit risk on a financial asset has not increased significantly since initial recognition, then the loss allowance for that financial asset is set at an amount equal to its 12-month expected credit losses; *however*, if there is a significant increase in the credit risk of a financial asset since initial recognition, a loss allowance regarding such financial asset is set at an amount equal to lifetime expected credit losses.

ECLs are calculated based upon a probability-weighted estimate of credit losses (the present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due based upon the contract and the cash flows that are expected to be received. The calculation of ECLs per each stage is

summarised in “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies - Impairment of Financial Assets and Expected Credit Losses.”

The Group’s NPLs amounted to TL 20,289,804 thousand, TL 26,158,606 thousand and TL 39,145,869 thousand, as of 31 December 2022, 2023 and 2024, respectively. The Group’s NPL ratio and NPLs to total cash loans and non-cash loans were 3.6%, 2.6% and 2.8%, 2.8%, 2.0% and 1.6% and 2.0%, 1.6% and 1.6%, respectively, as of 31 December 2022, 2023 and 2024. As of 31 December 2024, 23.7% and 18.0% of the Group’s performing cash loans excluding financial leases and factoring receivables were credit card and consumer loans, respectively. The Group’s allowance for expected credit losses to NPLs was 197.6%, 196.4% and 155.3% as of 31 December 2022, 2023 and 2024, respectively.

In order for the restructured non-performing corporate and commercial loans to be classified as Stage 2, all of the following conditions must be met:

- recovery in debt service,
- at least one year should have transpired since the date of restructuring,
- payment of all accrued and overdue amounts by the debtor (interest and principal) since the date of restructuring/refinancing or the date when the debtor is classified as non-performing (the earlier date to be considered) and fulfilment of the payment condition of all overdue amounts as of the date of restructuring/refinancing, and
- collection of all overdue amounts, termination of the reasons for classification of the financial asset as a non-performing receivable (based upon the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification.

During the follow-up period of at least two years following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, then the transactions that were non-performing at the beginning of the follow-up period are classified as non-performing again. Performing or non-performing retail loans that are subject to restructuring are removed from the watchlist only if the debt is paid in full.

Corporate and commercial companies for which financial assets have been restructured and refinanced can be removed from the watchlist when all of the following conditions are met:

- after a thorough review of the company’s financial data and its owners’ equity position, it is not anticipated that the owner(s) of the company will face financial difficulties and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured, all due principal and interest payments will be made on time), and
- at least two years shall have transpired since the date of restructuring (or, if it is later, the date of removal from non-performing loan category), at least 10% (or the ratio then specified in the applicable law) of the total principal amount at the time of the restructuring/refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of the restructuring/refinancing.

In addition, when the conditions that trigger a transfer to Stage 2 are no longer met, the exposure is transferred to Stage 1. If the credit risk on financial assets for which lifetime expected credit losses have been recognised subsequently improves so that the requirement for recognising lifetime expected credit losses is no longer met, then the loss allowance is measured at an amount equal to the 12-month expected credit losses (with a resulting gain recognised in profit or loss).

Analysis of the Allowance for Loan Losses

The following table sets forth an analysis of the movements in the allowance for expected credit losses on loans and advances to customers for the Group (including lease and factoring receivables) for each year indicated below:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	(TL thousands)			
Balances at beginning of period	5,851,076	27,784,054	17,730,763	51,365,893
Additions during the period (+)	15,860,561	39,026,601	14,782,501	69,669,663
Disposal (-)	(18,651,763)	(29,213,307)	(5,565,049)	(53,430,119)
Debt sale (-)	(7,278)	(16,212)	(7,006,233)	(7,029,723)
Write-offs (-)	-	-	(3,471,068)	(3,471,068)
Transfer to Stage 1	10,037,645	(9,978,523)	(59,122)	-
Transfer to Stage 2	(4,398,150)	4,989,930	(591,780)	-
Transfer to Stage 3	(65,037)	(9,836,973)	9,902,010	-
Foreign currency differences	291,738	2,938,030	476,169	3,705,937
Balances at end of period	8,918,792	25,693,600	26,198,191	60,810,583

	2023			
	Stage 1	Stage 1	Stage 1	Stage 1
	(TL thousands)			
Balances at beginning of period	4,490,335	4,490,335	4,490,335	4,490,335
Additions during the period (+)	9,543,307	9,543,307	9,543,307	9,543,307
Disposal (-)	(15,308,730)	(15,308,730)	(15,308,730)	(15,308,730)
Debt sale (-)	(28,051)	(28,051)	(28,051)	(28,051)
Write-offs (-)	-	-	-	-
Transfer to Stage 1	8,543,428	8,543,428	8,543,428	8,543,428
Transfer to Stage 2	(2,167,065)	(2,167,065)	(2,167,065)	(2,167,065)
Transfer to Stage 3	(43,597)	(43,597)	(43,597)	(43,597)
Foreign currency differences	821,449	821,449	821,449	821,449
Balances at end of period	5,851,076	5,851,076	5,851,076	5,851,076

	2022			
	Stage 1	Stage 1	Stage 1	Stage 1
	(TL thousands)			
Balances at beginning of period	2,937,910	2,937,910	2,937,910	2,937,910
Additions during the period (+)	9,913,170	9,913,170	9,913,170	9,913,170
Disposal (-)	(11,443,476)	(11,443,476)	(11,443,476)	(11,443,476)
Debt sale (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	3,660,263	3,660,263	3,660,263	3,660,263
Transfer to Stage 2	(1,024,508)	(1,024,508)	(1,024,508)	(1,024,508)
Transfer to Stage 3	(18,367)	(18,367)	(18,367)	(18,367)
Foreign currency differences	465,343	465,343	465,343	465,343
Balances at end of period	4,490,335	4,490,335	4,490,335	4,490,335

The amount of the net additions to the allowance charged to the income statement and (following a change to the presentation of the financial statements as per new rules introduced by the BRSA) statement of profit or loss were TL 19,728,115 thousand in 2022, TL 13,832,549 thousand in 2023 and TL 19,945,481 thousand in 2024.

V. Deposits

As of 31 December 2024, the Group's major source of funds for its lending and investment activities were deposits, which accounted for 80.7% of the Group's total liabilities (as compared to 82.0% as of 31 December 2023 and 79.0% as of 31 December 2022). Funds borrowed accounted for 2.6% of total liabilities as of 31 December 2023, compared to 3.1% of total liabilities as of 31 December 2023 and 4.0% of total liabilities as of 31 December 2022. Other sources of funding include (*inter alia*) interbank money markets, securities issued and subordinated debts.

The following table sets out the Group's deposits and other sources of funding as of the indicated dates:

	As of 31 December					
	2022		2023		2024	
	<i>(TL thousands, except percentages)</i>					
Deposits	908,739,459	87.1%	1,604,930,709	88.9%	2,154,347,642	88.96%
Funds borrowed	45,856,723	4.4%	60,439,559	3.4%	68,116,773	2.81%
Interbank money markets	24,299,009	2.3%	55,994,558	3.1%	46,882,832	1.94%
Securities issued ⁽¹⁾	49,629,007	4.8%	60,189,908	3.3%	85,332,585	3.52%
Subordinated debts	15,245,929	1.5%	23,639,403	1.3%	67,070,618	2.77%
Total.....	1,043,770,127	100.0%	1,805,194,137	100.0%	2,421,750,450	100.00%

⁽¹⁾ Includes financial liabilities measured at fair value through profit or loss.

Deposits

The Group's deposits consist of demand and time deposits. Current accounts generally bear no interest and can be withdrawn upon demand. For time deposits, different interest rates are paid on the various types of accounts offered by the Group. The Group's deposits mainly comprise foreign currency-denominated deposits and Turkish Lira-denominated saving and commercial deposits.

The following table sets out a breakdown of the Group's deposits as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	<i>(TL thousands)</i>		
Foreign currency	438,901,030	653,657,154	784,572,917
Saving	271,245,162	602,512,073	766,461,880
Commercial	141,039,598	256,633,677	383,864,111
Bank deposits	1,829,208	2,322,597	57,992,128
Public and other	55,724,461	89,805,208	161,456,606
Total.....	908,739,459	1,604,930,709	2,154,347,642

The following table sets out a breakdown of the Bank's deposits as a daily average during the indicated periods (excluding expense accruals) and the average interest rate paid thereon:

	2022		2023		2024	
	Average Deposits	Average Interest Rate	Average Deposits	Average Interest Rate	Average Deposits	Average Interest Rate
	<i>(TL thousands, except percentages)</i>					
Demand deposits⁽¹⁾	322,125,181	0.00%	487,582,678	0.00%	656,357,524	0.00
Foreign currency	247,424,304	0.00%	356,896,637	0.00%	487,203,072	0.00
From banks	—	—	—	—	—	—
From governments and official institutions	—	—	—	—	—	—
From other customers	247,424,304	0.00%	356,896,637	0.00%	487,203,072	—
Turkish Lira	74,700,877	0.00%	130,686,041	0.00%	169,154,453	0.00%
From banks	637,750	0.00%	1,263,718	0.00%	6,775,295	0.00%
From governments and official institutions	1,380,645	0.00%	5,817,995	0.00%	8,110,632	0.00%
From other customers	72,682,482	0.00%	123,604,329	0.00%	154,268,525	0.00%
Savings deposits	115,206,804	14.19%	327,341,604	22.57%	424,349,038	40.20%
Foreign currency	—	—	—	—	—	0.00%
Turkish Lira	115,206,804	14.19%	327,341,604	22.57%	—	—
From banks	—	—	—	—	—	—
From governments and official institutions	—	—	—	—	—	—
From other customers	115,206,804	14.19%	327,341,604	22.57%	424,349,038	40.20%

	2022		2023		2024	
	Average Deposits	Average Interest Rate	Average Deposits	Average Interest Rate	Average Deposits	Average Interest Rate
	<i>(TL thousands, except percentages)</i>					
Time deposits	202,938,923	8.45%	304,947,844	17.60%	559,502,613	34.59%
Foreign currency.....	85,479,610	0.95%	85,479,610	0.45%	85,479,610	0.21%
From banks.....	275,810	0.95%	220,919	0.45%	426,151	
From governments and official institutions.....	—	—	—	—	0	
From other customers.....	85,203,800	0.95%	85,258,691	0.45%	85,053,459	
Turkish Lira.....	117,459,313	13.91%	219,468,234	24.28%	474,023,003	40.79%
From banks.....	224,921	13.91%	738,280	24.28%	13,015,213	
From governments and official institutions.....	88,959	13.91%	107,403	24.28%	127,006	
From other customers.....	117,145,433	13.91%	218,622,551	24.28%	460,880,784	
Total	640,270,908	5.23%	1,119,872,126	11.39%	1,640,209,175	22.20%

(1) Demand deposits generally do not bear interest; *however*, there are occasional exceptions negotiated with customers such as corporations with large deposits.

The following table sets out by maturity the amount outstanding of the Bank's time deposits of US\$100,000 or more (or its equivalent) as of 31 December 2024:

	3 months or less	Over 3 months through 6 months	Over 6 months through 12 months	Over 12 months
	<i>(TL thousands)</i>			
Deposits over US\$100,000				
Foreign currency.....	29,309,836	726,200	2,171,218	582,117
Turkish Lira.....	431,768,776	157,045,237	52,316,309	54,784,608

The Group's deposits are comprised of demand and time deposits. The Group's deposits increased by 34.2% to TL 2,154,347,642 thousand as of 31 December 2024, compared to TL 1,604,930,709 thousand as of 31 December 2023, itself a 76.6% increase from TL 908,739,459 thousand as of 31 December 2022.

The following table sets out certain information relating to deposits as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	<i>(TL thousands)</i>		
Demand deposits.....	431,738,696	662,702,476	819,668,017
Time deposits.....	477,000,763	942,228,233	1,334,679,625
Total	908,739,459	1,604,930,709	2,154,347,642

The following table sets out certain information relating to the deposits in Turkish currency and foreign currency as of the indicated dates:

	As of 31 December ⁽¹⁾					
	2022		2023		2024	
	(TL thousands, except percentages)					
Turkish Lira deposits.....	469,838,429	51.7%	951,273,555	59.3%	1,369,774,725	63.58%
Foreign currency deposits	438,901,030	48.3%	653,657,154	40.7%	784,572,917	36.42%
Total	908,739,459	100.0%	1,604,930,709	100.0%	2,154,347,642	100.00%

(1) Gold deposits included under deposits in the Group's BRSA Financial Statements are presented under other liabilities.

In 2023 and 2024, the Group's Turkish Lira deposit share decreased to 40.7% and then to 36.4%, respectively, principally due to the Central Bank's Liratisation strategy.

The following table sets out the maturity of deposits made with the Group by amount as of the indicated dates:

	As of 31 December		
	2022	2023	2024
	<i>(TL thousands)</i>		
Three months or less	816,683,933	1,050,777,300	1,698,796,481
Over three months through 12 months	53,422,430	390,110,369	350,173,092
Over one year	38,588,897	163,995,693	105,339,238
Accumulating Deposits	44,199	47,347	38,831
Total	908,739,459	1,604,930,709	2,154,347,642

VI. Return on Equity and Assets

The following table sets out certain of the Group's selected financial ratios and other data for the indicated years:

	2022	2023	2024
	<i>(TL thousands, except percentages)</i>		
Average total assets	1,144,109,433	1,885,199,322	2,740,078,680
Average shareholders' equity	123,461,491	205,991,523	292,943,114
Average shareholders' equity as a percentage of average total assets	10.79%	10.93%	10.69%
Return on average total assets	5.11%	4.61%	3.36%
Return on average shareholders' equity	47.39%	42.19%	31.47%

VII. Funds Borrowed and Certain Other Liabilities

Funds Borrowed

The following table sets out a breakdown of funds borrowed by the Group from banks outstanding as of the indicated dates by maturity profile:

	As of 31 December		
	2022	2023	2024
	<i>(TL thousands)</i>		
Short-term	7,169,614	8,304,947	15,564,769
Medium- and long-term	38,687,109	52,134,612	52,552,004
Total	45,856,723	60,439,559	68,116,773

The Bank's management believes that the changes in the short- and long-term debts described in the table above are consistent with the Group's strategy, including to diversify the sources of non-deposit funding.

The following table sets out certain information as to the currency of the Group's funds borrowed from banks outstanding as of the indicated dates:

	As of 31 December					
	2022		2023		2024	
	(TL thousands, except percentages)					
Turkish currency	5,959,345	13.0%	6,059,032	10.0%	8,122,667	11.92%
Foreign currency	39,897,378	87.0%	54,380,527	90.0%	59,994,106	88.08%
Total	45,856,723	100.0%	60,439,559	100.0%	68,116,773	100.00%

The following table sets out a breakdown of the Bank's borrowings, including securities issued and subordinated debts (for short-term borrowings, including the short-term portion of long-term borrowings), outstanding as of the indicated

dates (excluding expense accruals) and the maximum amount in each category outstanding at any month-end during the indicated year (short-term being of one year or less):

	2022		As of 31 December 2023		2024	
	Amount	Maximum Month-end Amount	Amount	Maximum Month-end Amount	Amount	Maximum Month-end Amount
	(TL thousands)					
Short-term borrowings from banks and other institutions.....	222,694	2,959,677	1,756,156	1,756,156	3,579,873	3,579,873
Foreign currency	178,107	345,884	951,569	951,569	1,263,191	1,263,191
Turkish Lira	44,586	2,613,793	804,587	804,587	2,316,682	2,316,682
Long-term borrowings	8,266,485	8,266,485	118,062,496	118,212,496	132,912,613	143,548,325
Foreign currency	537,112	537,112	1,002,880	1,152,880	750,732	1,127,673
Turkish Lira	7,729,372	7,729,372	117,059,616	117,059,616	132,161,880	142,420,652
Total	8,489,178	11,226,162	119,818,653	119,818,653	136,492,486	147,295,239

The following table sets out a breakdown of the Bank's approximate average daily borrowings for the indicated years and the approximate weighted average interest rate thereon:

	2022		2023		2024	
	Average Amount	Interest Rate	Average Amount	Interest Rate	Average Amount	Interest Rate
	(TL thousands, except percentages)					
Short-term borrowings from banks and other institution	1,876,200	11.65%	1,271,011	22.15%	2,334,646	36.59%
Turkish Lira	968,912	18.38%	677,400	32.48%	1,160,870	64.50%
Foreign currency	907,288	4.91%	593,611	10.37%	1,173,775	8.99%
Long-term borrowings	101,471,621	8.15%	101,052,031	9.61%	141,865,983	9.73%
Foreign currency	2,363,127	22.73%	1,142,606	45.93%	962,915	109.76%
Turkish Lira	99,108,495	7.80%	99,909,425	9.19%	140,903,068	9.05%
Total	103,347,821	8.21%	102,323,042	9.76%	144,211,558	10.17%

The following tables set out a description of the Group's material long-term funds borrowed as of the indicated dates (with many of the indicated interest rates being based upon a floating rate and thus re-set periodically):

As of 31 December 2024				
	Interest rate	Latest maturity	Amount in original currency	Outstanding Amount
			(millions)	(TL thousands)
CBQ	5%	2025	US\$244	8,429,712
AZER-TURK BANK.....	4%	2025	US\$241	8,317,431
HABIB BANK AG ZURICH	3%	2025	€179	6,402,274
ZKB	3%	2025	€162	5,821,553
IFC II	5-6%	2029	€56	2,019,702
EBRD.....	8%	2027	€50	1,783,112
EFSE.....	5-7%	2031	€47	1,692,961
IsbankAG.....	8%	2026	€44	1,575,424
Proparco.....	3%	2028	€42	1,509,348
2027€351,361,870Akbank AG	11%	2027	€38	1,361,870
BSTDB	4-5%	2029	€21	1,137,568
IFC I.....	4%	2025	US\$20	696,718
GGF	4-8%	2026	US\$15	512,741
GGF	7%	2026	€4	126,365
OEKB	4%	2025	US\$4	151,666
Others.....				19,878,907
Total				61,417,352
As of 31 December 2023				

	Interest rate	Latest maturity	Amount in original currency (millions)	Outstanding Amount (TL thousands)
BANCA UBAE SPA	8%	2024	US\$260	7,536,659
HABIB BANK AG	7%	2024	€219	7,025,431
AZER-TURK BANK.....	9%	2024	US\$199	5,779,557
RAIFFEISEN BANK.....	7%	2024	€143	4,581,803
EIB	4%	2024	US\$87	2,525,870
IFC II	6%	2029	€51	1,953,815
EFSE	6-7%	2028	€44	1,481,543
EBRD-II.....	8%	2025	€43	1,367,223
Proparco	7%	2028	€42	1,353,811
BSTDB	5-6%	2026	€35	1,132,794
IsbankAG	8%	2026	€51	996,743
Akbank AG	11%	2026	€26	835,978
IFC I.....	10%	2025	US\$20	585,701
GGF	8-9%	2025	US\$20	572,007
GGF	7%	2026	€5	169,753
EBRD I	4%	2024	US\$5	144,987
Others.....				16,514,939
Total				54,495,614

As of 31 December 2022				
	Interest rate	Latest maturity	Amount in original currency (millions)	Outstanding Amount (TL thousands)
EBRD I	20%	2023	TL 39	38,643
EIB I+V	3-4%	2024	US\$166	3,085,668
İşbank AG	3-5%	2025	€37	635,851
Akbank AG	6-9%	2025	€21	417,291
EIB II	4%	2023	€11	221,515
IFC I.....	6-9%	2029	€62	1,235,209
IFC II	10%	2023	RON 7	27,307
EFSE	4%	2028	€20	405,850
EBRD II	1%	2025	US\$4	46,210
Proparco	4-6%	2028	€71	1,054,990
EBRD III.....	2%	2024	€18	351,680
EBRD IV.....	4%	2024	US\$5	92,960
Others.....				13,867,965
Total.....				21,481,139

The Group's short-term funds borrowed included the following syndicated loan facilities as of 31 December 2022, 2023 and 2024:

(a) as of 31 December 2022: two one year-syndicated loan facilities to be utilised for general trade finance purposes, including export and import contracts, in two tranches of: (i) US\$283,500,000 and €290,500,000 with rates of SOFR + 2.75% and EURIBOR + 2.10% *per annum*, respectively, and (ii) US\$155,000,000 and €238,500,000 with rates of SOFR + 4.25% and EURIBOR + 4.00% *per annum*, respectively,

(b) as of 31 December 2023: two one year-syndicated loan facilities to be utilised for general trade finance purposes, including export and import contracts, in two tranches of: (i) US\$199,000,000 and €218,500,000 with rates of SOFR + 4.25% and EURIBOR + 4.00% *per annum*, respectively, and (ii) US\$259,500,000 and €142,500,000 with rates of SOFR + 3.50% and EURIBOR + 3.25% *per annum* respectively; and

(c) as of 31 December 2024: two one year-syndicated loan facilities to be utilised for general trade finance purposes, including export and import contracts, in two tranches of: (i) US\$240,750,000 and €178,600,000 with rates

of SOFR + 2.50% and EURIBOR + 2.25% *per annum*, respectively, and (ii) 244,000,000 and €162,400,000 with rates of SOFR + 1.75% and EURIBOR + 1.50% *per annum* respectively.

Interbank Money Markets

Interbank money markets includes Borsa İstanbul money market takings, obligations under repurchase agreements and interbank money market takings as set forth in the table below:

	As of 31 December		
	2022	2023	2024
	(TL thousand)		
Interbank money market takings	-	-	-
İstanbul Stock Exchange ⁽¹⁾ money market takings	1,687,592	3,573,001	2,535,178
Obligations under repurchase agreements	22,611,418	52,421,596	44,347,725
Total	24,299,020	55,994,597	46,882,903

(1) Borsa İstanbul.

The Group's obligations arising from agreements for the repurchase/resale of securities amounted to TL 46,882,903 thousand as of 31 December 2024, as compared to TL 55,994,597 thousand as of 31 December 2023 and TL 22,611,418 thousand as of 31 December 2022, representing 1.5%, 4.0% and 1.7%, respectively, of the total assets of the Group as of such dates. The securities sold by the Group under such repurchase agreements are recognised in the BRSA Financial Statements as being owned by the Group, but subject to a pledge (see II.C. (Securities Portfolio - Securities Portfolio Concentrations) above).

Securities Issued (net) and Similar Liabilities

The Group issues securities in Turkish Lira and foreign currencies. The outstanding amount of its securities issued (net) amounted to TL 25,644,871 thousand, TL 17,608,189 thousand and TL 11,142,952 thousand, respectively, as of 31 December 2021, 2022 and 2023. The following table sets out a breakdown of certain information relating to the Group's securities issued (net) as of the indicated dates by maturity profile:

	As of 31 December					
	2022		2023		2024	
	Short Term	Medium and Long-Term	Short Term	Medium and Long-Term	Short Term	Medium and Long-Term
	(TL thousands)					
Nominal	1,482,991	17,698,185	2,698,366	8,432,298	11,850,310	15,782,578
Cost	1,454,412	17,476,729	2,411,701	8,426,273	11,838,643	15,775,860
Carrying Value	1,485,501	16,122,688	2,514,189	8,628,763	12,052,932	16,056,569

In 2023 the declines in medium and long-term securities were primarily due to the redemption of Eurobonds. In 2024, short, medium and long-term securities increased as more securities issued in line with the increased investor appetite for Turkish assets from abroad and market activity in Türkiye.

In addition, the Group has raised foreign currency funds from "future flow" and other transactions, which are categorised in the balance sheet as "financial liabilities at fair value measured at fair value through profit or loss." The outstanding amount of such obligations totalled TL 32,020,818 thousand, TL 49,046,956 thousand and TL 57,223,084 thousand, respectively, as of 31 December 2022, 2023 and 2024. The increases in 2023 and 2024 are primarily due to the depreciation of the Turkish Lira, the impact of which exceeded the impact of amortisations of the principal of such obligations.

Other Indebtedness

The Bank issues, and may issue in the future, from time to time: (a) additional Series of Notes under the Programme, which (as permitted by the Programme) are, and in the future may be, in any currency, with any tenor and with any interest rate, which issuances may be listed or unlisted, (b) additional series under its covered bond programme, which might be in any currency, with any tenor and with any interest rate, which issuances may be listed or unlisted, and (c) other obligations.

The Bank might also incur, from time to time, additional obligations under its “diversified payment rights” programme and/or similar programmes, which might be in any currency, with any tenor and with any interest rate.

Subordinated Debts

The following tables set out a description of the Group’s subordinated debts (including expense accruals) as of the indicated dates.

As of 31 December 2024			
	Latest Maturity	Interest Rates	Nominal Value
	<i>(TL thousands, except percentages)</i>		
Subordinated debt of US\$750 million.....	2027	7,177	21,273
Subordinated debt of US\$500 million.....	2034	8,375	17,274
Subordinated debt of TL 750 million.....	2030	TLREF+2.50%	750
Subordinated debt of US\$750 million.....	2035	8,125	25,911

As of 31 December 2023			
	Latest Maturity	Interest Rates	Nominal Value
	<i>(TL thousands, except percentages)</i>		
Subordinated debt of US\$750 million.....	2027	7.177%	21,782
Subordinated debt of TL 252.9 million.....	2029	TLREF+1.30%	252.9
Subordinated debt of TL 750 million.....	2030	TLREF+2.50%	750.0

As of 31 December 2022			
	Latest Maturity	Interest Rates	Nominal Value
	<i>(TL thousands, except percentages)</i>		
Subordinated debt of US\$750 million.....	2027	7.177%	13,944
Subordinated debt of TL 252.9 million.....	2029	TLREF+1.30%	252.9
Subordinated debt of TL 750 million.....	2030	TLREF+2.50%	750.0

On 23 May 2017, the Bank successfully issued US\$750 million in subordinated debt with a 10-year maturity due May 2027, marking its inaugural Basel III-compliant Tier 2 issuance in the international capital markets. On 3 December 2024, the Bank completed a tender offer for the outstanding Tier 2 notes due May 2027, resulting in a remaining principal amount of US\$615,752,000. On 9 October 2019, the Bank issued TL 252.9 million in subordinated debt with a 10-year maturity due October 2029. This instrument was called in the fourth quarter of 2024, in accordance with its call schedule. Additionally, the Bank called TL 750 million of subordinated debt in February 2025. In 2024, the Bank executed two new international subordinated debt issuances. The first, completed in February 2024, amounted to US\$500 million with a 10-year maturity, and a final maturity in 2034. The second issuance, completed in December 2024, amounted to US\$750 million, with a final maturity in 2035.

Non-Cash Loans and Other Contingent Liabilities

The Group enters into certain financial instruments with off-balance sheet risk in the normal course of business in order to meet the needs of its customers. These instruments, which include non-cash loans (letters of guarantee, acceptance credits, letters of credit and other guarantees and sureties) and other commitments and contingencies, involve varying degrees of credit risk and are not reflected in the Group’s balance sheet. The Group’s maximum exposure to credit losses for letters of guarantee and acceptance credits and letters of credit is represented by the contractual amount of these transactions. Since many of the commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Off-Balance Sheet Commitments and Contingencies.*”

The following table sets out certain details of the Group's non-cash loans as of the indicated dates:

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

As of 31 December 2023, non-cash loans of the Group increased by 36.0% to TL 572,323,903 thousand from TL 419,910,266 thousand as of 31 December 2022, itself an 81.0% increase from TL 232,368,557 thousand as of 31 December 2022. The Group issues letters of guarantee, letters of credit, acceptance credits and other payment commitments arising in a wide variety of transactions.

As of 31 December 2024, the Group's commitments for unused credit limits and promotions of credit cards, checks and loans to customers, and commitments for loan granting and other revocable and irrevocable commitments amounted to TL 1,508,498,618 thousand an increase of 101.4% from TL 748,892,416 thousand as of 31 December 2023, itself an increase of 200.2% from TL 249,499,657 thousand as of 31 December 2022.

Derivative Transactions

Forward foreign exchange contracts are agreements to purchase or sell a specific quantity of a foreign currency or precious metals at an agreed-upon price with delivery and settlement on a specified future date. Such contracts include only deliverable contracts. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movements in currency exchange rates.

The Group's outstanding derivative transactions (e.g., spots, forwards, swaps, future rate agreements, options and forward agreements for gold trading) amounted to TL 1,081,008,221 thousand, TL 1,177,937,839 thousand and TL 1,671,806,611 thousand, respectively, as of 31 December 2022, 2023 and 2024.

The following table sets out the breakdown of notional amounts of outstanding derivative contracts by type of transaction as of the indicated dates:

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Derivative financial instruments held for risk management			
A. Total derivative financial instruments held for risk management.....	69,900,161	76,324,068	88,780,856
Fair value hedges.....	18,740,678	34,448,844	63,584,925
Cash flow hedges.....	51,159,483	41,875,224	25,195,931
Foreign currency-related derivative transactions (I).....	621,762,964	571,309,914	769,267,678
Currency forwards – Purchases.....	32,972,881	50,890,924	45,490,139
Currency forwards – Sales.....	31,884,723	46,465,077	46,341,422
Currency swaps – Purchases.....	207,566,562	202,137,265	255,536,597
Currency swaps – Sales.....	224,698,041	246,670,745	336,756,457
Currency options – Purchases.....	61,965,481	8,991,727	40,065,460
Currency options – Sales.....	60,613,643	9,231,132	44,079,185
Currency futures – Purchases.....	1,093,433	3,580,194	512,858
Currency futures – Sales.....	968,200	3,342,850	485,560
Interest rate-related derivative transactions (II).....	300,786,140	391,515,088	625,801,565
Interest rate swaps – Purchases.....	147,585,652	195,548,461	304,862,908
Interest rate swaps – Sales.....	147,585,652	195,548,462	304,962,809
Interest rate options – Purchases.....	3,423,170	-	6,909,600
Interest rate options – Sales.....	2,066,795	-	6,909,600

	As of 31 December		
	2022	2023	2024
		(TL thousands)	
Securities options – Purchases.....	1,558	111,270	905,584
Securities options – Sales	123,313	132,637	905,584
Interest rate futures – Purchases	-	-	0
Interest rate futures – Sales.....	-	174,258	345,480
Other trading derivatives (III)	88,558,956	138,788,769	187,956,512
B. Total trading derivatives (I+II+III)	1,011,108,060	1,101,613,771	1,583,025,755
Total derivative transactions (A+B).....	1,081,008,221	1,177,937,839	1,671,806,611

THE GROUP AND ITS BUSINESS

Overview of the Group

The following text should be read in conjunction with, and is qualified in its entirety by, the detailed information and the BRSA Financial Statements (including the notes thereto) incorporated by reference into this Base Prospectus.

The Group is a leading Turkish banking group with a significant market share in Türkiye, being (as per published BRSA financial statements as of 31 March 2025) the second largest private banking group in Türkiye in terms of total assets. The Group's customers are comprised mainly of commercial enterprises, SMEs, foreign multinational corporations with operations in Türkiye and customers from across the Turkish consumer market.

The Group served approximately 28.0 million customers as of 31 March 2025 (per the Bank's internal definition: approximately 27.4 million retail customers, 642,429 SME customers, 46,014 active commercial customers and 3,342 corporate customers) by offering a broad range of products and services, many of which are tailored to identified customer segments. These products and services include (inter alia) deposits, corporate loans, project finance loans, leasing, factoring, foreign exchange transactions, investment and cash management products, consumer loans, mortgages, pension and life insurance, portfolio management, securities brokerage and trading, investment banking, payment systems (including credit and debit cards) and technology and data processing operations. The Group also acts as an agent for the sale of a number of financial products such as securities, insurance and pension contracts and leasing services. As of 31 March 2025, the Bank's services in Türkiye were provided through a nationwide network of 789 domestic branches as well as sophisticated digital channels ("DCs"), such as automated teller machines ("ATMs"), call centres, internet banking and mobile banking. As of the same date, the Bank had seven foreign branches (one in Malta and six in Northern Cyprus (together with a Country Directorate in Northern Cyprus that was established in order to comply with the legal requirements in Northern Cyprus)) and a representative office in Shanghai, together with bank subsidiaries in the Netherlands (Garanti Bank International NV ("GBI")) and Romania (Garanti Bank SA ("Garanti BBVA Romania")).

The Group had total assets of TL 3,498,288,811 thousand, performing loans (which excludes lease, factoring, non-performing receivables and expected credit losses) (as used herein, "cash loans") of TL 1,937,117,283 thousand and shareholders' equity of TL 340,666,959 thousand as of 31 March 2025. The Group's return on average shareholders' equity was 32.5% during 2024 and 30.7% during the first three months of 2025. As of 31 March 2025, the Group's total capital adequacy ratio was 17.1% (when calculated without including the BRSA's forbearance noted herein, 15.6% when calculated using either Tier 1 capital only or common equity Tier 1 capital only) calculated in accordance with applicable Basel III rules.

The Group's net profit/(loss) was TL 58,510,306 thousand in 2022, TL 86,907,216 thousand during 2023, TL 92,178,886 thousand during 2024 and TL 25,398,699 during the first three months of 2025.

The Bank's shares have been listed on the Borsa İstanbul (or its predecessor the İstanbul Stock Exchange) since 1990. In 2012, the Bank joined the top tier of the U.S. over-the-counter (OTC) market, OTCQX International Premier, for which companies must meet high financial standards and have an effective disclosure process. The Bank has been included in the Borsa İstanbul's Sustainability Index and Corporate Governance Index since 2014 and, as of the date of this Base Prospectus, is the only bank from Türkiye listed in the Dow Jones Sustainability™ Emerging Markets Index (DJSI), for which it qualified in 2015.

History

The Bank was incorporated under the laws of Türkiye on 11 April 1946 in Ankara as a partnership of 103 businessmen and for much of its history it operated primarily as a private sector bank engaged in commercial activities. In 1975, Koç Holding A.Ş. ("*Koç Holding*") and Hacı Ömer Sabancı Holding A.Ş. ("*Sabancı Holding*"), both large, private conglomerates in Türkiye, acquired 56% and 33% (respectively) of the Bank's share capital. The Bank moved its headquarters to İstanbul in 1978. In 1983, Koç Holding and Sabancı Holding sold their respective interests in the Bank to the Doğu Group, owned by the Şahenk family ("*Doğu Holding*"). In 1990, shares of the Bank were offered to the public and listed on the İstanbul Stock Exchange (the predecessor to the Borsa İstanbul). On 22 December 2005, Doğu Holding sold 25.5% of the Bank's issued share capital and 49.2% of the Bank's founders' shares to a subsidiary of the General Electric Company (such subsidiary, "*GEAM*"), which thereby acquired joint control over the Bank. On 27 December 2007, GEAM sold 4.65% of the Bank's share capital back to Doğu Holding.

Doğuş Holding and BBVA entered into a share purchase agreement on 1 November 2010 under which BBVA acquired shares representing 6.2902% of the Bank's issued share capital from Doğuş Holding. BBVA concurrently entered into a share purchase agreement with (*inter alia*) GEAM for the acquisition of shares representing 18.60% of the Bank's issued share capital. On 1 March 2011, the BRSA approved these share transfers, following the closing of which BBVA held a 24.89% stake in the Bank (which, through secondary market purchases, BBVA increased to 25.01% stake in the Bank without changing the joint control and management principles agreed to between Doğuş Holding and BBVA).

On 19 November 2014, Doğuş Holding and members of the Şahenk family entered into a share purchase agreement with BBVA under which BBVA agreed to purchase shares representing 14.89% of the Bank's issued share capital then in issue. On 27 July 2015, the transfer of shares was finalised and BBVA's and the Doğuş Group's shares in the Bank were 39.90% and 10.00%, respectively. See "Ownership."

As noted in "Ownership," the Sellers and BBVA agreed to the Share Purchase Transaction on 21 February 2017, completion of which occurred on 22 March 2017, resulting in BBVA owning 49.85% of the total issued share capital of the Bank.

In November 2021, BBVA announced that it would launch the Tender Offer to acquire the shares of the Bank that were not already owned by BBVA. The Tender Offer, which was approved by CMB on 31 March 2022, ended on 18 May 2022 and resulted in BBVA obtaining an additional 36.12% of the Bank's shares and thereby taking its total to 85.97% of the Bank's shares.

Competitive Advantages

The Bank's management believes that the Group's success in the competitive Turkish banking sector is due to the following competitive advantages:

- *A customer-driven asset mix, with Turkish lira lending growth in line with macro-prudential policies.* The Group's focus on lending while maintaining a customer-driven approach has resulted in the Bank having the highest loan share in its asset composition among its private peers (*i.e.*, Türkiye İş Bankası A.Ş., Yapı ve Kredi Bankası A.Ş. and Akbank T.A.Ş.) as of 31 December 2024 and as of 31 March 2025. In addition, the Bank held the largest Turkish Lira cash and non-cash loan portfolio of all private banks as of 31 December 2024 and as of 31 March 2025, on both dates being the second largest private bank in terms of asset size in Türkiye. The Bank's management believes that the Group has strong positioning in all financial products, with its traditional leadership in the payments business and retail lending among private banks being an important lever in its customer-driven growth strategy.
- *A highly liquid and actively managed funding portfolio.* To sustain high levels of liquidity, the Bank focuses on maintaining an adequate volume of stable resources, in particular to ensure that the Bank maintains a high foreign currency liquidity buffer to support the Bank's strength in stress scenarios. In addition to maintaining a leadership among private banks in Turkish Lira deposits, the Bank also focuses on low cost demand deposits with the aim of being the main bank for customers. The Bank had the highest Turkish Lira demand deposit base among private banks as of both 31 December 2024 and 31 March 2025, which strengthens the Bank's competitive funding costs.
- *Strong asset quality with sound coverage levels.* The Bank focuses on having strong asset quality by pursuing solid risk management processes, which is reflected in it having one of the lowest NPL ratios and the highest loan provision amount on balance sheet among private peers as of 31 December 2024 and 31 March 2025. The Bank aims to sustain its selective growth strategy and cautious approach while maintaining high coverage ratios with prudent provisioning policies.
- *An accelerated pace in high quality revenue generation; strong capital position and buffer.* The Bank continues its focus on customer-oriented, solid revenue generation opportunities, which has resulted in the Bank having the highest core net interest margin in both 2024 and the first quarter of 2025. The Bank differentiates itself from its peers by superior margin management, keeping its focus on expanding and diversifying its fee and commission income. Such a framework of high-quality revenue generation combined with prudent risk management leads to capital generative growth, enabling the Bank's capital adequacy ratio to be well above regulatory requirements, thereby supporting its resilience.

- *Practices for employee satisfaction and work-life balance.* The Bank focuses on employee happiness and supports the work-life balance of its employees and diversity within the Bank. The Bank has adopted a hybrid working model, contributing to the flexibility of its employees' working experience. In addition, the Bank regularly measures employee loyalty in order to identify areas for possible improvement and seek to enhance them in a timely manner. As of the date of this Base Prospectus, the Bank is the only company in Türkiye to have been included in the "Bloomberg Gender Equality Index" for seven consecutive years.
- *A unique customer experience created by a superior digital experience.* In order to realise the Bank's objective to deliver an excellent customer experience by placing customers at the centre of all of its activities, the Bank blends the needs and tendencies of customers with evolving trends in order to offer innovative customer-oriented products and services. For example, to ensure a superior customer experience, the Bank enhances its digital tools and strives to improve customer visits. Supported by data-based and customised product offerings and solutions, the Bank (as of 31 March 2025) serves the largest digital customer base among private banks in Türkiye. In addition, the Bank seeks to constantly improve its customer experience by addressing complaints and suggestions raised by customers. Due to its holistic approach to the customer experience, the Bank achieved the highest NPS (net promoter score) for Corporate & Commercial customers among Turkish banks and the second highest such score for retail and SME customers as of 31 December 2024.
- *A strong brand and corporate reputation with unique value creation.* The Bank's commitment to the irreplaceable principles of trust, integrity, accountability and transparency supports the Bank's strong reputation. Coupled with strong communication and community investment programmes focused on social responsibility, the Bank achieved the highest "Brand Power" within the Turkish banking sector, based upon studies commissioned by the Bank from independent research firm Kantar in first quarter of 2025. The Bank has also achieved many firsts in the Turkish market regarding strategic initiatives in the area of sustainability, such as being the first Turkish signatory of the United Nations Net Zero Banking Association.

Strategy

The Group's mission is to continuously and noticeably increase the value created for its customers, shareholders and employees, society and the environment by leveraging its effectiveness, agility and organisational efficiency. The Group, which defines its purpose is being "to bring the age of opportunity to everyone," has six strategic priorities as of the date of this Base Prospectus, which are divided into three categories as follows:

- *Differentiated Value Proposition*

The Group focuses on optimising the financial health of the Group's customers. In order to support the financial health of the Group's customers and improve their experience, the Group seeks to offer solutions and provide suggestions catering to their needs in achieving their financial goals. To achieve this, the Bank seeks to offer strong financial advisory services to its customers in order to assist them make healthy financial decisions. The Group seeks to deliver excellent customer experiences by placing customers at the centre of all of its activities, aiming to build long-lasting relationships and be a trusted partner.

The Group seeks to ensure sustainability and responsibility. The Group aims to make effective use of its brand and reputation to increase awareness of sustainability and responsibility, which also supports attracting customers, decision-makers and other potential counterparties. For example, the Group closely observes climate change-related risks and opportunities and integrates these observations into its business processes and risk policies. The Group also is committed to the expansion of its sustainable products, which are inspired by the "United Nations Sustainable Development Goals." The Group also focuses on community investment programmes that deliver impactful outcomes on important issues.

- *Drivers of Superior Performance*

The Group seeks to reach more customers. While continuing to deepen its relationship with existing customers, the Group aims to continue growing its customer base. This goal is supported by the Group's goal to be wherever customers are, whether physically or through the effective use of new channels such as DCs (including seeking new customers through digital partnerships).

The Group seeks to improve operational excellence. Operationally, through a focus on continuing to automatise processes, increasing end-to-end digital solutions and pursuing cost and revenue synergies, the Group aims to deliver transaction convenience, innovative solutions and an exceptional customer experience, including through superior digital platforms. Financially, the Group seeks to optimise its capital to maximise its value creation while focusing on sustainable growth and to constantly improve its business model and processes in pursuit of operational efficiency and cost and revenue synergies. From a risk perspective, the Group seeks to employ effective tools throughout its integrated management of financial and non-financial risks.

- **Accelerators**

The Group seeks to create the best and most engaged team. As the success of the Group's strategy depends upon the strength of its human resources, the Group focuses closely on its employees in order to create the best and most engaged team in Türkiye. To achieve this goal, the Group invests in its people through a deep focus on their development, happiness and well-being, including focusing on their work-life balance. Employees are included within teams, which encourages them to act with shared wisdom, think big, act in a socially responsible manner and be results-oriented. The Group recognises the importance of establishing fair and transparent management policies that are based upon employee performance, equal opportunities, diversity and internal promotion.

The Group seeks to increase the strength and agility of its technological infrastructure and platforms. The Group aims to strengthen its IT infrastructure and platforms, with a primary focus on providing the efficiency to allow quick decision-making and the accuracy to provide a reliable base of information upon which to base such decisions. To achieve this goal, the Group seeks to deploy more sophisticated artificial intelligence tools, machine learning and big data interpretation. The Group also focuses on data analytics that seek to identify the right products and services for its customers as well as support the Group's pricing, risk management and other processes.

Business

The Bank is organised into six major business lines: retail (excluding payment systems such as credit cards), payment systems (which includes the Bank's credit card business and is operated together with GPS), SME banking, commercial banking, corporate banking and other operations (the most significant of which is global markets). Each of the Bank's business lines is managed by a separate department within the Bank, except for payment systems (which is managed by the Bank together with GPS). The Bank also conducts certain international banking operations through its foreign branches and subsidiaries. All of the Group's business lines are supported by head office and other support functions. The Bank's subsidiaries (described in "Subsidiaries" below) provide various specialty products to clients of the Group.

Retail Banking

The Bank entered the retail banking sector in 1988 and has increasingly focused on growing its retail business. The Bank aims to become the bank of choice for its retail customers and to sustain its innovative leadership in retail banking, and focuses on relationship management and product innovation aligned to customer needs in order to achieve these goals. The Bank offers a broad range of products to its approximately 27.4 million retail banking customers as of 31 March 2025.

The Bank's management believes that the strengths of the Bank's Retail Banking Department include: (a) a customer-centric approach with an emphasis on customer satisfaction (with dedicated call centres and periodic measurement), (b) the strength of its branch network and DCs, (c) innovative marketing approach, (d) a strong sales culture, including sales-oriented branch staff and centralised transaction processing and operations, and (e) sophisticated IT systems and customer relationship management ("CRM") infrastructure to allow pro-active sales processes and targeted direct marketing campaigns.

The Bank's Retail Banking Department aims to manage market share growth while controlling internal costs. The main pillars of the Bank's retail strategy are targeting and activating employer payroll customers, expanding the branch network to reach more customers and close follow-up of cross-selling opportunities.

Products and Services

Deposits. The Bank offers its retail customers a range of interest- and non-interest-bearing current and savings accounts, gold deposit accounts, structured deposits (i.e., deposits linked to an index), flexible term deposits and accumulated savings accounts. Deposit collection is a principal focus of the Bank as deposits provide low cost

funds to be invested in loans and other assets. The Bank has been increasing its domestic branch network for many years (from 478 at the end of 2006 to 789 as of 31 March 2025) with the goal of increasing the number of the Bank's retail customers and obtaining a stronger and more diversified deposit base. Deposits from the retail banking business are the largest funding source of the Bank, reaching TL 910.5 billion of Turkish Lira deposits and US\$15.7 billion of foreign currency deposits as of 31 March 2025.

Consumer Loans (including Overdraft Accounts). The Bank's retail loan portfolio, originated only in Turkish Lira since 2009, comprised of mortgage loans, auto loans, general purpose loans and overdrafts but excluding credit cards, was TL 120.5 billion as of 31 December 2022, increasing by 46.8% to TL 176.8 billion as of 31 December 2023, increasing by 65.2% to TL 290.8 billion as of 31 December 2024 and then increasing by 10.8% to TL 322.3 billion as of 31 March 2025. The Bank's primary consumer loan products are described below:

- *Mortgages:* In 2023, the retail mortgage loan book increased by 49.8%, followed by an increase of 73.8% in 2024 and then increased by 83.9% in the first three months of 2025. The Bank's retail mortgage offering is focused on both high and medium net worth individuals with strong credit history. Although the Bank's maximum loan-to-value ratio was 90%, which is in line with the maximum limit stated by law, the average loan-to-value ratio of the Bank's retail mortgage book at origination was 54% as of 31 March 2025. As of such date, the average original term of its mortgages was 7 years, with most loans having an original maturity of either 5 or 10 years, and mortgages are issued with fixed interest rates. The Bank had a market share of 13.7% (with respect to outstanding mortgage loan balance for consumer loans) as of 31 March 2025 according to BRSA data. The Bank maintains strategic partnerships with leading residential construction companies and real estate agencies nationally, and also focuses on mortgage expertise in branches as well as a wide product range and distribution channels, focusing on service quality instead of price competition in order to maintain its profitability. While foreign currency-denominated mortgages were common in previous years, legislation now requires that consumer mortgages to Turkish citizens can only be denominated in Turkish Lira.
- *Vehicle Loans:* The Bank offers secured loans to finance the purchase of both new and used vehicles. The duration of these loans is around four years and most have fixed rates. In 2023, the Bank's vehicle loan book increased by 153.7%, followed by an increase of 13.2% in 2024 and an increase of 65.1% in the first three months of 2025. The Bank's market share (by outstanding balance) was 23.1% as of 31 March 2025 according to BRSA data.
- *General Purpose Loans (including other and overdraft loans):* The Bank offers general purpose loans to finance various needs of its retail customers, such as home improvement, education, marriage and vacations. The maximum maturity of such loans is approximately three years. The Bank's general purpose loan book increased by 43.8% in 2023, followed by an increase of 56.2% in 2024 and an increase of 7.7% in the first three months of 2025. The Bank's market share (including overdraft, by outstanding balance) was 14.4% as of 31 March 2025 according to BRSA data. The Bank seeks to capture market share through various central marketing approaches, including loyalty-based approaches such as pre-approved loan limits. As general purpose loans are generally unsecured, the Bank's credit analysis for these loans focuses principally on the potential borrower's income and other assets.
- *Overdraft Accounts:* The Bank has registered a stable and strong overdraft account base built upon mainly employer payroll customers and investment accounts. Targeted marketing campaigns are conducted to increase utilisation of overdraft accounts. As of 31 March 2025, the number of overdraft accounts operated by the Group was approximately 6.1 million, with an aggregate overdraft risk of TL 76.3 billion.

Investment Products. The Bank's retail banking investment products include mutual funds, government bonds and equity securities. As of 31 March 2025, the Bank had TL 609.7 billion of assets under management in investment products. The Bank's principal strategies to increase its retail investment product sales, customers using digital channels and profitability include conducting cross-selling campaigns to deposit customers and utilising actively managed mutual funds (e.g., a fund with a diversified multi-asset strategy that invests not only in Turkish equity and fixed income markets but also in the equity and fixed income markets in Europe, the United States and emerging markets and in precious metals and ETFs).

Cash Management Products. Being one of the principal banking needs of retail customers, cash management has been an important focus area for the Bank. For example, one cash management facility offered by the Bank is the automatic payment orders of utility bills. The total number of utility payments facilitated by the Bank reached approximately 188.9 million in 2022, approximately 185.2 million in 2023, 208.2 million in 2024 and 53.4 million as of 31 March 2025. Moreover, the Bank extensively utilises DCs in providing cash management services – for example, more than 208.2 million cardless transactions (*i.e.*, transactions in which the individual, whether an existing customer of the Bank or not, makes a payment transaction without having a bank card) were executed through the Bank’s ATMs (for example, an individual can deposit cash in an ATM and instruct the Bank to make a payment of a utility bill) in 2024. In addition to providing convenient services to customers, DCs are both an increasing source of revenue (both fees generated directly as well as through improved cross-selling activities) and cost savings (through use of technology in lieu of adding additional employees).

Retail Banking Customer Segmentation

Retail banking customers are assigned to one of three segments (affluent, upscale or mass market) based upon their average total loan, investment and deposit balances and then are further assigned to micro-segments based upon their activity and product penetration levels. Micro-segments are used to understand different customer needs and to develop strategies for offering customers better-targeted services and thereby increasing product penetration and wallet share.

Each segment and micro-segment has a tailored set of strategic objectives, customer propositions, service approach and branch service model. For high volume and well-penetrated customers, key products are deposit and investment products and, consequently, an investment advisory service model is used. For lower volume and less well-penetrated customers with greater borrowing needs, a sales-based service model is used with a particular focus on loan and transactional products.

The Bank’s retail banking customer segments are described below:

- *Affluent:* As of 31 March 2025, the Bank had 7,690 customers in its “affluent” category. The criterion for the “affluent” category is TL 10,000,000 in investment and deposit balances. The Bank’s primary focus in this segment is to shift customers to high-margin investment products and further advance customer relationships to enhance customer loyalty. As of such date, there were 11 dedicated branches available only to “affluent” customers. Top performing investment sales staffs are assigned to “affluent” customers at the dedicated branches.
- *Upscale:* Segmentation criterion for the “upscale” retail segment is a banking volume of at least TL 1,000,000 (but not included within the “affluent” segmentation). As of 31 March 2025, the Bank had approximately 950,000 retail customers in its upscale segment, including customers with the potential of having personal financial assets of at least TL 1,000,000. These customers comprised approximately 4% of the Bank’s retail customers as of such date. The Bank’s focus is to increase these customers’ product penetration in order to “lock-in” the relationship. Investment and mortgage advisory services are the other areas of focus for this segment.
- *Mass Market:* In the Bank’s “mass market” segment (*i.e.*, customers with average loan, investment and deposit balances with the Bank below TL 1 million), the Bank’s focus is on increasing penetration of banking products and trying to migrate these customers to the “upscale” segment. As of 31 March 2025, the Bank had 23.6 million “mass market” customers, comprising the vast majority of the Bank’s retail customers. The Bank’s lobby-level sales approach for this segment requires customer representatives to cross-sell to existing customers as well as to non-customers visiting the branch to use non-banking services (for example, bill payments).

New Customer Acquisition Strategies

The Bank uses a number of strategies to attract new retail banking customers, including brand and product marketing, expansion of its branch network, effective utilisation of digital channels and leveraging its leading market position in cash management (particularly employer payroll and utility payments). As the total number of branches has grown, accessibility of the Bank to bankable customers in the market has continued to expand. For example, the Bank has opened “small-branches” in locations where the local market might not require a full-service branch.

New customer acquisition strategies are in place for each customer micro-segment, demographic group and product. In general, however, the three most important entry products for new retail banking customers are loan products, credit cards

and employer payroll services. An important source for new “upscale” customer acquisition is the Bank’s SME and commercial company clientele, the owners and managers of which are directly targeted by retail relationship managers.

Payment Systems

The Bank issues debit and credit cards, acquires merchant vouchers and participates in related product development. As of 31 March 2025, the Bank was the largest issuer bank (with an issuing volume market share of 16.9%) in terms of credit card issuing volume and also the largest processor of credit card acquiring sales volume in Türkiye (with an acquiring credit card volume market share of 16.1%) according to the Interbank Card Centre (*Bankalararası Kart Merkezi*) (“BKM”). Acquiring, in this context, refers to the purchase from merchants of the card charges made by their customers, reimbursement for which charges is then sought from the relevant card issuer. For the year ended 31 December 2024, the Bank’s credit card issuing purchase and cash volume amounted to TL 2.4 trillion, debit card issuing purchase volume amounted to TL 263.2 billion and merchant acquiring credit and debit card volume was TL 3.3 trillion. As of 31 December 2024, the Bank had approximately 17.5 million credit cards and approximately 22.6 million bank debit cards outstanding and merchants had 864,055 of the Bank’s POS devices (including shared POSs and virtual POSs).

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

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

- The “Bonus Card,” which is the flagship credit card brand of the Bank, had more than 12.5 million cards in issue and 518,212 merchant partners as of 31 December 2024. The Bank issues VISA, Mastercard and AMEX branded cards pursuant to customary licensing arrangements.
- The “Miles&Smiles Garanti BBVA” card is designed to serve frequent flyers in cooperation with Turkish Airlines. Miles&Smiles Garanti BBVA offers the cardholders the opportunity to earn flight miles from credit card purchases. As of 31 March 2025, there were 867,120 Miles&Smiles Garanti BBVA cards in issue. Turkish Airlines tenders this programme periodically and, while an expensive programme to participate in, the Bank’s participation is profitable overall for the Bank due to the acquisition of the high-quality customers that it provides.
- In February 2006, the Bank introduced the first flexible card in Türkiye, which is named “Flexi.” This programme allows cardholders to customise a credit card with respect to the interest rate, reward system and card fee. As of 31 March 2025, there were 41,075 Flexi cards in issue.
- “Money Bonus Card” was introduced in 2009 and provides the opportunity to earn and redeem “money,” the points in Migros’ rewards program, in over 2,000 sales points of Migros (a large Turkish grocery store) and affiliated stores (outlets). As of 31 March 2025, there were 209,015 Money Bonus Cards in issue.
- The Bank launched American Express Credit Cards in January 2007 and provides a broad range of American Express products. Moreover, the Bank has an active and strong presence in the market for cards for corporate employees.
- The Bank launched its first airline-agnostic traveling credit card (“Shop&Fly”) in November 2018. Having a powerful value proposition, Shop&Fly offers a simple and easy travel program, flexible mile spending and flying experience. Shop&Fly cardholders can also take advantage of a variety of travel services from shopandfly.com.tr and can make various travel payments (flight, hotel, car rental, etc.) with their accumulated Shop&Fly miles. As of 31 December 2024, there were 837,458 Shop&Fly cards in issue. As of 31 March 2025, there were 822,178 Shop&Fly cards in issue.
- The Bank has also licensed the Bonus Card brand to other banks, which other banks (as of 31 March 2025) had approximately 23.3 million “Bonus Card”-branded credit cards in issue. While the Bank does not carry the loans made under these cards, the Bank receives fees in connection with this business and the greater

volume of Bonus Cards in circulation adds to the Bank's ability to offer an attractive package to merchants hosting POS systems.

Small and Medium Enterprise (SME) Banking

The Bank's SME Banking Department serves clients below the commercial banking threshold (below TL 250.0 million in annual sales). SMEs differ from commercial and corporate customers in terms of their scale, employment and management structure. With knowledge of SMEs' particular needs, the Bank has developed a tailored service model for SMEs, including different offerings for specific industries. As of 31 March 2025, the Bank served approximately over 680,000 SME customers.

The Bank's management believes that the strengths of the Bank's SME banking segment include: (a) a customer-centric approach that provides highly-tailored packages of products to SMEs, (b) the strong distribution of its branch network and DCs and (c) sophisticated IT systems and CRM infrastructure to allow pro-active sales processes.

Products: As small commercial operations, SMEs require a broad range of services but not the degree of sophistication required by larger commercial and corporate clients. These services include deposits, payment services (particularly for credit cards), cash management, loans (principally working capital loans), trade-related products and advisory services. As the propensity of Turkish SMEs to use bank products and services has traditionally been low, the Bank has undertaken detailed research in order to identify a comprehensive solution package and service model that would appeal to this segment and has tailored its products in order to provide SMEs with the necessary services at an attractive cost.

The Bank's SME Banking Department intends not only to sell its products to customers but also to help its customers to improve their business and financial management quality. The Bank's goals for assisting its SME clients are not limited to financial solutions. The Bank's SME banking website has been designed to permit SMEs to access extensive content (including recent data, financial recommendations and solutions for their businesses). In addition, mobile banking and digital banking, which respectively had over 459,000 and 218,000 active SME customers as of 31 March 2025, help SMEs to reach their accounts remotely.

Customer Segmentation: In order to differentiate the service model according to the specific needs of clients, the Bank segments its SME clients into sub-segments based upon annual turnover: "Small Enterprise" (being those with annual sales from TL 2,500,000 to TL 8,000,000) and "Medium Enterprise" (being those with annual sales of more than TL 8,000,000 to TL 40,000,000 or annual sales using POS (per the BKM) of more than TL 3,500,000). As of 31 March 2025, 70.2% of the SME Banking Department's customers were in the "Small" sub-segment, with the remainder in the "Medium" sub-segment.

Commercial Banking

The Bank's Commercial Banking Department provides products and services to larger companies, with the department having separate "İstanbul" and "Anatolia" units for a more efficient use of the sales team and to facilitate a particular focus on regions in which the Bank has a relatively small market share. Companies with annual sales or asset size over TL 250,000,000 and (as a last-12-month average) more than TL 85,000,000 in Turkish Lira-denominated cash loans (calculated based upon data provided by banks in the sector) are referred to as "Commercial." The Bank's offerings for these customers include trade finance instruments, project finance, Turkish Lira- and foreign currency-denominated medium- and short-term loans, cash management, investment products, internet banking and telephone banking.

In order to best serve its commercial banking clients, which consisted of 47,793 active customers as of 31 March 2025, the Bank's Commercial Banking Department delivers products and services through 31 specialised commercial branches in addition to the Bank's general mixed branches and benefits from numerous commercial client-dedicated customer service representatives and customer relationship managers. Their main responsibilities are to convert existing commercial banking customers into "house bank" customers, to acquire new customers and to increase the profitability of these customers while continuously monitoring the customers' credit quality.

The Bank's management believes that the competitive strengths of the Bank's commercial banking business are as follows: (a) focus on relationship-based banking, including providing tailor-made products and services, (b) pricing the "customer" on the basis of the entirety of its relationships with the Group instead of having a standard price for a product or

service, (c) experience in the field of project financing, (d) effective adaptation of new technologies in the sales process, (e) agile loan processes and (f) dedicated commercial banking branches.

Products: The Bank offers a number of products and services to commercial clients. The most important commercial banking offerings are cash loan products (including structured loan products such as project financing), non-cash loan products (such as letters of credit and letters of guarantee), foreign trade financing and cash management services. In addition, a broad range of investment products (such as deposits, government securities and mutual funds) are offered to commercial clients. The most significant commercial banking products by volume and value are (with respect to foreign currency) working capital loans and export loans and (with respect to Turkish Lira) commercial overdraft and general purpose loans. Different types of loan products include spot loans, foreign currency-indexed loans, gold loans, Turkish Eximbank loans and export factoring (such as irrevocable/revocable factoring, collection-guaranteed factoring and collection factoring).

Corporate Banking

The Bank's Corporate Banking Department was formally separated from the Commercial Banking Department in 1995, although the Bank started servicing large corporations in the early 1990s. The Bank was the first Turkish bank to open exclusive corporate branches that provide tailor-made services and sophisticated products to its corporate customers. Corporate banking clients are commercial entities that are local blue-chips and multinational corporations operating in Türkiye. There is no material threshold between commercial and corporate customers – corporate customers are selected subjectively by the Bank according to their total assets, sales turnover, shareholder and professional management structures and other criteria.

The Bank's management believes that the Bank has become the principal banking partner in Türkiye of many major multinational and domestic corporations through a strategic approach that has emphasised long-term reliable commitment to its customers during both stable and volatile market conditions. The Bank's corporate banking mission is to become the "house bank" of its domestic clients and the first choice for multinationals operating in Türkiye.

The Bank had 2,918 corporate clients as of 31 March 2025. These clients belonged to 308 corporate groups, of which approximately half were multinationals. These corporate customers operate in several industries, including the automotive, food and beverage, chemical, telecommunications, energy, household appliances, oil, iron and steel industries as well as international construction and retail businesses.

The pillars of the Bank's corporate banking strengths are: (a) longstanding relationships, enhanced by commitment through difficult market conditions, (b) ability to cross-sell, leveraging on cash management and strength of relationship, (c) advanced technology, including dedicated IT support and developing tailor-made solutions for clients, and (d) high-quality staff.

Products: The Group offers corporate customers a wide range of lending and banking services, including commercial banking products, treasury and derivative products, cash management services, corporate finance advice, trade finance, project finance and other financial services such as insurance and leasing.

The main lending products offered by the Bank's Corporate Banking Department are working capital loans, project finance loans, foreign currency-based loans, revolving loans, short term loans and overdraft loans. Cash management is another field in which the Corporate Banking Department has significant expertise. Various products are offered in terms of cash management services: direct debiting services, discounting, utility payment systems, supplier finance services, inventory finance services and check collection. In addition, the Bank offers to its corporate customers treasury and derivative products (e.g., options, forwards, swaps, mutual funds, bonds and stocks) as well as a variety of other financial services including (through its subsidiaries) insurance, leasing and factoring.

Asset and Liability Management Department

The Group's operations and results rely to a large extent upon the Bank's Asset and Liability Management Department (the "ALM"), in which the Group centralises its asset and liability management operations. The ALM manages the Bank's interest rate, sovereign credit and liquidity risks in accordance with the objectives set by the Asset & Liability Committee (the "ALCO"). The ALM aims to maximise the Bank's risk-adjusted return-on-capital and the net interest margin of its balance sheet and to minimise the fluctuations in net interest margin. Monitoring prevailing market conditions, interest

rates, volume trends on the balance sheet and risk parameters, the ALM creates and acts upon the Bank's investment, funding and hedging strategies in spot and/or derivative markets.

Along with conventional market risk management products, the ALM also utilises a "transfer pricing system" as a tool of balance sheet management. The transfer pricing system isolates the Bank's business lines and branches from the market-related risks arising out of their commercial activities and enables the market risk to be transferred to the ALM, which thus centralises the Bank's market risk management. In addition, by differentiating the transfer prices for different products with different risk factors, the ALM is able to develop and implement its strategic guidance on products and risk factors.

Global Markets

The Global Markets Department principally consists of the Trading Department (which coordinates the Group's trading functions and manages the risks inherent therein), the Global Market Sales and Financial Solutions Department (which allows the Bank's customers easier access to the financial markets) and the Global Markets Business Solutions Department (which develops and utilises structured products with the aim of more efficiently managing the Group's balance sheet). Each of these departments is described in greater detail below.

Trading Department

The Trading Department coordinates the Group's trading activities, which include both proprietary transactions and a much larger number of transactions on behalf of customers, with customer-driven transactions representing the most significant portion of the Group's trading activities. The department's role includes the management of risk within the Bank's securities portfolio and ensuring sufficient liquidity to cater to anticipated customer demand.

The Bank's management believes that the Bank's quantitative and qualitative approaches to trading with respect to risk management distinguish the Bank from its competitors and have been critical to the Bank's success in volatile markets. The correct allocation of the investment portfolio in light of market trends is of critical importance to the Bank's profitability and financial position. Thus, the Global Markets Department assesses the ability of the Trading Department to analyse trends, understand implications and shape the Bank's fixed income portfolio or foreign exchange positions accordingly.

The value-at-risk ("VaR") limit for the Bank's trading portfolio is calculated by the Risk Management Department according to the distribution of capital approved by the Board. The Bank updates its VaR limit quarterly based upon changing regulatory capital.

Trading includes management of both customer flows as well as the Bank's own positions. In anticipation of future customer demand, the Bank maintains access to market liquidity by quoting bid and offer prices and carries an inventory of money and capital market instruments including a broad range of cash and securities. The Bank also takes positions in the interest rate, foreign exchange and debt markets based upon expectations of customer demand or a change in market conditions.

The Global Markets Department uses real-time position-keeping systems that, with the Bank's information system and a data feed provided by Thomson Reuters, track the financial transactions in which the Bank takes part. Real-time positions are simultaneously reflected to the Bank's online Counterparty Limit Monitoring System, which allows real-time counterparty limit monitoring by the Bank's Internal Control Unit and other divisions and aims to avoid breaches in counterparty limits that are approved by the Bank's Credit Committee.

Derivative products have emerged extensively in recent years providing a wide variety of choices to corporate clients as well as individual investors. The Global Markets Department manages the Bank's derivatives exposure within given delta and vega limits. The delta and vega exposures created by the customer flow can be directly hedged against in the markets or can be carried as positions as long as they are within the limits provided by the Bank's Board. The Bank also provides competitive pricing in various derivative products (e.g., local currency, foreign currency, domestic treasury bills, eurobonds, equities and commodities) for the Bank's clients. Although the Bank's major derivative activities relate to the foreign exchange market, the Bank provides liquidity to its customers in the above-mentioned products as well. In addition, the department develops and prices tailor-made products for clients in order to fulfil their hedging and yield-enhancement needs. The department prices all derivative transactions whether for proprietary or hedging purposes (including forwards, swaps, futures and options).

Global Market Sales and Financial Solutions Department

The Global Market Sales and Financial Solutions Department aims to improve the access of the Bank's customers to the financial markets and to assist in their operations therein. The department consists of five sections: marketing, corporate banking, commercial banking, private banking and financial solutions. The aim is to allow customers in these segments to access the market efficiently. The department performs the pricing of all treasury products (foreign currencies exchange, forwards, options, swaps, bonds in Turkish Lira and foreign currencies, eurobonds, deposits, loans, etc.) and creates tailor-made solutions in line with the clients' needs by serving directly to a selected client base or servicing through branches.

In addition, the Global Market Sales and Financial Solutions Department advises corporate and commercial customers on risk management, offers solutions related to balance sheet and financial risk management and structures the necessary products.

Global Markets Business Solutions Department

The Structured Products Unit, one of the units of the Global Markets' Business Solutions Department, develops derivative products required for the effective management of the Bank's balance sheet and liquidity, such as those aimed at increasing profitability and hedging current risks, and also prepares the contracts related to these products. The Structured Products Unit analyses document-based risks in accordance with applicable legislation and accounting standards (local standards and IFRS). The unit also runs the "master agreement" negotiations process together with the Legal Department.

Day-to-day responsibility for managing exposure to market risks lies with the Risk Control Unit that operates within the Global Markets' Business Solutions Department. The Risk Control Unit also monitors the profitability and volume of global markets transactions and reports the size of the portfolios and stop-loss limits of individual trading desks.

Day-to-day responsibility for managing exposure to operational risks lies within the Middle Office Unit of the Global Markets' Business Solutions Department, which unit also examines the confirmations of global markets transactions in order to audit on- and off-market pricing, trader transaction limits, transaction data inputs and the accuracy of operations.

Subsidiaries

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

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

	Ownership⁽¹⁾	As of 31 December			As of 31 March
		2022	2023	2024	2025
Assets					
Türkiye Garanti Bankası	N/A	81.1%	80.7%	80.5%	80.6%
GBI	100%	7.1%	7.8%	9.1%	9.1%
GHBV and Romania businesses ⁽³⁾	100%	4.2%	4.4%	4.0%	4.0%
Garanti Leasing	100%	1.2%	1.3%	1.1%	1.1%
Garanti BBVA Factoring	81.84%	0.7%	0.5%	0.4%	0.5%
Garanti BBVA Pension and Life	84.91%	0.4%	0.4%	0.6%	0.6%
Garanti BBVA Securities	100%	0.3%	0.3%	0.3%	0.3%
Garanti Asset Management	100%	0.0%	0.0%	0.1%	0.1%
Garanti Payment Systems	100%	0.0%	0.0%	0.0%	0.0%
<i>Structured Entities⁽²⁾</i>					
Garanti Diversified Payment Rights Finance Company	0%	2.9%	2.5%	2.0%	1.9%
RPV Company	0%	2.1%	2.0%	1.8%	1.7%
Garanti Payment and Electronic Money Services	100%	-	-	0.0%	0.0%

Net Profit/(Loss) ⁽⁴⁾	Ownership ⁽¹⁾	For the year ended 31 December			For the three months ended 31 March
		2022	2023	2024	2025
Türkiye Garanti Bankası	N/A	91.2%	85.9%	82.3%	80.4%
Garanti BBVA Pension and Life	84.91%	1.6%	2.1%	3.9%	4.7%
GHBV and Romania businesses ⁽³⁾	100%	1.0%	0.7%	0.8%	1.0%
GBI	100%	1.1%	2.5%	3.1%	3.3%
Garanti BBVA Securities	100%	1.9%	3.2%	4.0%	3.7%
Garanti BBVA Factoring	81.84%	0.5%	1.0%	1.3%	1.3%
Garanti Leasing	100%	2.2%	4.2%	3.5%	3.8%
Garanti Asset Management	100%	0.2%	0.4%	0.9%	1.5%
Garanti Payment Systems	100%	0.1%	0.1%	0.3%	0.4%
Structured Entities ⁽²⁾				0.0%	
Garanti Diversified Payment Rights Finance Company	0%	0.2%	-0.2%	0.0%	0.1%
RPV Company	0%	0.0%	0.0%	0.0%	0.0%
Garanti Payment and Electronic Money Services	100%	-	-	-0.2%	-0.2%

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

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

Garanti Bank International NV

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

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

GBI generated a net profit/(loss) of €40.8 million in 2022, €100.7 million in 2023, €101.1 million in 2024 and €27.3 million during the first three months of 2025. GBI's total assets amounted to €5,106 million as of 31 December 2022, €5,783 million as of 31 December 2023, €8,244 million as of 31 December 2024 and €8,386 million as of 31 March 2025.

Garanti BBVA Pension and Life

Garanti BBVA Emeklilik ve Hayat A.Ş. ("*Garanti BBVA Pension and Life*"), founded in 1992 in İstanbul, offers life insurance policies and private pensions. The company utilises its expertise in bancassurance (i.e., the relationship between an insurer and a bank pursuant to which the insurer uses the bank's sales channels in order to sell the insurer's insurance and pension products) to offer its insurance and pension products to the Bank's customers. Garanti BBVA Pension and Life, with 1,534,468 participants, had a market share of 15.8% (second among non-governmental companies, and third overall, in the market) in the pension business as of 31 March 2025 according to the Pension Monitoring Centre (*Emeklilik Gözetim Merkezi*).

Garanti BBVA Pension and Life managed a portfolio of TL 181,558 billion as of 31 March 2025 and held a 14.0% market share in pension fund assets under management as of such date according to the Pension Monitoring Centre. An auto-enrolment system was introduced in December 2016 for public and private sector employees, with staged adoption starting in January 2017. As of 31 March 2025, the company had 1,818,771 participants in its auto-enrolment system, which placed it first among non-governmental companies in the market according to the Pension Monitoring Centre.

In the life insurance business, as of 31 March 2025 the company serviced 2.7 million insurance policyholders. Garanti BBVA Pension and Life's direct premium production increased by 99.72% in 2023 (to TL 5,151.9 million), 86.31% in 2024 (to TL 9,598.5 million), and 94.2% in 2025 (to TL 4,034.7 million). The company had a market share of 10.7% as of 31 March 2025 as published by the Insurance Association of Türkiye (*Türkiye Sigorta Birliği*). Garanti BBVA Pension was the most profitable private company in the sector during 2024 according to the Insurance Association of Türkiye.

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

Garanti BBVA Pension and Life had net profit of TL 999,358 thousand in 2022, TL 2,156,962 thousand in 2023, TL 4,362,497 thousand in 2024 and TL 1,492,536 thousand in the first three months of 2025. The results of 2023 and 2024 included claims of TL 57.8 million relating to the February 2023 earthquakes; *however*, after reinsurance, the company's liability was significantly less.

Garanti Leasing

In 1990, the Bank established a leasing company, Garanti Finansal Kiralama A.Ş. ("*Garanti Leasing*"). In 2022, Garanti Leasing executed 1,272 new financial leasing deals (principally for the leases of business and construction machines) and recorded a total of US\$459 million in new leases. In 2023, Garanti Leasing executed 1,722 new financial leasing deals (principally for the leases of business and construction machines) and recorded a total of US\$561.6 million in new leases. In 2024, Garanti Leasing executed 2,126 new financial leasing deals (principally for the leases of business and construction machines) and recorded a total of US\$660.1 million in new leases. As of 31 December 2024, the company had a market share of 10.8% for new contracts and a 12.6% market share in terms of transaction volume, each according to the Turkish Financial Institutions Association (*Finansal Kurumlar Birliği*). Garanti Leasing's total assets were TL 16,582,551 thousand as of 31 December 2022, TL 30,513,383 thousand as of 31 December 2023, TL 36,646,371 thousand as of 31 December 2024 and TL 42,618,687 thousand as of 31 March 2025.

Garanti Leasing had a net profit/(loss) of TL 1,412,789 thousand in 2022, TL 4,404,589 thousand in 2023, TL 3,642,764 thousand in 2024 and TL 1,193,889 thousand as of 31 March 2025.

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

Garanti Holding and Romania Businesses

G Netherlands BV ("*G Netherlands*") was incorporated on 3 December 2007 in Amsterdam, the Netherlands and is an intermediate holding company with no trading activities. As of 31 March 2025, G Netherlands had investments in three Romanian companies specialising in financial services: Garanti BBVA Romania (99.9964%), which provides banking activities; Motoractive IFN SA ("*Motoractive*") (99.99997%), which provides financial leases; and Ralfi IFN SRL ("*Ralfi*") (99.9994%), which provides business and management consultancy activities. Motoractive Multiservices SRL, a company providing operating leasing and related services, was incorporated by Motoractive in April 2007 and is a 100% subsidiary thereof. On 14 November 2014, Domenia, a mortgage provider company that was a subsidiary of G Netherlands, was acquired by Garanti BBVA Romania as a result of a merger process.

Garanti BBVA Romania was active in the Romanian market as a branch of GBI since 1998, which branch was transferred into the newly licensed bank, incorporated in Romania, in May 2010. As of 31 March 2025, Garanti BBVA Romania operated 70 branches, 24 of which were located in the capital city Bucharest. The bank offers a full

scope of universal banking products and services to its 473,595 customers (as of 31 March 2025) from the retail, SME and corporate segments. With 327,057 credit and debit cards and 9,383 active POS terminals as of such date, Garanti BBVA Romania had a market share of 1.42% (including non-banking financial institutions) in the total issued cards (credit and debit) market and 3.38% in POS terminals in Romania, both according to the public figures available from the Romanian National Bank as of 31 December 2024.

Motoractive is a joint-stock company incorporated in Romania. Motoractive undertakes leasing activities, mainly motor vehicles but also industrial plant, office equipment and real estate. Motoractive had 1,480 customers with 3,984 active contracts as of 31 March 2025 and has an extensive partnership network.

Starting January 2025, the National Bank of Romania approved the application for the company's deregistration as a non-bank financial institution from the National Bank of Romania's registers and beginning February 2025, the organisational form of the company changed from a joint-stock company to a limited liability company, the new name being RALFI SRL. RALFI SRL's new main activity is business and management consultancy activities.

The consolidated asset size of GHBV was €3.0 billion as of 31 December 2022, €3.3 billion as of 31 December 2023, €3.6 billion as of 31 December 2024 and €3.6 billion as of 31 March 2025. GHBV contributed €38.9 million to the Group's consolidated net profit/(loss) in 2022, €28.5 million in 2023, €26.3 million as of 31 December 2024 and €8.1 billion as of 31 March 2025.

Garanti BBVA Factoring

Garanti Faktoring A.Ş. ("*Garanti BBVA Factoring*"), founded in 1990, is one of Türkiye's oldest factoring companies. As of the date of this Base Prospectus, 81.84% of the company's shares are owned by the Bank, 9.78% of its shares are owned by Export Credit Bank of Türkiye and the remaining shares are traded on the Borsa İstanbul. With a broad customer base, Garanti BBVA Factoring makes use of the Bank's delivery channels to provide high-quality factoring products and services to its customers. The company recorded US\$1.9 million in volume of receivables financed through factoring in 2022, US\$2.3 million in 2023, US\$1.9 million in 2024 and US\$673 thousand in the first three months of 2025, representing a market share of 6.5% as of 31 March 2025 in Türkiye according to the BRSA.

Garanti BBVA Factoring had a net profit of TL 350,742 thousand in 2022, TL 1,045,084 thousand in 2023, TL 1,438,088 thousand in 2024 and TL 409,462 thousand in the first three months of 2025. The company's total assets amounted to TL 9,670,054 thousand as of 31 December 2022, TL 11,823,172 thousand as of 31 December 2023, TL 13,300,378 thousand as of 31 December 2024 and TL 19,533,973 thousand in the first three months of 2025.

Garanti BBVA Securities

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

Garanti BBVA Securities provides equity brokerage services through its sales team and benefits from the Bank's branch network while providing its services to its retail clients. As of 31 March 2025, Garanti BBVA Securities provided brokerage services to 607,015 customers. In the first three months of 2025, the company's market share in the equity market was 3.8% (ranking eighth) while its derivatives market share was 3.0% (ranking ninth). In 2024, the company's market share in the equity market was 4.5% (ranking seventh) while its derivatives market share was 2.9% (ranking ninth).

In 2023, the foreign exchange client transaction volume decreased to US\$7.4 billion from US\$9.2 billion in 2022. The reason for the decrease in volume in 2023 was the decrease in the number of clients (from 323 in 2022 to 239 in 2023). In 2024, the foreign exchange client transaction volume was US\$4.4 billion (with 220 customers). The reason for the decrease in volume in 2024 was that Garanti BBVA Securities terminated certain products within the scope of the measures taken as part of its risk management, mainly due to increased taxes as a result of depreciation of the Turkish Lira and price volatility due to market conditions. During the first three months of 2025, the foreign exchange client transaction volume was US\$0.8 billion (with 121 customers).

Garanti BBVA Securities' international markets client transaction volume decreased from US\$12.7 billion in 2022 to US\$11.4 billion in 2023, which decline was primarily caused by unwinding future contracts as a result of the company's risk measures due to volatility in the commodity market and the sell-off in global markets that, which caused a sharp decrease in volume. In 2024, Garanti BBVA Securities' international markets client transaction volume was US\$10.1 billion (with 5,203 customers). The reason for the decline in volume in 2024 was as a result of the competitive environment in the sector and the product range offered by Garanti BBVA Securities being relatively less than the product range being offered in the sector. During the first three months of 2025, Garanti BBVA Securities' international markets client transaction volume was US\$2.0 billion (with 2,368 customers).

As one of the leading investment banks, Garanti BBVA Securities has successfully completed numerous mergers and acquisition, equity offerings, debt offerings and privatisation transactions, with a total transaction size of more than US\$79 billion from its establishment in May 1991 through 31 March 2025 (US\$850 million in 2024 alone and US\$194 million in the first three months of 2025 alone).

From the beginning of 2016, Garanti BBVA Securities' treasury department has been providing pricing to listed single stock and index options. The company has been acting as a market maker in the Turkish equity derivatives market and achieved TL 81.0 billion in 2022, TL 133.9 billion in 2023, TL 213.2 billion in 2024 and TL 103.6 billion in the first three months of 2025. During the first three months of 2025, Garanti BBVA Securities held a 9.96% market share in the options market and a 2.93% market share in the "Vadeli İşlem ve Opsiyon Piyasası" futures market, and in 2024, it held a 10.66% market share in the options market and a 2.85% market share in the "Vadeli İşlem ve Opsiyon Piyasası" futures market.

Garanti Asset Management

Founded in June 1997 as the first asset management company in Türkiye, Garanti Portföy Yönetimi A.Ş. ("Garanti Asset Management") is a wholly owned subsidiary of the Bank. As of 31 March 2025, Garanti Asset Management managed 125 mutual funds, in which Garanti Asset Management is also the owner/issuer, 41 pension funds of Garanti BBVA Pension and Life, 1 pension fund owned by another pension company and the portfolio of Garanti Yatırım Ortaklığı A.Ş. (a closed-end fund listed on the Borsa İstanbul). The company also provides discretionary portfolio management services for both institutional and individual clients.

Garanti Asset Management's market share in terms of mutual funds was 10.9% as of 31 March 2025 according to Rasyonet, a third-party data vendor. As of such date, total assets under management amounted to TL 764.3 billion and, according to Rasyonet, the market share of pension funds was 15.5%. The mutual funds managed by the company had a market value of US\$14.5 billion as of 31 March 2025. Garanti Asset Management distributes its mutual funds through the Bank's branches, DCs and third-party distribution channels, such as TEFAS (*Türkiye Elektronik Fon Alım Satım Platformu*) (Turkish Electronic Fund Distribution Platform).

International Operations

The Group's international operations include foreign branches of the Bank in the Turkish Republic of Northern Cyprus (6 branches (together with a Country Directorate in Northern Cyprus that was established in order to comply with the legal requirements in Northern Cyprus)) and The Republic of Malta and an international representative office in Shanghai. The Bank also has non-Turkish subsidiaries such as GBI and Garanti BBVA Romania, additional information about which can be found in "Subsidiaries" above.

The Shanghai representative office started its operations in May 1999 and was the first Turkish bank outlet in Far East Asia. The Bank's management believes that its Shanghai office puts the Group in a favourable position in establishing relations with Chinese banks and to initiate and develop business contacts with Turkish and Asian companies doing business in China. The branches in the Republic of Malta and the Turkish Republic of Northern Cyprus are principally focused on servicing the needs of the Bank's Turkish customers in these locations.

Supporting the Bank's efforts in trade and other cross-border transactions, the Bank relies upon its network of international correspondent banks. As of 31 March 2025, the Bank's international network included more than 1,510 correspondent banks in over 117 countries around the world. The Bank cooperates with these correspondent banks in trade financings, remittances and other tailor-made transactions of interest to its customers.

The Group's focus on international banking and trade finance operations has, together with its diversified range of credit products, resulted in an increased demand for contingent loan products such as letters of guarantee, letters of credit and export financing. According to the foreign trade statistics announced by TurkStat, the Group is one of the leading Turkish banks in foreign trade, having a 16.9% share in Türkiye's import letters of credit by amount as of 31 March 2025. As trade finance is a large fee generator, the Group intends to utilise its knowledge of trade finance, customer-oriented branch network, sophisticated technology and worldwide correspondent network to further strengthen its trade finance business.

Marketing and Distribution Channels

The Group is a well-recognised brand in Türkiye. Over time, through the introduction of successful products such as Bonus Card, Miles&Smiles and www.garanti.com.tr, the Group's brand has strengthened. The market's perception of the Group is periodically monitored by the Bank through brand tracking surveys and customer satisfaction surveys. These surveys have been useful in identifying customer perceptions of the Group's attributes.

The Bank's customer-facing divisions pursue a relatively sophisticated marketing strategy that is innovative and visible as well as customer-tailored, as further described below. Cross-selling is at the core of most product campaigns and the Group continuously focuses on enhancing the effectiveness of its activities to increase the profitability of its customer base while maintaining its focus on risk management principles. For example, the Bank's Retail Banking Department utilises media advertising, direct mailings (paper and electronic), SMS messaging and posters/brochures in branches. The Bank's SME Banking Department reaches potential customers in various manners, including sponsoring a monthly magazine that reviews aspects of the business and SME markets in Türkiye. Marketing to potential commercial and, in particular, corporate customers is tailored to those customers' individual needs.

The Bank sells and cross-sells its customers either reactively or pro-actively using CRM tools.

From a reactive sales perspective: (a) for mass customers who walk into branches of the Bank, the Bank serves them using the Sales Lead Systems ("SLS"), and (b) for both upscale and mass market customers, the Bank implements a system called the Sales Opportunities Tool ("SOT") to inquire regarding customer product usage levels in each case in order to enable sales representatives or relationship managers to identify those products that can be sold reactively to these customers. SLS uses propensity and business rules, whereas SOT uses propensity and attrition rules and is designed around a unique customer profile.

From a pro-active sales perspective, the Bank targets its mass market customers with outbound calls from its call centre and the eligibility of these customers is identified using propensity and business rules. Within a branch, for both upscale and mass customers, the Bank has a system called Pusula (Compass). This system identifies customer needs and, subsequently, propensity, business rules and some external data are used to meet those needs with the relevant products. The Bank offers these products to its customers as product bundles rather than as individual products, thereby seeking to meet both the customers' main and secondary needs. Finally, groups of upscale and mass market customers with similar needs are combined as lead lists for the Bank's sales representatives and relationship managers to pro-actively target.

As the Bank's management believes that selling additional products to the Group's existing customers is the most effective method of increasing revenues and profitability, cross-selling opportunities are actively sought and implemented.

Branch Network

As of 31 March 2025, the Bank had 789 domestic branches, 6 branches in Northern Cyprus, 1 branch in Malta and a representative office in Shanghai. The Bank conducts cost-benefit studies on an on-going basis in order to determine and maintain the best geographical distribution of branches in Türkiye. The Bank operates an extensive distribution network, operating in all 81 cities in Türkiye, with approximately half of the Bank's branches being located in the three largest cities (namely İstanbul, Ankara and İzmir).

To enhance customer experience and capture the benefits of the increasing digital options, the Bank has introduced a new branch service model named "Garanti Plus." This new model integrates digital services more seamlessly into traditional branch services, positioning the Bank to be well prepared for future developments in service delivery. Garanti Plus has three main objectives: (a) improving customer experience, (b) increasing customer migration to the Bank's digital platform, thereby reducing branch dependency, and (c) upgrading employees' capabilities and thereby improve sales and operational efficiency. After a pilot program that was started in May 2017, the Bank transformed its entire domestic branch network to the new

“Garanti Plus” service model, which seeks to decrease waiting times for customers and otherwise improve the customer experience and increase the efficiency of the Bank’s sales force.]

Digital Channels

In addition to its large branch network, the Bank has developed an extensive DC network that includes internet banking, ATMs, call centres, mobile banking and kiosks. The increasing use of DCs by the Bank’s customers has increased the Bank’s cost-efficiency, has provided improved convenience to its customers by meeting their financial needs and has helped the Bank develop deeper relationships with its customers. The omni-channel strategy provides the Bank’s clients the advantage to conduct their transactions across a variety of alternative channels at all times. Going forward, the Bank’s management aims to better integrate these channels.

The main benefits of the DC distribution strategy can be segmented into four groups:

- *Improving branch performance:* By substantially expanding the use of DCs, the Bank has significantly reduced less productive branch tasks (such as customer inquiries), freeing up the sales force and allowing them to focus on more profitable commercial activities and sales. Also, the migration to DCs has reduced the branch operating load and costs, with average cost per transaction being significantly lower for DC transactions.
- *Improving customer service and therefore retention:* Through DCs and their extended hours of operations (24/7), the Bank provides quick and convenient problem resolution.
- *Enhancing revenues:* The Bank exploits new sales opportunities by cross-selling and by telemarketing to potential customers through DCs, which also provide opportunities for incremental fees and charges.
- *Deepening relationships with customers:* DCs not only lead to operational efficiency in relation to transactions, but also portfolio efficiency via upsell and cross-selling opportunities on these channels.

In addition to high-quality banking services, DCs also provide convenience-oriented value-added services like Western Union remittances both online and via ATMs, mobile remittances, video agent services as well as online/mobile stock account openings and instant stock exchange services.

The Bank seeks to leverage its customers’ experience on DCs by utilising experience and new technologies. In 2018, the Bank introduced “UGI” to its mobile banking platform. UGI is an artificial intelligence-based virtual assistant (a “bot”) that performs banking transactions in a hands-free manner. It is a world-leading service among similar applications with its extensive and sophisticated understanding capacity and the ability to provide services for hundreds of thousands of different customer intents. UGI essentially allows users of the mobile app to speak to transact, including to obtain answers to questions about the latest account activity, to perform transfers, to buy or sell foreign currency or to find out an exchange rate. UGI’s capability for understanding complex inquiries such as “how much did I spend on my credit card for groceries” differentiates UGI from most other virtual banking assistants. Another superior characteristic of UGI is providing an omni-channel experience - if users’ requests cannot be addressed on the app, then UGI suggests other ways as a solution.

Until recently, the process for a customer to open an equity investment account was available only in branches which took approximately one hour, including signing approximately 50 pages of related documents. The Bank digitalised this process in 2020 and an account can now be opened in as little as five minutes through a single digital approval, resulting in a significant increase in account openings. In 2023 and 2024, 95.3% of investment funds were opened digitally.

Consistent with advances in technology and customer preferences, the Bank’s customers are shifting their choice of distribution channel. In 2023 and 2024, 98.1% of all non-cash transactions by the Bank’s customers were realised using DCs, all of which otherwise would have had to have been accomplished through tellers. The Bank’s principal DCs are described below:

- *Internet Banking & Mobile Banking:* The Bank had 17.0 million active digital banking users as of 31 March 2025. The Bank’s digital banking service processed over 1,774 million financial transactions in 2024 and offers more than 1,000 types of transactions as of the date of this Base Prospectus. The Bank offers mobile banking services via different platforms, including on iOS devices (the iPhone operating system), iPad devices and all Android-operated devices. As of 31 March 2025, total digital sales as a percentage of total sales was 86%. As of 31 March 2025, the

Bank had approximately 16.9 million active mobile customers. In addition to conventional banking products, customers can use these platforms to buy modular insurance and travel health insurance and obtain certain general purpose loans that have been developed specifically for the needs of digital customers. The mobile banking platform offers many technological features such as login via eye scanning, money withdrawal/deposit and foreign exchange withdrawal/deposit using QR (quick response) technology and the “UGI” virtual assistant.

- **ATMs:** The Bank’s 5,909 ATMs, as of 31 March 2025, served approximately 24,876,548 million different customers monthly during 2024. The ratio of cash withdrawal transactions to total transactions exceeded 63% during 2024, whereas the ratio of cash withdrawal transactions through the use of QR codes was almost 41% in 2024. In addition, transactions are available for the customers of other banks (who can use the Bank’s ATMs with their bank cards) on the Bank’s ATMs, including credit card debt payment and money deposit transactions.
- **Customer Communication Center (“CCC”):** The Bank’s first CCC was opened in February 1998, making the Bank the first in Türkiye with both online and phone banking channels. Almost all of the Bank’s core banking services, including bill payments, tax payments, card payments and investment transactions, are offered through the Bank’s two CCCs. The CCC personnel seek to actively cross-sell the Group’s products. In 2025, the call centres had 68.5 million customer contacts and the accumulated individual sales of products through call centres was 7.5 million. The CCC offers a “call steering service” pursuant to which customers can be directed to the related menu by saying their transaction needs without pressing any menu button on the phone. The CCC offers a free speech solution that authenticates users while they are naturally talking with agents during their call with the CCC, which allows users to perform banking transactions without the need for any additional security questions after logging in with their digital or credit card password.

Human Resources Management and Planning

The Bank’s Human Resources department works in coordination with all of the Bank’s departments to support the Bank’s strategic plans. As of 31 December 2022, 2023, 2024 and 31 March 2025, the Group had 21,694, 22,016, 22,664 and 22,724 employees, respectively.

While the Bank does hire some senior employees from outside the Group, non-entry level positions are generally filled through the promotion of existing employees of the Bank.

Incentive policies are designed to enhance the performance achievement of each employee by applying the proper amount of incentive compared to base salary and using job-specific measurable performance criteria. Thus, for sales teams, incentive payments constitute a higher portion of benefits compared to back-office specialised jobs (*e.g.*, headquarters jobs). None of these incentive policies include arrangements for the involvement of employees in the capital of the Bank.

Properties

As of 31 March 2025, the total net book value of the Group’s tangible assets (net) (which includes land, buildings and furniture) was TL 39.3 billion, which was 1.1% of its total assets. The Group maintains comprehensive insurance coverage on all of the real estate properties that it owns.

Information Technology

The Bank’s management believes that the Group differentiates itself in part through the high quality of its information technology. The Group has organised its IT functions within the Bank’s wholly owned subsidiary, Garanti BBVA Technology.

The IT solutions created by Garanti BBVA Technology have enabled the Group to improve its efficiency and effectiveness in serving its customers and to provide a better customer experience across all channels. The integrated solutions created in-house by Garanti BBVA Technology are pervasive across all channels and all levels of the Group. The services provided by Garanti BBVA Technology include business development (including marketing and management support), IT strategy, process and security services, software development, systems and operations, help desk, networking and field engineering.

Approximately 99% of the Group's operational transactions are processed through Garanti BBVA Technology, which aims to provide access and monitoring with a 99.99% availability and makes real-time copies of transaction records. In the first three months of 2025, Garanti BBVA Technology was responsible for the processing of approximately 2.1 billion transactions a day on average, with up to 3.1 billion transactions a day on peak days. The financial and core banking applications within Garanti BBVA Technology are developed by a team of over 777 software developers as of the date of this Base Prospectus.

The development of business continuity management standards in all of the Bank's subsidiaries is coordinated by the Bank's Internal Control Unit. The Bank has developed a Business Continuity and Disaster Recovery Plan in case of natural disaster or significant disruption. This plan aims to ensure that in the event of such circumstances arising, the Group can continue to provide services to its customers, fulfil its legal obligations, minimise financial losses arising from the disruption and safeguard information assets. The plan is revised and tested on an annual basis. These tests include stress tests against various different scenarios. The Bank has alternative locations for ensuring the continuity of banking services against unexpected incidents. The plan also includes specific directives to personnel to instruct them to react appropriately in a disaster situation. All personnel have access to the plan's guidelines through the Bank's intranet. The plan also sets out a communication strategy in order to seek to ensure appropriate communication with internal and external target stakeholders.

Insurance

The Group's fixed assets, cash-in-transit and cash-on-hand are covered by general insurance arrangements with third parties covering normal risks, and the Group also maintains blanket liability insurance (including in relation to electronic computer crime, professional indemnity and directors' and officers' liability). Loans that are secured by real estate are also required by the Group to be supported by fire and asset protection insurance with respect to secured assets. The Group does not have any credit risk insurance in relation to defaults by its customers and this is generally not available in Türkiye.

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) periodical 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 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.

The Bank seeks to prevent the use of the Group's banking products and services for the purpose of money laundering and terrorism financing through a programme of compliance with the obligations of anti-money laundering and combatting the financing of terrorism rules, which programme is to be followed by all employees. This programme, which has been implemented throughout the Bank and its subsidiaries, includes written policies and procedures, assigning a compliance officer to monitor this matter, an audit and review function to test the robustness of anti-money-laundering and terrorism financing policies and procedures, monitoring and auditing customer activities and transactions in accordance with anti-money laundering and terrorism financing law and employee training.

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 28 June 2024, FATF removed Türkiye from the "grey list". If Türkiye is re-placed on the "grey list" in the future or FATF changes its rating of the country and consequently makes further recommendations, 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. 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, including with respect to the proceeds of the Notes.

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 ensure that it complies 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 sanction lists by the Bank or a third party screening company.

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 taken enhanced measures to monitor these events and seek to ensure compliance with sanctions as they apply to Russia.

Credit Ratings

Each of the Bank's credit ratings (and, where relevant, ratings outlook) from Fitch, Moody's and JCR Eurasia as of the date of this Base Prospectus 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:	bb-

Moody's (23 July 2024)

Long-term Foreign Currency Deposit Rating/Outlook:	Ba3 / Positive
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Short-term Foreign Currency Deposit Rating:	Not Prime
Long-term Local Currency Deposit Rating/Outlook:	Ba3 / Positive
Short-term Local Currency Deposit Rating:	Not Prime
BCA (Baseline Credit Assessment):	b1
Adjusted BCA:	ba3
Senior Unsecured Rating (Regular Bond):	B2 (hyb)
Senior Unsecured Rating (Medium-Term Note Program):	(P) Ba3
National Scale Rating (NSR) Long Term Deposit:	Aaa.tr
NSR Short Term Deposit:	TR-1

JCR Eurasia (30 September 2024)

Long-term International Foreign Currency Rating/Outlook:	BBB- / Stable
Long-term International Local Currency Rating/Outlook:	BBB / Stable
Long-term National Local Currency Rating/Outlook:	AAA(Tr) / Stable
Short-term National	J1+ (tr) / Stable

Fitch is established in the UK and registered under the UK CRA Regulation and, as such, is included in the list of credit rating agencies published by the FCA on its website (<https://www.fca.org.uk/firms/credit-rating-agencies>, <https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras>, <https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras>). As Fitch is not registered under the EU CRA Regulation or included in the list of credit rating agencies published by the ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the EU CRA Regulation, Fitch's rating of any Tranche is expected to be endorsed (and Fitch's rating of the Bank is endorsed) by its affiliate Fitch Ratings Limited Ireland, which is established in the European Union and included in such list of credit rating agencies published by the ESMA.

Moody's is established in the EU and is registered under the EU CRA Regulation and, as such, is included in the list of credit rating agencies published by the ESMA on its website noted in the previous paragraph in accordance with the EU CRA Regulation. As Moody's is not registered under the UK CRA Regulation or included in the list of credit rating agencies published by the FCA on its website noted in the previous paragraph, Moody's rating of any Tranche is expected to be endorsed (and Moody's rating of the Bank is endorsed) by its affiliate Moody's Investors Service Limited, which is established in the UK and included in such list of credit rating agencies published by the FCA.

JCR Eurasia, which is not established in the EU or the UK and is not registered in accordance with either the CRA Regulation or the UK CRA Regulation, is not included in the list of credit rating agencies published by ESMA or the FCA on their respective websites noted above.

Litigation and Administrative Proceedings

The Group is subject to various ongoing legal proceedings in the ordinary course of business, but the Bank's management does not believe that such proceedings, individually or taken together, are likely to have a significant effect on the Group's financial position or profitability.

RISK MANAGEMENT

General

The Bank measures and monitors its risk exposure on a consolidated and unconsolidated basis by using methods compliant with international standards and in accordance with applicable law. Advanced risk management tools are utilised in measuring operational risk, market risk, asset and liability risk, counterparty credit risk and credit risk. Within these categories, the Bank seeks to identify the risks and risk factors from various perspectives, including customer-centeredness, workplace, ethics and citizenship, finances and leadership, and prepares a set of action plans to mitigate these risks. The Bank also focuses on the reputational risks that it faces. The risks are then monitored by the relevant committees within the Bank.

The Bank's risk management strategies, policies and implementation procedures are reviewed within the framework of the Bank's needs and changes to law. The risk management process is designed so that the material themes and strategic goals are linked and form the basis for identifying risks and opportunities. Through the Bank's risk appetite framework, the Bank's management determines the risks that it is prepared to take based upon the predicted capability of the Bank to manage such risks so as to achieve the goals and strategic objectives that are defined by the Board. Risk-based limits and metrics pertaining to capital, liquidity and profitability, each of which are determined per the risk appetite framework, are monitored regularly.

The Risk Management Department handles the preparation of an internal capital adequacy assessment process report (the "ICAAP Report") to be submitted to the BRSA, which report presents an assessment of the Bank's risk appetite and internal capital adequacy assessment process. In addition, the Bank submits a stress test report to the BRSA, which report (*inter alia*) analyses the impact of potential negative macroeconomic data on the Bank's three-year budget plan and results within the framework of certain scenarios, as well as their impact upon certain key ratios of the Bank, including its capital adequacy ratios.

A summary of the Bank's management of certain risks is set forth below. See note 4.10.1 in the Group's BRSA Interim Financial Statements for additional information on the management of these and other risks as of the date thereof.

Market Risk Management

The Bank measures its market risk in accordance with applicable laws, its internal policies and procedures and internationally accepted methodologies, which are implemented in line with the Bank's structure. Market risk is managed by measuring and limiting risk in accordance with these international standards, by allocating sufficient capital and minimising risk through hedging transactions.

Market risk is defined as the risk that the Bank faces due to fluctuations in the market price of positions that it maintains on or off its balance sheet for trading purposes and is calculated daily using the VaR model. The VaR is a measure of the maximum expected loss in the market price of a portfolio with a certain maturity at a certain confidence interval and a certain probability as a result of market value fluctuations. The VaR is calculated using a historical simulation method and two-year historical data at a 99% confidence interval. Regular backtesting is conducted to measure the reliability of the VaR model, which is also validated on an annual basis. Market risk is managed through capital, VaR and stop/loss limits approved by the Board and Board Risk Committee. These limits, which are determined according to annual profit/loss targets, are monitored and reported daily by the Market and Structural Risk Department. In addition, a valuation function is performed by the Market and Structural Risk Department, which is independent from (and does not report to) the applicable line of business.

In order to identify the risks that might arise from major market volatilities, regular stress tests and scenario analyses are conducted using the VaR model.

Structural Interest Rate Risk Management

To determine and manage the Bank's exposure to structural interest rate risk arising from maturity mismatches in its balance sheet, the Bank's duration gap, economic value of equity ("EVE"), economic capital ("ECAP"), credit spread risk, net interest income ("NII"), net interest income at risk ("NIIaR"), Held to Collect & Sale ("HtCS") and held-to-collect ("HtC") securities portfolio are monitored on a regular basis.

The interest rate risk metrics that are calculated and the related reports that are generated are used by the Bank's management in managing balance sheet interest rate risk under the supervision of the ALCO. Stress tests and scenario analyses are carried out within the framework of structural interest rate risk to measure the risks resulting from Bank-specific negative developments or major risks and vulnerabilities that might arise in the economic and financial environment under stress, in each case applying both internal and regulatory requirements for managing interest rate risk. Models that are used in interest rate risk calculations and net interest income forecasting include those that model the prepayment of loans, non-performing loans' time to recovery, stable/volatile part of demand deposits, the average life of demand deposits, the early redemption of time deposits and the migration between demand and time deposits.

The results of stress tests are used by the Bank's management as one input in determining the Bank's risk appetite, limits and budgets, for generating balance sheet management strategies and for evaluating the Bank's need for capital. Within this framework, internal limits for EVE sensitivity, ECAP, NII sensitivity, net interest income at risk, securities EVE sensitivity and credit spread risk are regularly monitored and reported. The interest rate risk in the banking book is measured on an unconsolidated basis using the standard shock method. Regulatory limits are monitored and reported to the BRSA on a monthly basis.

Structural Exchange Rate Risk Management

The potential impact of negative exchange rate fluctuations upon the Bank's capital adequacy ratio and foreign currency risk-weighted assets is regularly followed up, monitored according to internal limits and reported, including in circumstances in which the Bank performs material operations in currencies other than the local currency or maintains positions for shareholders' equity-hedging purposes. The analyses conducted in this framework are expanded to encompass potential sensitivities that might result from Bank-specific negative events or changes in the market by supervising the regulatory and internal structural exchange rate risk management requirements. In addition, the Bank's foreign currency position and the profit/(loss) movements resulting from this position are monitored and reported at regular intervals, as is the foreign currency sensitivity of the Bank's 12 month projected profit and loss expectation. The Bank also monitors that its subsidiaries set and monitor internal structural exchange rate risk limits.

Liquidity Risk Management

Within the framework of liquidity and funding risk policies approved by the Board, liquidity risk is managed under the supervision of the ALCO and the "Weekly Review Committee" in order to take appropriate and timely measures in case of reduced liquidity arising from market conditions or due to the Bank's financial structure. Under the liquidity contingency plan approved by the Board, the Bank monitors liquidity risk within the scope of early warning indicators and thresholds that anticipate potential liquidity stresses that could activate the Bank's liquidity contingency plan. This plan includes communication procedures, predefined measures and action plans and a detailed allocation of roles and responsibilities in the circumstance of a liquidity stress event.

A liquidity risk stress test is performed periodically in order to identify potential liquidity tensions and to ensure that the Bank has a sufficient liquidity buffer to face exceptional liquidity stresses. Liquidity risk is monitored by internal limits in order to assess the funding structure and liquidity capacity based upon maturity buckets and to manage short-term funding sources effectively, while compliance with minimum regulatory liquidity ratios is monitored. Behavioural modelling is performed for deposits, which are an important balance sheet item in terms of liquidity management. Concentrations in liquidity and funding risks are monitored. Since 2018, intraday liquidity risk has been monitored regularly using defined metrics. Under the "Rules on Liquidity and Funding Risk" approved by the Risk Committee of the Board, situations anticipating intraday liquidity stress, which could activate the contingency plan, are monitored and stress testing is performed for intraday liquidity risk. Within the "internal capital adequacy assessment process" ("ICAAP"), liquidity planning is performed annually. Stress test results for subsidiaries are monitored and the Bank monitors that its subsidiaries for which liquidity risk is applicable establish and monitor internal liquidity and funding limits to assess the robustness of their liquidity and funding structures and have liquidity and funding risk policies (including a liquidity contingency plan) approved by their respective boards of directors.

Credit Risk Management

Credit risk management, which involves a process of consistently evaluating and monitoring credit risk, and covers all of the Bank's credit portfolios. The adequacy of the Bank's internal capital is evaluated with stress tests and scenario analyses, which (including in reports to the Bank's management) are compared to their historic performance.

Within the scope of ICAAP and stress testing, the internal capital for credit risk, credit concentration risk calculations, stress tests and scenario analyses are evaluated on an annual basis and, according to the levels of risk, new stress tests and scenario analyses are designed. Also economic capital, transition risk, concentration risk and other ICAAP models are performed. All credit units are coordinated to assess their compliance with internal credit requirements, which assessment is then reported to the relevant committees for their analysis and action.

Under the asset allocation performed annually (or, if necessary, more frequently) in view of risk-based return, nominal limits are determined for credit portfolios, for which approval of the Board is required. Internal capital thresholds and risk-adjusted return targets for the entire portfolio are determined and monitored within the framework of asset allocation limits. Impact analyses are performed according to updated or renewed risk parameters and necessary documents are presented to the relevant committees from whom approval is required. In addition, development and improvement projects are carried out for the systemic automation of calculations and analyses.

In order to rate customers in the loan portfolios using objective criteria, outputs from scorecard models and internal risk rating models, which were developed using statistical methods on historical data, are incorporated into the relevant lending policies and procedures of the Bank. The probability of default calculated by models for loan portfolios, loss given default, credit conversion factors and other parameters are used for credit allocation authorisations, internal capital allocation, risk appetite indicators, asset allocation limits, risk-based profitability calculations, budgeting, concentration risk calculations and stress tests. In IFRS 9, the output of the internal credit decision systems as specified above (*i.e.*, the internal risk rating models, retail application and behavioural scorecards) are, together with other important explanatory variables, used as risk drivers to determine the final score category and the corresponding probability of default, which is used in the calculation of expected credit loss.

All of the methods and methodologies for credit risk management are subjected to qualitative and quantitative validation, and periodic monitoring of the models' performance is undertaken in order to determine whether any revisions are needed.

Operational Risk Management

Operational risk is managed on the basis of the three lines of defence approach within the framework of risk management policies approved by the Board. The Board determines the risk appetite for operational risk and related limits and the Bank's senior management ensures consistent and efficient implementation and maintenance of the operational risk management framework in relation to all activities, processes and products.

In the first line of the three lines of defence approach adopted for operational risk management, all business lines and departments of the Bank take part and manage their operational risks within the framework of the Bank's policies and implementation principles. The second line of the three lines of defence approach adopted for operational risk management supports the Bank's senior management for understanding and managing the operational risks that the Bank is exposed to and the Board's monitoring of operational risk management activities. This second line of defence consists of the Internal Control Unit, Risk Management and Compliance Department, which are independent units that report directly to the Board. In addition, units that have responsibility for factors that have a potential direct and/or indirect impact upon the Bank's general operational risk level provide support, to the extent necessary and appropriate, to the management of operational risks that other units are exposed to in accordance with Article 26 of the Operational Risk Management Guide published by the BRSA. The risk management that takes place in the second line of defence designs measurement and assessment tools (*e.g.*, loss data, scenario analyses, risk indicators and self-assessment and a new initiative approval process) as part of operational risk measurement and management and provides the necessary guidance and coordination for their use. The Risk Management Department uses the data obtained by measurement tools to generate reports for the Bank's management and the Board. The Internal Audit Department, which performs internal audit activities, is the final line in the three lines of defence approach for operational risk management. The Internal Audit Department independently reviews all aspects of the operational risk management framework.

Reputational Risk Management

The Bank identifies, evaluates and manages its reputational risk, seeking to avoid transactions and activities that might cause reputational risk in the view of the Bank's customers, legal authorities and other stakeholders. Training of employees is held with the aim of raising awareness about reputational risk throughout the Bank and encouraging all employees to fulfil their applicable duties and responsibilities. In order to ensure efficient management of reputational risk

throughout the Bank, the Bank monitors the Bank's reputation and seeks to protect its reputational risk through a methodical approach, taking necessary precautions before reputational risk occurs.

This methodical approach includes regularly reviewing and updating its map of reputational risks that it faces and the set of action plans to mitigate these risks. The Bank defines key risk indicators for each risk factor in order to monitor the strength of the risk mitigation procedures, including identifying the risks and risk factors from various perspectives, including customer-centeredness, workplace, ethics and citizenship, finances and leadership. Efforts carried out to this end include: (a) monitoring the media, the press and social media platforms with respect to the Bank's reputation, conducting a regular reputation analysis and managing potential impacts, (b) ensuring continued awareness of compliance with laws, corporate standards, codes of conduct and best practices and (c) developing of processes that support the management of IT/information security and IT-related risks.

Counterparty Credit Risk

The counterparty credit risk strategy, policy and implementation principles are defined in a policy document approved by the Board. The Bank measures, monitors and creates limits for this risk in line with this policy. The Bank uses the "internal model method" to measure and report its counterparty credit risk for derivative transactions, repurchase transactions and security and commodity lending and uses the "current exposure method" for regulatory purposes. Within this scope, the Bank employs risk mitigation techniques through its framework agreements (e.g., ISDA, CSA and GMRA), obtaining collateral and complementing margins as part of counterparty credit risk management to the extent allowed by national and international law. This model is validated annually. The Bank also calculates economic capital for counterparty credit risk by way of a model that uses parameters (e.g., ratings, probability of default and loss given default) based upon an internal model.

Country Risk Management

Under the country risk policy approved by the Board, methods compliant with international norms and local law are employed to evaluate and monitor developments in country risk on the basis of individual countries. Actions are taken to make sure that the Bank's country risk exposure remains within the set limits, and related reporting, control and audit systems are established as necessary.

Concentration Risk Management

The Bank defines and monitors any concentrations among different types of risks or in any individual risk that might result in material losses that would endanger the Bank's ability to sustain fundamental activities or financial structure or lead to a significant change in the Bank's risk profile, within the framework of the policy approved by the Board. Qualitative and quantitative assessments of concentrations on the basis of individual risks or among risks are addressed in reports produced according to risk-oriented policies and procedures.

Risk Management in Subsidiaries

The Bank determines the needs for risk management of the Bank's subsidiaries and (in coordination with the risk management personnel in these entities) ensures that required studies and reports with the scale appropriate for their structure, complexity, size and risks are effectively managed. Required studies are carried out with these entities in accordance with market conditions and legal regulations to align risk management policies, rules, procedures and risk limits with those of the Bank. These risk management activities are monitored periodically.

MANAGEMENT

Board of Directors

The Bank's board of directors (the "*Board*") meets regularly and, with the guidance of the Bank's senior management, is instrumental in planning the medium-and long-term strategy of the Group. The Board makes all major management decisions affecting the Bank. The Board acts as a supervisory body for the Bank's activities and determines the code of ethics and business conduct of the Bank.

Pursuant to the Bank's articles of association, the General Assembly of the Bank's shareholders sets the number of members on the Board, which should consist of at least seven members in addition to the CEO.

Each member has a right of one vote and it is not permissible that a member vote on behalf of another member by proxy. The members of the Board are appointed for a period of three years and may be re-elected. The members of the Board may not participate in discussions relating to or vote for personal matters or any matter concerning interests of relatives such as their spouses and children.

Corporate Governance Communiqué

On 3 January 2014, the CMB issued Communiqué No.II-17.1 on Corporate Governance (as amended, the "*Corporate Governance Communiqué*"), which provides certain mandatory and non-mandatory corporate governance principles as well as rules regarding related-party transactions and a company's investor relations department. The Corporate Governance Communiqué also contains principles relating to: (a) companies' shareholders, (b) public disclosure and transparency, (c) the stakeholders of companies and (d) the Board. A number of principles are compulsory, while the remaining principles apply on a "comply or explain" basis. The Corporate Governance Communiqué classifies listed companies into three categories according to their market capitalisation and the market value of their free float shares, subject to recalculation on an annual basis. The Bank is classified as a "Tier 1" company, thus requiring it to comply with the most stringent set of requirements. The Bank is also subject to corporate governance principles stated in banking regulations and in regulations for capital markets that are applicable to banks.

Some provisions of the Corporate Governance Communiqué are applicable to all companies incorporated in Türkiye and listed on the Borsa İstanbul, whereas some others are applicable solely to companies whose shares are traded in certain markets of the Borsa İstanbul. The Corporate Governance Communiqué provides specific exemptions and/or rules applicable to banks that are traded on the Borsa İstanbul, including the Bank. The Bank is required to state in its annual activity report whether it is in compliance with the principles applicable to it under the Corporate Governance Communiqué. In case of any non-compliance, explanations regarding such non-compliance are also to be included in such report. As of the date of this Base Prospectus, the Bank complies with the mandatory principles under the Corporate Governance Communiqué.

The Capital Markets Law authorises the CMB to require listed companies to comply with the corporate governance principles in whole or in part and to take certain measures with a view to monitor compliance with the new principles, which include requesting injunctions from the court or filing lawsuits to determine or to revoke any unlawful transactions or actions that contradict these principles.

See also "Turkish Regulatory Environment – Corporate Governance Principles."

Members of the Board

The directors of the Bank (the “*Directors*”) are the following:

Director	Year First Appointed	Current End of Term
Süleyman Sözen (Chairman)	1997 (Chairman since 2017)	March 2027
Jorge Sáenz Azcúnaga Carranza (Vice Chairman)	2016	March 2027
Mahmut Akten (CEO)	2024	March 2027
Sait Ergun Özen	2003	March 2027
Pablo Alfonso Pastor	2021	March 2027
Rafael Salinas Martinez de Lecea	2017	March 2027
Belkıs Sema Yurdum	2013	March 2027
Jaime Saenz de Tejada Pulido	2014	March 2027
Mevhibe Canan Özsoy	2019	March 2025
Avni Aydın Düren	2020	March 2027
Ebru Oğan Knottnerus	2024	March 2027
Halil Hüsnü Erel	2025	March 2026

Additional information on each of the Directors is set forth below:

Süleyman Sözen (Chairman)

Mr. Sözen is a graduate of Ankara University’s Faculty of Political Sciences and worked as a Chief Auditor at the Turkish Ministry of Finance and the Turkish Treasury. Since 1981, he has served in various positions in the private sector, mainly in financial institutions. Having served on the Board since 1997, Mr. Sözen was appointed as the Vice Chairman on 8 July 2003. Mr. Sözen, who holds a Certified Public Accountant licence, also serves as a board member of Görüş YMM and as a member of the Board of Trustees of the Teachers Academy Foundation. Mr. Sözen has 40 years of experience in banking and business administration.

Jorge Sáenz-Azcúnaga (Vice Chairman)

Jorge Sáenz-Azcúnaga earned a BS in Business Administration from Universidad Deusto. He has devoted his entire career to BBVA, starting as a Research Analyst. He then worked as a Corporate Strategist, Head of CEO Office, Business Development (Commercial & Institutional Banking in Spain), Head of Strategy (Wholesale Banking & Asset Management), Head of Strategy and Planning (Spain & Portugal) and, between 2013 and 2015, as a Regional Manager for the north of Spain. In 2015, he started serving as the Head of Business Monitoring Spain, USA and Türkiye, and then was appointed Head of Country Monitoring and a member of the Global Leadership Team of BBVA. Mr. Sáenz-Azcúnaga is member of the Board of Directors of BBVA Compass Bancshares in the U.S. and BBVA Bancomer in Mexico. He has been serving as the Board Member of Garanti since March 2016 and, since such time, as an Audit Committee member of Garanti. He is deemed to be an independent board member of the Board of Directors of the Bank in accordance with the relevant regulations of the CMB. He was appointed as Vice Chairman in September 2017. Mr. Sáenz-Azcúnaga has 28 years of experience in banking and business administration.

Mahmut Akten (CEO)

Mr. Mahmut Akten holds an undergraduate degree from Boğaziçi University’s Electrical and Electronics Engineering department and a graduate degree from Carnegie Mellon University in Business Administration. Mr. Akten started his career in 1999 in the United States, and after serving in various positions in the finance and treasury departments of a global construction materials company, he joined a global management consulting firm in 2006. Mr. Akten worked in the Boston and İstanbul offices of such firm between the years 2006 and 2012, lastly as an Associate Partner. Mr. Akten joined the Bank on 1 July 2012 as the Senior Vice President responsible for Mass Retail Banking Marketing. As of 17 January 2017, Mr. Akten was appointed as the Executive Vice President responsible for Retail Banking, leading the Retail Banking Marketing, Mass Banking Marketing, Affluent Banking Marketing and Consumer Finance departments. Mr. Akten has also served as a member of the board of directors of Garanti Mortgage, Garanti BBVA Romania, Garanti BBVA Securities and Garanti BBVA Pension and Life. Between June 2022 and August 2024, he served as the Executive Vice President responsible for the Corporate Banking, Global Markets, Global Markets Business Solutions, Cash Management, Financial Institutions, Investment Banking and Finance, Corporate and Investment Banking Strategy, Analysis and Coordination and Sustainable

Finance departments. The Board of Directors of the Bank passed a resolution on 2 August 2024 appointing Mr Akten as the new CEO.

Sait Ergun Özen

Mr. Sait Ergun Özen earned a Bachelor's degree in Economics from State University of New York and is a graduate of the Advanced Management Programme at Harvard Business School. He started his banking career in 1987 at a private bank's treasury department and joined the Bank in 1992. Mr. Özen served as the President and CEO of the Bank between April 2000 and September 2015 and has been a member of the Bank's board since 2003. Mr. Özen is the Chairman of Boyner Perakende ve Tekstil Yatırımları A.Ş. and a member of the board of Atom Bank. Mr. Özen has 34 years of experience in banking and business administration.

Belkis Sema Yurdum

Ms. Sema Yurdum graduated from Boğaziçi University, Faculty of Administrative Sciences in 1979 and completed the Advanced Management Programme in Harvard Business School for senior managers in 2000. After working in a private sector company as an expert in human resources, she had a career in the banking sector from 1980 through 2005. She worked as an Executive Vice President of the Bank and held audit committee membership in various of its subsidiaries between 1992 and 2005. Ms. Yurdum is a member of the board of directors of Garanti BBVA Romania. Offering management consultancy services since 2006, Ms. Yurdum has been serving as an independent board member of the Bank since April 2013. Ms. Yurdum has 40 years of experience in banking and business administration.

Jaime Saenz de Tejada Pulido

Mr. Jaime Saenz de Tejada Pulido holds undergraduate degrees from Universidad Pontificia de Comillas (ICADE) in both Law & Economics and Business Sciences and completed the Programa de Dirección General (PDG) at IESE Business School in 1999. He joined BBVA in 1992 and, in 2000, was appointed as the Director of Corporate and Investment Banking in the U.S. He then served as a Managing Director of BBVA Banco Continental in Peru until his return to Spain as Territorial Director at the end of 2007. In 2011, Mr. Saenz de Tejada Pulido was appointed as the Director of Business Development of Spain and Portugal and, in May 2012, became a member of the Executive Committee of the BBVA Group. He served as the Director of Strategy & Finance in 2014 and then, in 2015, was appointed to his current role as Global Head of Finance & Accounting at BBVA Group. He has been serving as a member of the Board of Directors of the Bank since October 2014 and has 29 years of experience in banking and business administration.

Rafael Salinas Martinez de Lecea

Mr. Salinas Martinez de Lecea graduated with a degree in economics and business management from Universidad de Alicante, later obtaining further studies at the Centro de Estudios Monetarios y Financieros del Banco de España (CEMFI), the London School of Economics (a masters degree in econometrics and mathematical economics) and the University of Chicago (a master in business administration). After beginning his career, Mr. Salinas Martinez de Lecea joined the BBVA Group in 1991, becoming Director of Derivative Products at BBV interactivos, S.V.B. From 1998 to 2003, he worked as the Deputy Director of Assets and Liability Management of the BBVA Group. After then working as the Head of Capital Base Management of BBVA, he was appointed as the CFO of Banco de Credito Local de Espana (a subsidiary of BBVA) in 2003. From 2006 to 2015, he served as the Director of Risk & Portfolio Management of the Corporate and Investment Banking unit of BBVA and, since 2015, he has been the Head of Global Risk Management of the BBVA Group. Mr. Salinas has been serving as a member of the Board of Directors of the Bank since May 2017 and has 30 years of experience in banking and business administration.

Pablo Alfonso Pastor

Mr. Pablo Alfonso Pastor Muñoz graduated from Deusto University with a BS degree in Economics and Business Administration and earned an MBA from Ecole Des Affaires Paris (EAP Madrid). From 1989 to 1991, he served as an Investment Analyst at Banesto (Chile and Argentina) and then, until 1998, he worked at the Wholesale Risks Unit at Banesto. From 1998 to 1999, he worked at the Credit Risk Unit of Country Risk of BBVA, then working at the Credit Risk Unit of SMEs of BBVA until 2002. From 2002 to 2007, he worked at the Credit Risk Unit of Wholesale Banking of BBVA and then, until 2010, he worked at the Credit Risk Unit New Developments + USA of BBVA. From 2010 to 2012, Mr. Pastor worked at the Corporate Banking Risk Management of GRM department of BBVA, followed by serving as Chief Risk Officer of

BBVA Bancomer until 2015. From 2015 to 2017, he worked at GRM Global Business of BBVA in charge of CIB, AM & Insurance and then, until 2019, he served as GRM CIB Head of BBVA. Mr. Pastor then served as Wholesale Credit Discipline Head - GRM of BBVA until March 2021, when he was appointed as GRM Head for South America and Türkiye.

Mevhibe Canan Özsoy

Ms. Canan Özsoy graduated from İstanbul University with a Bachelor's degree in dental medicine in 1985, obtained a masters degree in Dental Medicine at the same university in 1987, earned an MBA from Bogazici University in 1994 and then obtained an energy technologies masters degree at Sabancı University in 2015. Before joining the pharmaceutical industry in 1990, Ms. Özsoy had a career as a dentist. She has occupied sales and marketing and commercial leadership positions in Hoechst Marion Roussel, Glaxo Wellcome and Sanofi Aventis group companies, each of which operate in the pharmaceutical industry. She was appointed as Vice President in charge of Marketing International in 2007 at General Electric Healthcare, Paris and was then assigned as Chief Marketing Officer at General Electric Healthcare, USA in 2009. She returned to Paris as General Manager of Global Mammography in 2011 and led the mammography business field of General Electric. Ms. Özsoy was appointed as the Chairman and Chief Executive Officer at General Elektrik Ticaret ve Servis A.Ş. in 2012. In addition, she serves as the Chief Growth Officer in charge of Middle-East, North Africa and Türkiye since 2017 for General Electric. She is also the Vice Chairman of TEI (TUSAŞ Motor Sanayii A.Ş.), METCAP Group KOMET (joint-ventures of General Electric) and ABFT (American Business Forum in Türkiye) and is the Chairman of WCD (Woman Corporate Directors). She was appointed as an independent board member of the Bank in April 2019 and has 32 years of experience in banking and business administration.

Aydın Düren

Mr. Düren graduated from İstanbul University's Faculty of Law and earned his graduate degree in International Law from the American University's Washington College of Law. After serving as an associate, partner and the managing partner for over 18 years at international law firms in New York, London and İstanbul, Mr. Düren joined the Bank on 1 February 2009 as the Executive Vice President in charge of legal affairs. Mr. Düren was appointed as a member of the Board of Directors of the Bank in June 2020. Mr. Düren is also Vice Chairman of GBNV and T. Garanti Bankası A.Ş. Pension and Provident Fund Foundation, a Member of the board of directors of GPS, Garanti Mortgage and Garanti BBVA Securities and a member of the board of trustees of Teachers Academy Foundation. Since June 2015, Mr. Düren has served as the Corporate Secretary of the Bank. With 29 years of experience in banking and business administration, Mr. Düren's areas of responsibility are Legal Advisory Services, Legal Collections and Litigation.

Ebru Oğan Knottnerus

Ebru Oğan Knottnerus, graduated from Middle East Technical University, Faculty of Administrative and Economic Sciences, Department of Business Administration, and earned her master's degree in Musicology and Ethnomusicology at Kings College London. She started her banking career in 1991 and worked in various private banks and companies, mostly as a risk management specialist and continued her career as a manager and senior manager in the fields of audit committee, internal control, financial planning, project management and information technologies. As Head of Risk Management in Garanti BBVA between 2001-2018; Ebru Oğan Knottnerus carried out the activities of managing the Risk Management Department which is reporting to the Board of Directors Risk Committee, measuring and reporting risks in a timely and accurate manner and ensuring their management by establishing the required policies and risk limits within the Risk Management Unit, which consists of Market Risk, Structural Interest Risk and Subsidiaries Risk Department, Credit Risk Department, Risk Legislation Coordination, ICAAP and Operational Risk Department and Validation Department. She served as an independent board member in various banks since 2018. Ebru Oğan Knottnerus has 32 years of work experience in the banking sector.

Halil Hüsnü Erel

Halil Hüsnü Erel, a graduate of Istanbul Technical University's Department of Electronics and Communication Engineering, began his career in 1976 as an engineer at World Wide Wilcox. Between 1980 and 1985, he worked as a systems engineer at IBM Türkiye, followed by his role as CIO at Interbank from 1985 to 1991. From 1991 to 1994, he served as General Manager at Intertech. In 1994, he joined Garanti Information Technology and Trade Inc. as General Manager, and in 1997, he was appointed Executive Vice President at our Bank. Throughout his career, Erel has held roles in banking and business management. Between 1997 and 2018, he was responsible for areas such as the Technology Center, Organization and Process Development, Secure Operations, Customer Analytics, Innovation and Product Development, and the Operations Center. He currently serves as a Board Member at Beymen Retail and Textile Investments Inc. On 27 March 2025, Erel was

appointed as an Independent Board Member at Garanti BBVA. He has 49 years of experience in banking and business management.

The Executives

In addition to the Bank's CEO Mahmut Akten and Executive Vice President in charge of legal affairs Mr. Düren, the Bank's senior executives (the "*Executives*") as of the date of this Base Prospectus include the following:

Executive	Title	Responsibility	Year Bank	Joined
Ebru Taşçı Firuzbay	Executive Vice President	Talent and Culture		2024
Ceren Acer Kezik	Executive Vice President	Retail Banking		2012
İlker Kuruöz	Executive Vice President	Engineering Services and Data		2018
Cemal Onaran	Executive Vice President	Commercial Banking		2007
Aydın Güler	Executive Vice President	Finance and Treasury		1990
Sibel Kaya	Executive Vice President	SME Banking		1997
Murat Atay	Executive Vice President	Chief Credit Risk Officer		1993
		Customer Solutions, Digital Banking, Payment		
Sinem Edige	Executive Vice President	Systems and Partnerships		2024

Additional information on each of the Executives is set forth below.

Ebru Taşçı Firuzbay

Ebru Taşçı Firuzbay started her career as a management trainee at Garanti BBVA and took on various responsibilities in branches, regional and head office units. She later joined Türk Ekonomi Bankası and carried out Business Banking Sales and Strategy Planning duties EBRU TAŞCI FİRUZBAY under the Retail Banking unit. She held important leadership roles such as Deputy General Manager of Human Resources and Organization and Executive Board Member at BNP Paribas Cardif Türkiye (2011-2018) and Deputy General Manager of Human Resources and Executive Board Member at Alternatif Bank (2018-2021). Most recently, Firuzbay served as People and Culture Director and Board Member at METRO Türkiye since July 2021. As of December 2024, she has been serving as Garanti BBVA's role of Executive Vice President responsible for Talent and Culture. Ebru Taşçı Firuzbay has 26 years of work experience in banking and business administration.

Ceren Acer Kezik

Mrs. Ceren Acer Kezik obtained an undergraduate degree from Bilkent University in Industrial Engineering and a graduate degree in Business Administration from Harvard University. She started her career in 2005 in a global management consultancy firm, primarily working in the banking, telecommunications, retail and private equity sectors in marketing, strategy and new business development functions. She joined the Bank in October 2012 as the Manager of the Mass Retail Segment. In April 2016, Mrs. Kezik was appointed as the head of the Bank's new SME Micro segment business unit. Since 2017, she was also responsible for Mass Retail Banking under the Retail Banking business line. On 1 June 2022, Mrs. Kezik was appointed as the Executive Vice President responsible for Retail Banking, leading the Retail Banking Marketing, Mass Banking Marketing and Affluent Banking Marketing functions. In addition, she serves as a Member of the Board of Directors of Garanti Mortgage, Garanti BBVA Securities, GPS and Garanti Pension and Life.

İlker Kuruöz

Mr. İlker Kuruöz graduated from the Computer Engineering Department of Bilkent University and received an MBA degree from Bilkent University. Starting his career in 1994, he worked at two private companies prior to joining the Group in 1996 as the Senior Vice President of Garanti BBVA Technology, where he served until 2006. From 2006 to 2016, he held an executive position in a private company. In 2016, he was appointed as the CEO of Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. In 2018, Mr. Kuruöz joined the Bank as the Executive Vice President in charge of Engineering Services and Data. He is also a member of the board of trustees of the Teachers Academy Foundation. Mr. Kuruöz' areas of responsibility are the Garanti BBVA Technology Centre, banking disciplines, core units, organisation and business process engineering, corporate security, customer security, corporate physical security and transaction risk management and abacus operation centre.

Cemal Onaran

Mr. Cemal Onaran holds an undergraduate degree from Middle East Technical University's Public Administration department and started his career as an Assistant Auditor in the Bank's Audit Committee. Mr. Onaran worked as the Regional Manager in various regions of the Bank in İstanbul between the years 2000 and 2007. After the establishment of Garanti Mortgage in October 2007, Mr. Onaran was appointed as the General Manager of Garanti Mortgage, where he served until 2012. After having served as the General Manager of Garanti BBVA Pension and Life from 2012 to 2017 and then as the Executive Vice President of the Bank in charge of SME Banking, Mr. Onaran was appointed as the Executive Vice President responsible for Commercial Banking as of February 2021. Mr. Onaran also serves as Chairman of the Board of Directors at Garanti BBVA Fleet, Vice Chairman at Garanti Mortgage, a member of the board of directors at Garanti BBVA Pension and Life, Garanti Leasing, Garanti BBVA Technology, Garanti BBVA Factoring and Garanti BBVA Romania and a member of the board of trustees of the Teachers Academy Foundation. Mr. Onaran's areas of responsibility are commercial banking, Anatolian marketing and commercial banking and İstanbul marketing.

Aydın Güler

Mr. Aydın Güler graduated from İstanbul Technical University's Department of Mechanical Engineering and joined the Bank's Fund Management Department in 1990. After working at different Head Office departments for 10 years, he was appointed as the Senior Vice President responsible for Risk Management and Management Reporting in 2000. From 2001 to 2013, Mr. Güler served as the Senior Vice President responsible for Financial Planning and Analysis and then was appointed as the Coordinator of the same department in 2013. In December 2015, Mr. Güler was appointed as the Executive Vice President in charge of Finance and Treasury. Mr. Güler is the Vice Chairman of Garanti BBVA Fleet, a member of the board of directors of Garanti Leasing, Garanti Mortgage, Garanti BBVA Pension and Provident Fund Foundation (which manages the Defined Benefit Fund) and Garanti BBVA Pension and Life and a member of the board of trustees of the Teachers Academy Foundation. With 29 years of experience in banking and business administration, Mr. Güler's areas of responsibility are assets and liabilities management, financial management business execution, financial data, performance management and budget planning, cost management and efficiency, investor relations, financial reporting and accounting, finance projects, purchasing department and credit cards and member merchant coordination.

Sibel Kaya

Ms. Sibel Kaya has a bachelor's degree from Middle East Technical University, Faculty of Architecture, department of City and Regional Planning. She started her career in the Bank as a Management Trainee in 1997. Ms. Kaya held various positions in the Commercial Banking Department from 1998 to 2005, served as a Branch Manager and Commercial Branch Manager in various branches from 2005 to 2016 and then worked as the Regional Manager in the Aegean Region from 2016 to 2018. After having served as the Human Resources Director from 2018 to 2021, Ms. Kaya was, as of February 2021, appointed as the Executive Vice President in charge of SME Banking. Ms. Kaya's areas of responsibility are SME banking marketing and SME banking network and performance management.

Murat Atay

Mr. Murat Atay graduated from Middle East Technical University Department of Political Science and Public Administration, earned a master's degree in Accounting from Yeditepe University and holds a doctoral degree in Banking and Finance from İstanbul Okan University. Starting his career as a corporate and credit analyst at the Bank in 1993, he worked as a Corporate Branch Manager from 2000 to 2009 and as the General Manager of Garanti BBVA Romania from 2009 to 2012. During this time, he also served as the Chairman of the Board of Directors of Motoractive, Ralfi and Domenia. After having served as the General Manager of Garanti Mortgage from 2012 to 2020, he was appointed in January 2021 as the Bank's Chief Credit Risk Officer. Mr. Atay's areas of responsibility are credit risk management business execution, corporate and specialised loans, commercial loans, retail risk, corporate and commercial credits restructuring, risk planning, monitoring and reporting, regional loans coordination, risk projects and credit risk management advanced analytics discipline.

Sinem Edige

Sinem Edige started her career at Garanti BBVA in 1996, where she began as a Dealer in the Treasury Department. Later, in 2003, she was appointed Chief Dealer at Garanti BBVA, overseeing transactions in the foreign exchange, interest rate, and capital markets. During this period, she played a pivotal role by analyzing market movements and making strategic buy-sell decisions. In 2006, she was appointed Deputy General Manager at Garanti BBVA Portfolio Management, where she

worked on improving portfolio management processes and developing strategies for investment product enhancements. In May 2012, Sinem Edige began her role as Director of Private Banking at Garanti BBVA, where she was responsible for providing private investment advisory, portfolio management, and financial market monitoring to high-net-worth individuals. Later, in 2022, she was appointed General Manager at Garanti BBVA Portfolio Management and played an important role in driving the company's growth strategy, portfolio management, and financial product development. From May 2022 to October 2023, she served as a Board Member of the Türkiye Securities Markets Association (TSPB), contributing to the development and regulation of securities markets. In October 2023, she was appointed General Manager at Garanti BBVA Investment Securities and started overseeing the company's operations. In November 2024, she assumed the role of Executive Vice President, Corporate Banking & Global Markets. Sinem Edige graduated from Boğaziçi University with a degree in Business Administration and has 28 years of experience in banking and business administration.

Conflicts of Interest

Except as described in the following sentence, there are no actual or potential conflicts of interest between the duties of any of the Directors and any of the Executives and their respective private interests or other duties. A number of Directors also currently hold management positions at BBVA. As such, there may be a conflict of interest between the Directors' respective duties to the Bank and any duties they may owe to BBVA.

Address

The business address of the Bank's executive management and the Board is the Bank's headquarters at Nispetiye Mahallesi, Aytar Caddesi No: 2 Levent, Beşiktaş 34340, İstanbul, Türkiye. The Bank's telephone number is +90 212 318 1818.

Corporate Governance, Risk and Other Committees

There are a number of committees set up at the Bank to fulfill the supervisory function. The Board oversees and audits the entire Bank via the Credit Committee, Audit Committee, Corporate Governance Committee, Remuneration Committee, Risk Committee, Information Security Committee, IT Strategy Committee and Information Systems Steering Committee.

In addition to these, there are committees whose members are composed of the Bank's executives (*e.g.*, the Corporate Assurance Committee, Portfolio Strategy (PSM) Committee, Garanti BBVA Assets & Liabilities Committee, Risk Management Committee, Data Security and Protection Steering Committee, Cost Management and Efficiency Committee, Corporate Crisis and Business Continuity Management Committee, Responsible Business and Sustainability Committee, Operational Risk Admission and Product Governance Committee, Integrity Committee and Information Systems Continuity Committee).

Information relating to these committees is set out below.

Credit Committee

In accordance with the Banking Law, the Board has delegated a certain amount of its loan allocation authority to the Bank's Credit Committee. The Credit Committee holds meetings every two weeks to review loan proposals sent by the branches to the head office that exceed the head office's loan authorisation limit. The Credit Committee reviews these loan proposals and decides on those that are within its authorisation limits, and submits those others it deems appropriate but are outside of its authorised limits to the Board for finalisation.

Audit Committee

The Audit Committee was set up to assist the Board in the performance of its audit and supervision functions. The Audit Committee is responsible for:

- monitoring the effectiveness and adequacy of the Bank's internal control, risk management and internal audit systems, and overseeing the operation of these systems and accounting and reporting systems in accordance with applicable regulations, and the integrity of resulting information,

- conducting necessary preliminary evaluations for the selection of independent audit firms, appraisal and support services providers and regularly monitoring the activities of these firms,
- ensuring that the internal audit functions of consolidated entities are performed in a consolidated and coordinated manner,
- developing the audit and control processes in order to ensure ICAAP adequacy and accuracy, and
- monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates and taking action to keep them up-to-date.

Corporate Governance Committee

The Corporate Governance Committee is responsible for monitoring the Bank's compliance with corporate governance principles, undertaking improvement efforts, nominating the independent members of the Board and offering suggestions regarding the nominees to the Board. Within the framework of the Corporate Governance Communiqué, the Corporate Governance Committee:

- monitors whether corporate governance principles are implemented at the Bank, determines the grounds for non-implementation, if applicable, as well as any potential conflicts of interest arising from failure to fully comply with these principles, and presents suggestions to the Board for the improvement of corporate governance practices,
- oversees the activities of the Investor Relations Department,
- evaluates the proposed nominees for independent Board membership, including those nominated by management and investors, considering whether the nominees fulfil the independence criteria and presents its assessment report to the Board for approval,
- makes an assessment for election of independent members to the seats vacated due to a situation that eradicates independence and the resignation of a Board member who loses his independence, so as to re-establish the minimum number of independent Board members through temporarily elected members who will serve until the immediately following General Assembly Meeting to be held, and presents its written assessment to the Board,
- works to create a transparent system for the identification, evaluation and training of nominees who are appropriate for the Board and managerial positions with administrative responsibility, and to determine related policies and strategies, and
- makes regular assessments about the structure and efficiency of the Board and presents suggested changes to the Board.

Remuneration Committee

The Remuneration Committee's responsibilities are as follows:

- conducting the oversight and supervision process required to ensure that the Bank's remuneration policy and practices comply with applicable laws and risk management principles,
- reviewing, at least once a year, the Bank's remuneration policy in order to ensure compliance with applicable laws in Türkiye, or with market practices, and updating the policy, if necessary,
- presenting, at least once a year, a report including the findings and proposed action plans to the Board,
- determining and approving salary packages for executive and non-executive members of the Board, the CEO and Executive Vice Presidents, and

- monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates and taking action to keep them up-to-date.

Risk Committee

The Risk Committee is responsible for:

- monitoring and overseeing the strategy and general risk policies of the Bank and reviewing the risk appetite declaration and core metrics, risk tolerance levels, limit structure and metrics, in each case taking into consideration the strength of the Bank's capital and the overall quality of risk management, measurement and reporting,
- reviewing and approving, as appropriate, the corporate risk policies for each risk type and the yearly limits for each risk type and business area with the level of detail that is deemed appropriate at the time,
- reviewing and approving, as appropriate, measures to mitigate the impact of identified risks,
- monitoring the evolution of the Bank's global risk profile and risk exposure by type of risk, business line, product or customer segment, and how these compare to the Bank's risk strategy, policies and risk appetite,
- assessing the adequacy of the risk information and risk internal control systems in the Bank to provide for the appropriate functioning of risk management as well as the suitability of the structure and process of risk management within the Bank,
- monitoring that the pricing of investment and deposit products offered to clients adequately take into consideration the Bank's business model and risk strategy, and implementing a remediation plan should it be necessary,
- verifying that necessary actions are taken to ensure the availability of adequate systems, staffing and general resources is in place for managing the Bank's risks,
- analysing and assessing the quality of the Bank's asset valuation, asset classification and risk estimation procedures,
- promoting the continuous development and improvement of advanced risk management models and practices within the Bank, while closely monitoring requirements and recommendations of regulators and supervisors, and
- receiving and reviewing reports on capital planning and capital adequacy and providing an effective review of the Bank's enterprise risk management and capital planning processes.

Information Security Committee

The goals and responsibilities of the Information Security Committee are as follows:

- coordinating efforts to provide information security,
- contributing to the formulation of the Bank's information security policy and other policies concerning the subdomains of information security, overseeing the functionality of the system and assessing and deciding on suggested improvements,
- monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates and taking action to keep them up-to-date,
- evaluating information security awareness studies and learning programs, and
- reporting to the Board at least once a year.

IT Strategy Committee

The IT Strategy Committee is responsible for advising large IT investments with the establishment of the necessary management and organisational structure in order to achieve the IT targets established in line with business objectives. The committee responsibilities for:

- determining the next year's engineering and data strategies and focus areas,
- identifying responsible Executive Vice Presidents and unit managers for these strategies, and
- at the second meeting held during each year, discussing the latest status of IT projects and action plans.

Information Systems Steering Committee

The Information Systems Steering Committee is responsible for prioritising information system IS investments and projects, making necessary directions to ensure compliance of information system architecture and projects with law and monitoring service levels for information system services. The committee's responsibilities include:

- discussing the priority order of information system investments and projects made in relation to the strategic priorities of the Bank,
- discussing and evaluating ongoing project situations in order to sequence projects to avoid resource conflict,
- discussing the evaluation of information system projects within the scope of architecture and law,
- discussing project business goals and realised goals, and
- evaluating the service levels of the Bank's information system services.

Corporate Assurance Committee

The purpose of the Corporate Assurance Committee is to inform the Bank's top management about internal control problems that might prevent business and/or the Bank's goals and to provide business lines with guidance from the Bank's top management about these problems. The scope of the committee includes internal control findings and issues that are considered to have priority for the Bank regarding their effect and urgency, compliance, financial reporting, risk management, operational risk, reputation risk, technology and fraud.

Portfolio Strategy (PSM) Committee

This committee is the top level body that determines Group level strategic priorities. It provides a platform for the discussion and prioritisation of top Group priorities and revises them as necessary. All strategic non-routine projects are required to align with the Group strategies determined by this committee. This committee is also responsible from the follow-up of current portfolio performance in terms of strategy alignment.

Garanti BBVA Assets & Liabilities Committee

The main goal of the Garanti BBVA Assets & Liabilities Committee (*i.e.*, ALCO) is to assist the CEO with decision-making processes concerning assets and liabilities management (including liquidity and funding, interest rates and exchange rates) and capital.

Risk Management Committee

The purpose of the Risk Management Committee is to develop the Bank's strategies, policies, procedures and infrastructure required to identify, assess, measure, plan and manage material risks faced by the Bank in the ordinary course of business.

Data Security and Protection Steering Committee

The Data Security and Protection Steering Committee is responsible for ensuring that data owned by the Bank, its subsidiaries and its customers are compliant with relevant legal regulations and corporate policies.

Cost Management and Efficiency Committee

The objective of the Cost Management Committee is to support the Board in controlling costs within the context of real revenue performance (operating efficiency) and securing savings by optimising budget implementations over the course of the year.

Corporate Crisis and Business Continuity Management Committee

The Corporate Crisis and Business Continuity Management Committee is responsible for managing crisis situations faced by the Bank, including coordinating and integrating all parties that need to respond to the crisis. This committee puts in place procedures and training for handling potential future crises.

Responsible Business and Sustainability Committee

This committee ensures that responsible business is integrated into the banking functions and the strategic priorities of the Bank and seeks to ensure that the Bank systematically puts stakeholders at the center of its decision-making processes.

Operational Risk Admission and Product Governance Committee

This committee aims to identify, analyse and evaluate the operational risks associated with initiatives related to new business, products or services, outsourcing, process transformation and new systems prior to their launch. This committee provides their opinion about the feasibility of initiatives before they are undertaken, as well as on their follow-up. The committee evaluates the inherent operational risks and identifies controls and mitigations needed to ensure that the residual risks are within the established operational risk appetite.

Integrity Committee

The main objective of the Integrity Committee is to contribute to preserve the corporate ethical integrity of the Bank. The primary function of the committee is to provide for the implementation of the Bank's code of ethics.

Information Systems Continuity Committee

The Information Systems Continuity Committee is charged with declaring a crisis situation with respect to the bank's information systems, taking into account all the factors related to events that cause disruption in the information systems. The committee decides on the implementation of the information systems continuity plan and coordinates other rescue, continuity and response teams.

Compensation

The Group aims to provide compensation that allows it to attract and retain individuals with the skills necessary to manage successfully and grow its business. The Group's compensation policy seeks to provide total compensation that is competitive with other financial organisations similar to it in terms of size and complexity of operations. The Group's policy is to link a significant portion of its senior executives' compensation to the performance of the business through incentive plans. Therefore, in structuring remuneration packages, the Group aims to link potential rewards to the performance of the business, as well as to the performance of the individual.

Since the Board has delegated its authority to determine the remuneration of the Directors and Executives, including the Bank's President and CEO, to the Remuneration Committee, this committee determines the remuneration paid to the Directors and the Executives.

The net payment provided or to be provided to the key management of the Bank and its consolidated financial subsidiaries (including members of their respective board of directors) amounted to TL 284,600 thousand in 2022, TL 455,242

thousand in 2023, TL 982,129 thousand in 2024 and TL 259,508 thousand in the first three months of 2025, including compensation paid to key management personnel who left their position during the period.

The Group does not have any directors' service contracts providing for benefits upon termination of employment, nor does it offer any share-based incentive programs to directors or employees.

Pension Plans. There is no private pension plan paid for by the Bank for its executives other than the fund for all its Turkish employees, which fund has similar liabilities to Türkiye's Social Security Institution. The plan, which is called Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı (the "*Defined Benefit Fund*"), is a separate legal entity and a foundation recognised by an official decree and provides pension and post-retirement medical benefits to all qualified Bank employees. This benefit plan is funded through contributions both by the Bank's employees and the Bank as required by Türkiye's Social Security Law. Employees of other members of the Group do not participate in this benefit plan.

This benefit plan is composed of: (a) the contractual benefits provided under the articles of association of the Defined Benefit Fund to the participating employees, which are subject to transfer to the SSF as described in the next paragraph, and (b) other "excess" benefits and payments provided in the existing trust indenture but not transferable to the SSF and medical benefits provided by the Bank for its constructive obligation (as defined in TAS 19, an obligation that derives from an entity's actions whether by an established pattern of past practice, a published policy or a sufficient specific current statement) (the "*excess benefits*").

According to Turkish law, the Council of Ministers has the authority to determine the date that the contractual benefits of the participating employees will be transferred to the SSF. At the time of this transfer, an actuarial calculation will be conducted to establish if a bank's fund's assets are sufficient to meet its liabilities. The SSF is required to collect the unfunded portion (if any) from the employee benefit funds and the banks employing the relevant fund participants, which will be severally liable, in annual instalments to be paid over a period of up to 15 years. The payment would be in Turkish Lira and would be announced by the Turkish Treasury for each year.

Although no official work has commenced to implement the transfer of any of the Bank's retirement fund assets and liabilities to the SSF, the Bank engaged Aon Hewitt S.A. (an alliance member of Hewitt Associates) to conduct an actuarial study, which reported no deficit based upon the assumptions stated in the applicable law. These assumptions are sensitive to elements such as the number of employees in the current workforce, the workforce turnover rate, the aging rate of the workforce and the other parameters stipulated in the relevant legislation. Therefore, it is possible that the actuarial study may turn out to be incorrect if any of the assumptions upon which it is based differ from the calculations made at the time of the actual transfer. If there is a shortfall at the time of the transfer of the Defined Benefit Fund (as determined by the SSF), then the Bank would be liable to make the supplemental payments described above for 15 years.

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

The pension and medical benefits transferable to the SSF and the excess benefits are calculated annually by the same independent actuary stated above, which is registered with the Turkish Treasury. As per the independent actuary report dated 31 December 2022, the Bank had no excess obligation that needed to be provided for as of 31 December 2022.

OWNERSHIP

The Bank was established in 1946 as a partnership of 103 businessmen. In 1975, a 56% interest in the Bank was acquired by Koç Holding and a 33% interest by Sabancı Holding. In 1983, the two groups sold their shareholdings in the Bank to Mr. Ayhan Şahenk and various companies of the Doğuş Group.

Under the terms of an agreement between Doğuş Holding and GEAM, on 22 December 2005, GEAM acquired from Doğuş Holding 53,550,000,000 shares in the Bank (representing 25.50% of the shares in the Bank then in issue). On 24 December 2007, GEAM transferred shares representing a 4.65% interest in the Bank back to the Doğuş Group, which reduced GEAM's holding in the Bank to 20.85% with a 30.52% interest being controlled (directly and indirectly) by Doğuş Holding.

All but two of the Bank's founders' shares were purchased by the Bank and cancelled on 1 March 2010. The remaining founders' shares do not have any dividend or other rights but the owners of such founders' shares have a right to redeem such shares for the sum of TL 3,876,307.00 each.

On 22 March 2011, BBVA acquired 26,418,840,000 shares in the Bank (representing 6.2902% of the shares in the Bank then in issue) from the Doğuş Shareholders and 78,120,000,000 shares in the Bank (representing 18.6% of the shares in the Bank then in issue) from (*inter alia*) GEAM.

On 7 April 2011, BBVA acquired 503,160,000 shares in the Bank, thereby increasing its shareholding in the Bank to 25.01% of the Bank's share capital.

On 27 July 2015, BBVA acquired 62,538,000,000 shares in the Bank (representing 14.89% of the shares in the Bank then in issue) from Doğuş Holding and members of the Şahenk family.

The Bank's shares are traded on the Borsa İstanbul. The Bank has established Level I and Rule 144A American Depositary Share facilities that provide for the conversion of shares in the Bank into American Depositary Shares and *vice versa*. The Bank of New York Mellon acts as the depositary bank and, at present, the American Depositary Shares are tradeable on OTCQX International Premier (the U.S. over-the-counter market).

On 21 February 2017, Doğuş Holding and Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. (the "Sellers") entered into a share purchase agreement with BBVA to transfer their shares representing 9.95% of the Bank's issued share capital with a nominal value of TL 417,900 thousand to BBVA (the "Share Purchase Transaction"). According to the agreement, BBVA agreed to pay TL 3,322,305 thousand. Completion of the Share Purchase Transaction occurred on 22 March 2017, resulting in BBVA owning 49.85% of the total issued share capital of the Bank.

In November 2021, BBVA announced that it would launch the Tender Offer to acquire the shares of the Bank that were not already owned by BBVA. The Tender Offer, which was approved by CMB on 31 March 2022, ended on 18 May 2022 and resulted in BBVA obtaining an additional 36.12% of the Bank's shares and thereby taking its total to 85.97% of the Bank's shares.

Shareholdings

As of 31 March 2025, the Bank's issued shares were held as follows:

Shareholder	Shares held	% of issued share capital
BBVA	361,089,589,019	85.97%
Other shareholders	58,910,410,981	14.03%
Total.....	420,000,000,000	100.00%

As far as the Bank is aware, no Person other than BBVA holds a greater than 5% interest in the issued share capital of the Bank.

BBVA

The BBVA Group is a global retail financial group founded in 1857 that provides its customers around the world a full range of financial and non-financial products and services. As of 31 December 2024, the BBVA Group had a presence in over 25 countries with more than 124,471 employees. As of 31 December 2024, the BBVA Group's consolidated total assets were €772.4 billion (€775.6 billion as of 31 December 2023 and €713 billion as of 31 December 2022) and its net attributable profit for 2024 was €10.1 billion (€8.0 billion in 2023 and €6.4 billion for 2022).

BBVA is a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management and wholesale banking. On an operational basis, the BBVA Group subdivides its business into the following geographic business areas: Spain, Eurasia, Mexico, South America and the United States.

As of the date of this Base Prospectus, the BBVA Group is in the process of converting to a single global brand used in all of the markets in which it operates, including in connection with its digital transformation strategy. As part of its new brand strategy in Türkiye, the Bank started in 2019 to operate under a new logo as "Garanti BBVA."

(Source: BBVA)

Dividends and Dividend Policy

The details of the Bank's dividend distribution policy are specified in articles 45, 46, and 47 of the Bank's articles of association. In this context, by taking into account the Bank's growth in accordance with its goals within the sector and its financial needs, the General Assembly of the Bank's shareholders is authorised to distribute dividends in cash or capitalise the dividends and distribute bonus shares (which are to be issued by the Bank), or implement both methods together, and execute the dividend distribution within the time period specified in the relevant law. The Bank's dividend distribution policy provides that the Bank may distribute up to 30% of the distributable profit in cash or bonus shares; *however*, any dividend distribution is subject to the BRSA's approval, which itself is subject to there being no unfavourable situation in the local and/or global economic conditions, the Bank's and the Group's capital ratios exceeding the minimum levels established by the Banking Law and related regulations and the BRSA's evaluation of other factors (including Bank-specific factors) is favourable. Following the set aside of legal reserves and funds that are required by law to be retained by the Bank, the remaining net profit amount that has not been distributed to the Bank's shareholders should be transferred to the Bank's extraordinary reserve account. Dividend distribution is required by law to start within three months after the date of the General Assembly's decision. In accordance with Article 46 of the Bank's articles of association, proposals for dividend distribution are to be submitted for approval of the Bank's General Assembly following a decision by the Board in this regard, by taking into account the Bank's operational performance, financial needs, growth target and the legal regulations applicable to the Bank. The dividend distribution resolution becomes effective when adopted in the meeting of the General Assembly, the resolutions for which are to be published via the Public Disclosure Platform (www.kap.gov.tr) on the same day on which the resolution becomes effective.

Each common share of the Bank entitles the holder thereof to the same amount of dividends.

On 31 March 2022, the Bank's General Assembly approved the distribution of gross cash dividends of TL 1,307.3 million on 25 May 2022 from 2021's distributable net profit of TL 13,073.3 million. On 17 March 2023, the Bank's General Assembly approved the distribution of gross cash dividends of TL 8,776.4 million from 2022's distributable net profit of TL 58,509.2 million. On 27 March 2024, the Bank's General Assembly approved the distribution of gross cash dividends of TL 13,099.8 million from 2023's distributable net profit of TL 87,331.7 million. On 27 March 2025, the Bank's General Assembly approved the distribution of gross cash dividends of TL 18,434.9 million from 2024's distributable net profit of TL 92,174.9 million.

RELATED PARTY TRANSACTIONS

Under BRSA regulations, related parties of the Bank include: (a) entities or individuals that are directors, shareholders, 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 management or control of the Bank.

During the period from 1 January 2021 to the date of this Base Prospectus, the Group had various types of exposures to related parties, including loans, deposits and non-cash considerations. All of the related-party credit applications must go through the Group's normal credit review process. All extensions of credit to the related parties are made on an arm's-length basis and the credit and payment terms in respect of such credits are no more favourable than those offered to third parties.

Turkish banking regulations limit exposure to related parties to 20% of the total capital, and the Group's exposure to the BBVA Group is well within the limit permitted by the regulations. See "*Turkish Regulatory Environment—Lending Limits*." The following tables indicate the level of the Group's relationships with members of the BBVA Group as of the dates indicated. See also note 5.7 of the Group's BRSA Financial Statements for additional information on related party risks.

	As of 31 December			As of 31 March
	2022	2023	2024	2025
BBVA Group	<i>(TL thousands, except percentages)</i>			
Cash loans	1,362,913	4,796,974	7,957,714	8,682,859
As a % of assets	0.1%	0.2%	0.3%	0.2%
As a % of shareholders' equity	0.9%	2.0%	2.4%	2.5%
Contingent obligations	2,859,301	3,971,358	4,779,384	8,726,575
As a % of contingent obligations	1.2%	0.9%	0.8%	1.3%
As a % of shareholders' equity	1.9%	1.6%	1.4%	2.6%
Total BBVA Group Exposure	4,222,214	8,768,332	12,737,098	17,409,434

The Group's exposure to the BBVA Group is principally denominated in foreign currencies. All the related-party loans are performing and the Group has never had to take provisions for, or to write-off any loan to, any of the companies of the BBVA Group.

The contingent exposure to the BBVA Group primarily consists of guarantees issued.

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands)</i>			
	57,772,444	88,683,724	161,053,604	288,892,568

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

	As of 31 December			As of 31 March
	2022	2023	2024	2025
	<i>(TL thousands)</i>			
	6,806,956	11,241,458	19,272,942	23,723,863

Please refer to the BRSA Financial Statements incorporated by reference into this Base Prospectus for additional information on related party transactions.

THE TURKISH BANKING SECTOR

The following information relating to the Turkish banking sector has been provided for background purposes only. The information has been extracted from third-party sources that the Bank's management believes to be reliable but the Bank has not independently verified such information. See "Responsibility Statement."

The Turkish Banking Sector

After a phase of consolidation, liquidations and significant regulatory enhancements in the 2000s, the Turkish banking sector has experienced a period of stability. The total number of banks (including deposit-taking banks, investment banks and development banks) in the sector has held relatively steady since 2008. During this phase, bank combinations have been few and changes to the roster have resulted principally from strategic investors purchasing existing local banks. Foreign investors have, amongst others, included BBVA, BNP PARIBAS, Citigroup, HSBC, ING, Bank of China, Intesa Sanpaolo, MUFG Bank, Ltd., Industrial and Commercial Bank of China, Qatar National Bank and, in the most recent significant acquisition, Emirates NBD acquired Sberbank's stake in Denizbank A.Ş. ("*Denizbank*"), a mid-sized bank in Türkiye, in 2019.

As of 31 March 2025, 57 banks (including domestic and foreign banks but excluding the Central Bank) were operating in Türkiye (nine participation banks, which conduct their business under different legislation in accordance with Islamic banking principles, are not included in this analysis). Thirty-seven of these were deposit-taking banks (including the Bank) and the remainder were development and investment banks. Among the deposit-taking banks, three banks were state-controlled banks, eleven were private domestic banks, 22 were private foreign banks and one was under the administration of the SDIF.

The Banking Law permits deposit-taking banks to engage in all fields of financial activities, including deposit collection, corporate and consumer lending, foreign exchange transactions, capital market activities and securities trading. Typically, major commercial banks have nationwide branch networks and provide a full range of banking services, while smaller commercial banks focus on wholesale banking. The main objectives of development and investment banks are to provide medium-and long-term funding for investment in different sectors.

The following table shows key indicators for deposit-taking banks in Türkiye as of (or for the period ended on) the indicated dates.

	As of (or for the year ended) 31 December					
	2019	2020	2021	2022	2023	2024
	(TL millions, except percentages)					
Balance sheet						
Loans	2,308,603	3,091,047	4,152,545	6,517,978	9,961,601	13,730,007
Total assets.....	3,904,023	5,282,917	7,880,575	12,337,664	20,130,099	28,115,051
Customer deposits.....	2,351,444	3,133,909	4,746,930	7,970,792	13,335,603	17,124,653
Shareholders' equity	426,022	520,238	610,363	1,227,326	1,822,813	2,405,092
Income statement						
Net interest income	146,242	192,159	236,431	682,763	596,268	782,876
Net fees and commission income	46,614	42,214	59,154	118,542	287,046	602,112
Total income	204,682	253,062	336,382	985,287	1,055,163	1,258,175
Net Profit	41,700	50,157	76,533	381,896	509,354	505,793
Key ratios						
Loans to customer deposits ratio	98.2%	98.6%	87.5%	81.8%	74.7%	80.2%
Net interest margin ⁽¹⁾	4.7%	4.9%	4.7%	8.4%	4.5%	3.9%
Return on average shareholders' equity ⁽²⁾	10.7%	10.6%	14.0%	42.3%	34.2%	24.4%
Capital adequacy ratio.....	18.0%	18.3%	18.0%	19.2%	18.4%	19.2%

Source: BRSA monthly bulletin (www.bddk.org.tr)

- (1) Calculated as net interest income/(expense) as a percentage of the average interest-earning assets (securities, performing loans and other interest-earning assets) for the applicable period as reported in the BRSA monthly bulletin.
- (2) Calculated as profit as a percentage of the average shareholders' equity for the applicable period as reported in the BRSA monthly bulletin.

Competition

The Turkish banking industry is highly competitive and relatively concentrated with the top 7 deposit-taking banks accounting for 70.8% of total assets of deposit-taking banks as of 31 March 2025 according to data from the BRSA. Among the top 10 Turkish banks, there are three state-controlled banks - Ziraat, Vakıfbank and Halkbank, which were ranked first, second and fourth, respectively, in terms of total assets as of such date according to the bank-only financials published in the Public Disclosure Platform (www.kap.gov.tr). These three state-controlled banks accounted for 37.1% of deposit-taking Turkish banks' performing loans and 41.7% of customer deposits as of such date according to the BRSA. The top four privately-owned banks as of such date were Türkiye İş Bankası A.Ş., the Bank, Yapı ve Kredi Bankası A.Ş. and Akbank T.A.Ş. which in total accounted for 34.2% of deposit-taking Turkish banks' performing loans and 35.3% of customer deposits as of such date according to the BRSA. The remaining banks in the top 10 deposit-taking banks in Türkiye as of such date included three mid-sized banks, namely QNB Finansbank A.Ş., Denizbank and Türk Ekonomi Bankası A.Ş., which were controlled by Qatar National Bank, Emirates NBD and TEB Holding (a joint venture between BNP PARIBAS and Türkiye's Çolakoğlu Group) respectively, as of such date

TURKISH REGULATORY ENVIRONMENT

Regulatory Institutions

Turkish banks and branches of foreign banks in Türkiye are primarily governed by two regulatory authorities in Türkiye, the BRSA and the Central Bank.

The Role of the BRSA

In June 1999, the Banks Act No. 4389 (which has been replaced by the Banking Law) established the BRSA. The BRSA supervises the application of banking legislation, monitors the banking system and is responsible for ensuring that banks observe banking legislation.

Articles 82 and 93 of the Banking Law state that the BRSA, having the status of a public legal entity with administrative and financial autonomy, is established in order to ensure application of the Banking Law and other relevant acts, to ensure that savings are protected and to carry out other activities as necessary by issuing regulations within the limits of the authority granted to it by the Banking Law. The BRSA is obliged and authorised to take and implement any decisions and measures in order to prevent any transaction or action that might jeopardise the rights of depositors and the regular and secure operation of banks and/or might lead to substantial damages to the national economy, as well as to ensure efficient functioning of the credit system.

The BRSA has responsibility for all banks operating in Türkiye, including development and investment banks, foreign banks and participation banks. The BRSA sets various mandatory ratios such as reserve levels, capital adequacy and liquidity ratios. In addition, all banks must provide the BRSA, on a regular and timely basis, information adequate to permit off-site analysis by the BRSA of such bank's financial performance, including balance sheets, profit and loss accounts, board of directors' reports and auditor's reports.

The BRSA conducts both on-site and off-site audits and supervises implementation of the provisions of the Banking Law and other legislation, examination of all banking operations and analysis of the relationship and balance between assets, receivables, equity capital, liabilities, profit and loss accounts and all other factors affecting a bank's financial structure.

The Role of the Central Bank

The Central Bank was founded in 1930 and performs the traditional functions of a central bank, including the issuance of bank notes, determining the exchange rate regime in Türkiye jointly with the government and to design and implement this regime, maintenance of price stability and continuity, regulation of the money supply, management of official gold and foreign exchange reserves, monitoring of the financial system and advising the government on financial matters. The Central Bank exercises its powers independently of the government. The Central Bank is empowered to determine the inflation target together with the government, and to adopt a monetary policy in compliance with such target. The Central Bank is the only authorised and responsible institution for the implementation of such monetary policy.

The Central Bank has responsibility for all banks operating in Türkiye, including foreign banks. The Central Bank sets mandatory reserve levels. In addition, each bank must provide the Central Bank, on a current basis, information adequate to permit off-site evaluation of its financial performance, including balance sheets, profit and loss accounts, board of directors' reports and auditor's reports.

Pursuant to amendments introduced to the Banking Law in 2020, the Central Bank has been empowered to determine maximum interest rates for lending and deposit-taking activities of banks, as well as caps on fees, expenses and commissions charged by banks to their clients for any sort of activity.

Banks Association of Türkiye

The Banks Association of Türkiye is an organisation that provides limited supervision of and coordination among banks (excluding the participation banks) operating in Türkiye. All banks (excluding the participation banks) in Türkiye are obligated to become members of this association. As the representative body of the banking sector, the association aims to examine, protect and promote its members' professional interests; *however*, despite its supervisory and disciplinary functions, it does not possess any powers to regulate banking.

Shareholdings

The direct or indirect acquisition by a Person of shares that represent 10% or more of the share capital of any bank or the direct or indirect acquisition or disposition of such shares by a Person if the total number of shares held by such Person increases above or falls below 10%, 20%, 33% or 50% of the share capital of a bank, requires the permission of the BRSA in order to preserve full voting and other shareholders' rights associated with such shares. In addition, irrespective of the thresholds above, an assignment and transfer of privileged shares with the right to nominate a member to the board of directors or audit committee (or the issuance of new shares with such privileges) is also subject to the authorisation of the BRSA. Additionally, the direct or indirect acquisition or transfer of any shares of a legal entity that owns 10% or more of the share capital of a bank is subject to the BRSA's approval if such transfer results in the total number of such legal entity's shares directly or indirectly held by a shareholder increasing above or falling below 10%, 20%, 33% or 50% of the share capital of such legal entity. If such approval is not obtained, then the relevant shares would merely entitle their owner to the right to dividends whereas the voting and other shareholder rights would be exercised by the SDIF.

The board of directors of a bank is responsible for taking necessary measures to ascertain that shareholders attending a general assembly have obtained the applicable authorisations from the BRSA. If the BRSA determines that a shareholder has exercised voting or other shareholders' rights (other than the right to collect dividends) without due authorisation as described in the preceding paragraph, then it is authorised to direct the board of directors of a bank to start the procedure to cancel such applicable general assembly resolutions (including by way of taking any necessary precautions concerning such banks within its authority under the Banking Law if such procedure has not been started yet). If the shares are obtained on the stock exchange, then the BRSA may also impose administrative fines on shareholders who exercise their rights or acquire or transfer shares as described in the preceding paragraph without authorisation by the BRSA. In the case that the procedure to cancel such general assembly resolutions is not yet started, or such transfer of shares is not deemed appropriate by the BRSA even though the procedure to cancel such general assembly resolutions is started, then, upon the notification of the BRSA, the SDIF has the authority to exercise such voting and other shareholders' rights (other than the right to collect dividends and priority rights) attributable to such shareholder.

Lending Limits

The Banking Law sets out certain lending limits for banks and other financial institutions designed to protect those institutions from excessive exposure to any one counterparty (or group of related counterparties). In particular:

(a) Credits extended to a natural person, a legal entity or a risk group (as defined under Article 49 of the Banking Law) in the amounts of 10% or more of a bank's shareholders' equity are classified as large credits and the total of such credits cannot be more than eight times the bank's shareholders' equity.

(b) The Banking Law restricts the total financial exposure (including extension of credits, issuance of guarantees, etc.) that a bank may have to any one customer or a risk group directly or indirectly to 25% of its equity capital. Furthermore, a bank, its shareholders holding 10% or more of the bank's voting rights or the right to nominate board members, its board members, its general manager, its deputy general managers and, notwithstanding their title, its managers employed in equivalent or higher positions (in each case, and their respective spouses and children) and partnerships directly or indirectly, individually or jointly, controlled by any of such persons or a partnership in which such persons participate with unlimited liability or in which such persons act as a member of the board of directors or general managers constitute a risk group, for which the lending limits are reduced to 20% of a bank's equity capital, subject to the BRSA's discretion to increase such lending limits up to 25% or to lower it to the legal limit.

(c) Loans extended to a bank's shareholders (irrespective of whether they are controlling shareholders or they own qualified shares) registered with the share ledger of the bank holding more than 1% of the share capital of the bank and their risk groups may not exceed 50% of the bank's capital equity.

Non-cash loans, futures and option contracts and other similar contracts, avals, guarantees and suretyships, transactions carried out with credit institutions and other financial institutions, transactions carried out with the central governments, central banks and banks of the countries accredited with the BRSA, as well as bills, bonds and similar capital market instruments issued or guaranteed to be paid by them, and transactions carried out pursuant to such guarantees are taken into account for the purpose of calculation of loan limits within the framework of principles and ratios set by the BRSA.

Pursuant to Article 55 of the Banking Law, the following transactions are exempt from the above-mentioned lending limits:

- (a) transactions backed by cash, cash-like instruments and accounts and precious metals,
- (b) transactions carried out with the Turkish Treasury, the Central Bank, the Privatisation Administration, the Housing Development Administration of Türkiye, Türkiye's sovereign wealth fund (*Türkiye Varlık Fonu*) and its management company (*Türkiye Varlık Fonu Yönetimi A.Ş.*) as well as transactions carried out against bills, bonds and other securities issued by or payment of which is guaranteed by these institutions,
- (c) transactions carried out in money markets established by the Central Bank or pursuant to special laws,
- (d) in the event a new loan is extended to the same Person or to the same risk group (but excluding checks and credit cards), any increase due to the volatility of exchange rates, taking into consideration the current exchange rate of the loans made available earlier in foreign currency (or exchange rate), at the date when the new loan was extended; as well as interest accrued on overdue loans, dividends and other elements,
- (e) equity participations acquired due to any capital increases at no cost and any increase in the value of equity participations not requiring any fund outflow,
- (f) transactions carried out among banks on the basis set out by the BRSA,
- (g) equity participations acquired through underwriting commitments in public offerings; *provided* that such participations are disposed of in a manner and at a time determined by the BRSA,
- (h) transactions that are taken into account as deductibles in calculation of equity, and
- (i) other transactions to be determined by the board of the BRSA (the “**BRSB**”).

The BRSA published the Regulation on the Determination of Risk Groups and Lending Limits in the Official Gazette dated 21 December 2023 and numbered 32406. The main rules summarised above on the lending limits have not been changed but the BRSA has clarified certain details and has brought additional rules and limited exceptions. The following are certain key provisions that the BRSA has introduced with the Regulation on the Determination of Risk Groups and Lending Limits:

(a) The BRSA has introduced new criteria for determination of the credit customers within the same risk group, pursuant to which a bank is required to also assess the economic dependency between two customers when determining whether they are within the same risk group. While a bank determining the risk groups whose risk amount exceeds five per cent. (5%) of the bank's Tier 1 capital, the bank must analyze whether a customer has economic dependence on other customers based on the following criteria. For other credit customers that do not exceed the aforementioned five per cent. (5%) limit, it is appropriate for the bank to consider these criteria in determining the risk groups:

- (i) fifty per cent. (50%) or more of the customer's annual gross revenues or annual gross expenses arise from transactions with the other customer;
- (ii) the customer gives guarantees, sureties or is in some way responsible for the debts of the other customer, in whole or in part, and when the liability crystallizes, the risk is large enough to cause the first customer to also default on its debts;
- (iii) a significant portion of the goods or services produced by the customer is sold to the other customer and the other customer cannot be easily replaced by another party;
- (iv) the sources of income to be used by multiple customers to repay their debts to the bank are the same and there are no other sources of income that will allow these customers to repay their debts in full;
- (v) the financial difficulty experienced by another customer is of a magnitude that may prevent the customer from fulfilling its obligations on time and in full;

- (vi) the default or bankruptcy of another customer is likely to cause the default or bankruptcy of the customer; and
- (vii) generation of a large portion of multiple clients' funds from the same source and the unavailability of an alternative fund provider in the event of default of that fund provider, from which such clients generate a large portion of their funds.

Under the circumstances (i), (ii), (iii), (v) and (vi) above, where the economic dependency is one-way, the customer must be included in the risk group of the other customer, to which it has economic dependency; however, it is not necessary to include the other customer to which it has economic dependency in the risk group to which the customer belongs, provided that there is no other relationship between them that requires them to be in the same risk group. Under the circumstances (iv) and (viii) above, where the economic dependency is two-way, customers with economic dependency between each other are to be included in each other's risk groups.

(b) On the determination of a risk group of a person, the BRSA has clarified that, multiple customers that are under the control of or economically dependent on central governments, central banks or public institutions that are subject to the same risk weight application as receivables from central governments in accordance with the Capital Adequacy Regulation are not required to be considered in the same risk group only due to this relationship, provided that there is no other relationship between them that requires them to be considered in the same risk group.

(c) Exceptionally, (i) the persons that are required to be classified in the same risk group by a bank in accordance with paragraphs 1 and 2 of Article 4 of the Regulation on the Determination of Risk Groups and Lending Limits, provided that their exceptional circumstances or the presence of preventative corporate governance practices is determined by such bank, and (ii) the persons that are required to be classified in the same risk group by a bank due to their economic dependency, provided that it is determined by the bank that one party will not be affected by the other party's default or financial difficulties by finding new sources of funding or business partners, the bank may not classify these two persons within the same risk group.

(d) The lending limits are to be calculated and applied both on a consolidated and unconsolidated basis. In the calculation by a bank of lending limits on a consolidated basis: (i) all debts and liabilities of persons within the scope of the risk group definition to all entities included in the consolidated financial institutions group of the bank, in the nature of a credit, are taken into account by such bank (provided that factoring receivables of consolidated financial institutions and items related to various loans and overdrafts are to be taken into account as cash loans) and (ii) the risk group including the bank is applied as the risk group including the group of financial institutions by taking into account the parent company and each subsidiary including the group of financial institutions subject to consolidation.

(e) All on-balance sheet and off-balance sheet risks that are taken into account by a bank within the scope of the Capital Adequacy Regulation and monitored by such bank in trading or banking accounts are to be included by such bank in the lending limits calculations. The BRSA has introduced certain details about the calculation of such risks in the Regulation on Determination of Risk Groups and Lending Limits, such as the methodology to be applied for derivative transactions, covered securities, other structured products and credits to central counterparties defined in the Capital Adequacy Regulation.

(f) A bank, in the calculation of lending limits, must take into account the financial collaterals, unfunded credit protections and on-balance sheet netting that meet the minimum requirements as per the Communiqué on Credit Risk Mitigation Techniques published in the Official Gazette dated 6 September 2014 and numbered 29111 (the "**Communiqué on Credit Risk Mitigation Techniques**") as risk amount reduction. The banks are not to use the collaterals that are exclusively taken into account in the calculation of the amount subject to credit risk with internal rating-based approaches for risk amount reduction in the calculation of lending limits. If such credit risk mitigation techniques mentioned above are used in the capital adequacy calculations made in accordance with the Capital Adequacy Regulation, they must also be used in the lending limits calculations.

(g) The BRSA has exercised the discretion granted to it in the Banking Law in determining further transactions of banks not subject to the lending limits. The following transactions have also been included within the scope of transactions not subject to the lending limits:

- (i) receivables from central governments, central banks or public institutions subject to the same application as receivables from central governments pursuant to the Capital Adequacy Regulation and receivables secured by

guarantees provided or securities issued by central governments, provided that the conditions specified in the Communiqué on Credit Risk Mitigation Techniques are met;

- (ii) day-to-day receivables arising from transactions of banks with other banks, including banks headquartered abroad;
- (iii) receivables arising from settlement transactions with central counterparties performing qualified transactions within the scope of the Capital Adequacy Regulation; and
- (iv) amounts deducted from equity components.

In case the receivables specified in paragraph (i) above are hedged with a credit derivative, the risk amount calculated in accordance with the Regulation on the Determination of Risk Groups and Lending Limits must take into account in the lending limits of the hedging party, notwithstanding whether the underlying asset is exempt from the lending limits.

Banks must not take into account avals, guarantees and sureties accepted from the persons included in a risk group as the collateral of the loans extended to such risk group in the calculation of the lending limits of such risk group.

(h) In addition to the transactions specified above, banks must not take into account the following transactions either in the calculation of the lending limits extended to the risk group to which the banks themselves belong:

- (i) shareholding interests in consolidated banks and financial institutions;
- (ii) unlimited guarantees given by banks operating in Türkiye to the competent authorities of foreign countries against the liabilities of the consolidated subsidiaries of these banks engaged in banking activities in foreign countries in accordance with the legislation of the relevant country; and
- (iii) shareholding interests acquired free of charge as a result of all kinds of capital increases and value increases of shareholding interests that do not require any fund outflow.

(i) In the calculation of the lending limits of a bank, such bank's latest consolidated Tier 1 capital and shareholders' equity and unconsolidated Tier 1 capital and shareholders' equity calculated in accordance with the Equity Regulation is to be taken into account and the lending limits are calculated and reported to the BRSA at the end of each month.

(j) In case of a breach in the lending limits, banks are obliged to immediately notify the BRSA of the reasons thereof, together with the remedial measures planned to be taken. In case of volatility in the financial markets, in order to ensure stability in the interbank money market, the BRSB is authorized not to consider the excesses in the transactions in this market over the lending limits as a non-compliance with the limits. The amount in excess of any of the limits calculated on a consolidated basis and an unconsolidated basis is to be taken into account, notwithstanding which one of such limits is exceeded. If there is an excess in both limits, banks must take into account the higher excess amount. In the event that the lending limits are exceeded due to decreases in the consolidated or unconsolidated, Tier 1 capital or equity, such excesses must be eliminated within a period of six (6) months. In case the excess requires an increase in the consolidated or unconsolidated Tier 1 capital or shareholders' equity, the relevant bank must carry out the increase by taking into account whichever of the Tier 1 capital or shareholders' equity that requires the higher increase amount.

Expected Credit Losses

Pursuant to Article 53 of the Banking Law, banks must formulate, implement and regularly review policies regarding compensation for losses that have arisen or are likely to arise in connection with loans and other receivables and to reserve an adequate level of provisions against depreciation or impairment in the value of other assets, for qualification and classification of assets, receipt of guarantees and securities and measurement of their value and reliability. In addition, such policies must address issues such as monitoring loans under review, write-off of such loans in accordance with Turkish Financial Reporting Standards as published by the POA, follow-up procedures and the repayment (including restructuring) of loans. All special provisions set aside for loans in accordance with this article are considered to be expenditures deductible from the corporate tax base in the year in which they are set aside. Loans written off as per this article due to the loss of recovery possibility after setting aside special provisions are to be recorded as bad debt.

Procedures relating to expected credit losses for NPLs are set out in Article 53 of the Banking Law and in regulations issued by the BRSA (principally through the Classification of Loans and Provisions Regulation, which entered into force as

of 1 January 2018 and replaced the former regulation). Pursuant to the Classification of Loans and Provisions Regulation, banks are required to classify their loans and other receivables into one of the following groups:

(a) *Group I: Loans of a Standard Nature*: This group involves each loan (which, for purposes of the Classification of Loans and Provisions Regulation, includes other receivables, and shall be understood as such elsewhere in this Base Prospectus):

- (i) that has been disbursed to financially creditworthy natural persons and legal entities,
- (ii) the principal and interest payments of which have been structured according to the solvency and cash flow of the debtor,
- (iii) repayments of which have been made within due dates or have not been overdue for more than 30 days, for which no repayment problems are expected in the future, and that have the ability to be collected in full without recourse to any collateral,
- (iv) for which no weakening of the creditworthiness of the applicable debtor has been found, and
- (v) to which 12 month expected credit loss reserve applies under TFRS 9.

On 27 March 2020 (with retroactive effect from 17 March 2020), the BRSA (as part of the measures taken against the impacts of the COVID-19 pandemic) announced a temporary rule (effective until 31 December 2020) providing that the 30 days referred to in clause (iii) is replaced with 90 days, resulting in a 60-day extension in the period for loans remaining categorised as Group I loans before being categorised as Group II loans. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (on 17 June 2021) was then further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021, it would still apply to loans classified (as per this provisional measure) as Group I loans that were overdue for more than 31 days but not more than 90 days as of 1 October 2021.

(b) *Group II: Loans Under Close Monitoring*: This group involves each loan:

- (i) that has been extended to financially creditworthy natural persons and legal entities and where negative changes in the debtor's solvency or cash flow have been observed or predicted due to adverse events in macroeconomic conditions or in the sector in which the debtor operates, or other adverse events solely related to the respective debtor,
- (ii) that needs to be closely monitored due to reasons such as significant financial risk carried by the debtor at the time of the utilisation of the loan,
- (iii) in connection with which problems are likely to occur as to principal and interest payments under the conditions of the loan agreement, and where such problems (in case not resolved) might result in non-payment risk before recourse to any collateral,
- (iv) although the creditworthiness of the debtor has not weakened in comparison with its creditworthiness on the day the loan is granted, there is likelihood of such weakening due to the debtor's irregular and unmanageable cash flow,
- (v) the collection of principal and/or interest payments of which are overdue for more than 30 but less than 90 days following any payment due date (including the maturity date) for reasons that cannot be interpreted as a weakening in creditworthiness,
- (vi) in connection with which the credit risk of the debtor has notably increased pursuant to TFRS 9,
- (vii) repayments of which are fully dependent upon collateral and the net realisable value of such collateral falls under the receivable amount,

(viii) that has been subject to restructuring when monitored under Group I or Group II without being subject to classification as an NPL, or

(ix) that has been subject to restructuring while being monitored as an NPL and classified as a performing loan upon satisfaction of the relevant conditions stated in the regulation.

On 27 March 2020 (with retroactive effect from 17 March 2020), the BRSA (as part of the measures taken against the impacts of the COVID-19 pandemic) announced a temporary rule (effective until 31 December 2020) providing that the 30 days referred to in clause (v) is replaced with 90 days, resulting in a 60-day extension in the period for loans remaining categorised as Group I loans before being categorised as Group II loans. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (on 17 June 2021) was then further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021, it would still apply to loans classified (as per this provisional measure) as Group II loans that were overdue for more than 91 days but not more than 180 days as of 1 October 2021.

(c) *Group III: Loans with Limited Recovery*: This group involves each loan:

(i) in connection with which the debtor's creditworthiness has weakened,

(ii) that demonstrates limited possibility for the collection of the full amount due to the insufficiency of net realisable value of the collateral or the debtor's resources to meet the collection of the full amount on the due date without any recourse to the collateral, and that would likely result in losses in case such problems are not resolved,

(iii) collection of the principal and/or interest of which has/have been delayed for more than 90 days but not more than 180 days from the payment due date,

(iv) in connection with which the bank is of the opinion that collection by the bank of the principal or interest of the loan or both will be delayed for more than 90 days from the payment due date owing to reasons such as the debtor's difficulties in financing working capital or in creating additional liquidity as a result of adverse events in macroeconomic conditions or in the sector in which the debtor operates or other adverse events solely related to the debtor, or

(v) that has been classified as a performing loan after restructuring but principal and/or interest payments of which have been overdue for more than 30 days within one year of restructuring or have been subject to another restructuring within a year of a previous restructuring.

On 17 March 2020, the BRSA (as part of the measures taken against the impacts of the COVID-19 pandemic) implemented a temporary rule (effective until 31 December 2020) providing that the 90 days referred to in clauses (iii) and (iv) are replaced with 180 days, resulting in loans remaining categorised as Group II loans longer. The temporary rule did not provide any guidance as to classification of loans with payment delays of more than 180 days; *however*, it might be the case that such loans would bypass Group III and become Group IV loans. This temporary rule also suspended the application of clause (v) through 31 December 2020. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (other than the suspension of the application of clause (v)) was on 17 June 2021 further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021, it would still apply to loans classified (as per this provisional measure) as Group II loans that were overdue for more than 91 days but not more than 180 days as of 1 October 2021.

(d) *Group IV: Loans with Suspicious Recovery*: This group involves each loan:

(i) principal and/or interest payments of which will probably not be repaid in full under the terms of the loan agreement without recourse to any collateral,

(ii) in connection with which the debtor's creditworthiness has significantly deteriorated, but which loan is not considered as an actual loss due to expected factors such as merger, the possibility of

finding new financing or a capital increase to enhance the debtor's creditworthiness or the possibility of the credit being collected,

(iii) the collection of principal and/or interest payments of which has been overdue for more than 180 days but less than one year following any payment due date (including the maturity date), or

(iv) the collection of principal and/or interest payments of which is expected to be overdue for more than 180 days following any payment due date (including the maturity date) as a result of adverse events in macroeconomic conditions or in the sector in which the debtor operates or adverse events solely related to the debtor.

(e) *Group V: Loans Considered as Losses*: This group involves each loan:

(i) for which, as a result of the complete loss of the debtor's creditworthiness, no collection is expected or only a negligible part of the total receivable amount is expected to be collected,

(ii) although having the characteristics stated in Groups III and IV, the collection of the total receivable amount of which, albeit due and payable, is unlikely within a period exceeding one year, or

(iii) the collection of principal and/or interest payments of which has been overdue for more than one year following any payment due date.

Pursuant to the Classification of Loans and Provisions Regulation, the following loans are classified as NPLs: (a) loans that are classified under Groups III, IV and V, (b) loans the debtors of which are deemed to have defaulted pursuant to the Communiqué on the Calculation of Principal Subject to Credit Risk by Internal-Ratings Based Approaches (published in the Official Gazette dated 23 October 2015 and numbered 29511) or (c) loans to which, as a result of debtor's default, the lifetime expected credit loss reserve applies under TFRS 9. Financial guarantees are also classified as NPLs on the basis of their nominal amounts in case where: (i) a risk of a compensation claim by the creditor has occurred or (ii) the debt assumed under the relevant financial guarantee falls within the scope of any of the circumstances stated in clause (a), (b) or (c). If several loans have been extended to a debtor by the same bank and any of these loans is classified as an NPL, then all other loans extended to such debtor by such bank shall also be classified as NPLs; *however*, for consumer loans, even if any of these loans is classified as an NPL, other consumer loans granted to the same debtor may be classified in the respective applicable group other than Group I. According to the decisions of the BRSA dated 15 November 2018 and numbered 8095 and dated 1 August 2019 and numbered 5477, KGF-guaranteed loans (which are supported by the Turkish Treasury) and loans restructured within the scope of the Framework Agreement will not be classified as NPLs unless there is an overdue amount for more than 90 days following the due date; *however*, pursuant to March 2020 amendments to the rules, the 90 day limit was increased to 180 days until 31 December 2020. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (on 17 June 2021) was then further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021, it would still apply to loans that were overdue for more than 91 days but not more than 180 days as of 1 October 2021. On 8 July 2021, the BRSA published amendments to the Regulation on Loan Transactions of Banks, pursuant to which amendments a resolution mechanism regarding restructured loans and NPLs is required to be implemented by banks whose gross NPLs are equal to or exceed 0.5% of the total NPLs in the Turkish banking sector.

On 27 November 2019, the BRSA published an amendment to the Classification of Loans and Provisions Regulation, which was retroactively made effective from 19 July 2019. According to this amendment, if the portion of a loan for which a lifelong expected loan loss provision or special provision has been set aside due to the debtor's default and that is classified under Group V is not reasonably expected to be recovered, then such portion/loan may (as an accounting matter) be written down within the scope of TFRS 9 as of the first fiscal reporting period following its classification under Group V. On 6 July 2021, the BRSA further amended the Classification of Loans and Provisions Regulation, pursuant to which amendments banks are allowed to write-down such portion/loan within a period that is deemed appropriate by the bank; *however*, banks are required to justify and record the relevant time period and have the relevant documents available for audit.

The Classification of Loans and Provisions Regulation includes detailed rules and criteria in relation to concepts of the "reclassification" and "restructuring" of loans. The reclassification of NPLs as performing loans is subject to the following conditions: (a) all overdue repayments that have caused the relevant loan to be classified as an NPL have been collected in full without any recourse to any security, (b) as of the date of the reclassification, there has not been any overdue repayment

and the last two repayments preceding such date (except the repayments mentioned in clause (a)) have been realised in full by their due date, and (c) conditions for such loans to be classified under Group I or II have been fulfilled. Furthermore, loans that have been fully or partially written-down by the banks in their assets, security for which loans has been enforced to satisfy the debt or repayment of which has been made in kind, cannot be classified as a performing loan. On 6 July 2021, the BRSA introduced amendments to the Classification of Loans and Provisions Regulation, pursuant to which amendments banks are required to keep the criteria for reclassification of NPLs in written form and make the relevant documents available for audit. According to non-public BRSA decisions dated 8 November 2019 and 8 December 2020, loans that are partially repaid through the foreclosure on collateral or have been paid in kind were exempt from this regulation through 30 June 2021.

The restructuring of a loan consists of: (a) amendments to the conditions of the loan agreement or (b) partial or full refinancing of the loan. In this respect, an NPL may be reclassified as a restructured loan under Group II subject to the following conditions: (i) upon evaluation of the financial standing of the debtor, it has been determined that the conditions for the applicable loan to be classified as an NPL have disappeared, (ii) the loan has been monitored as an NPL at least for one year following restructuring, (iii) as of the date of reclassification as a Group II loan, there has not been any delay in principal and/or interest payments nor are there any expectation of any such delay in the future, and (iv) overdue payments and/or written-down principal payments in relation to the restructured loan have been collected. According to a non-public BRSA decision on 8 November 2019, the one year period described in clause (ii) was reduced to six months; *however*, per the decision of the BRSA dated 17 June 2021, such rule was terminated as of 30 June 2021. Furthermore, such restructured NPL being reclassified as a performing Group II loan may be excluded from the scope of the restructuring if all the following conditions are met: (A) such loan has been monitored as a restructured loan under Group II at least for one year, (B) at least 10% of the outstanding debt amount has been repaid during such one year monitoring period, (C) there has not been any delay of more than 30 days in principal and/or interest payments of any loan extended to the applicable debtor during such monitoring period and (D) the financial difficulty that led to the restructuring of the loan no longer exists. Pursuant to the Classification of Loans and Provisions Regulation, banks applying TFRS 9 may reclassify their performing loans, which had been previously classified as restructured loans under Group II, under Group I again following a minimum three month monitoring period, subject to the satisfaction of the requirements listed under clauses (C) and (D) above (regardless of the conditions under clauses (A) and (B) stated above). In addition, the modification of a contract and/or partially or totally refinancing a Group I loan of a debtor who is not in financial difficulty is not considered to be a restructuring and such loans can continue to be classified under Group I.

Pursuant to the Classification of Loans and Provisions Regulation, the general rule is that banks shall apply provisions for their loans pursuant to TFRS 9; *however*, the BRSA may, on an exceptional basis, authorise a bank to apply the applicable provisions set forth in the Classification of Loans and Provisions Regulation instead of those required by TFRS 9, subject to the presence of detailed and acceptable grounds. With respect to the requirements under TFRS 9, “twelve-months expected credit loss reserve” and “lifetime expected credit loss reserve set aside due to significant increase in credit risk profile of the debtor” are considered as general provisions while “lifetime expected credit loss reserve set aside due to debtor’s default” is considered as special provisions.

Under Articles 10 and 11 of the Classification of Loans and Provisions Regulation, banks that have been authorised not to apply provisions under TFRS 9 are required to set aside general provisions for at least 1.5% and 3.0% of their total cash loans portfolio under Groups I and II, respectively. For non-cash loans, undertakings and derivatives, general provisions to be set aside are calculated by applying the foregoing percentages to the risk-weighted amounts determined pursuant to the Capital Adequacy Regulation. Subject to the presence of a written pledge or assignment agreement, loans secured with cash, deposit, participation funds and gold deposit accounts, bonds that are issued by the Turkish government (including the Central Bank) and guarantees and sureties provided by such are not subject to the general set aside calculation. Loans extended to the Turkish government (including the Central Bank) are not required to be considered in such calculation. As to special provisions, banks are required to set aside provisions for NPLs under Groups III, IV and V of at least 20%, 50%, and 100%, respectively, of the incurred credit loss.

For general provisions, banks are required to set aside provisions (separately) as per country risks and transfer risks, and, for special provisions, banks are required to consider country risks and transfer risks. In addition, the BRSA may increase such provision requirements for certain banks or loans taking into account the concentration, from time to time, of matters such as the size, type, due date, currency, interest structure, sector to which loans are extended, geographic circumstances, collateral and the credit risk level and management.

Regarding the monitoring of security by the banks that have been authorised not to apply provisions under TFRS 9, the Classification of Loans and Provisions Regulation increased the number of categories on collaterals (from four to five),

amended the content of such categories, and amended the proportions to be deducted, in order to determine the net realisable values of the collaterals, from the borrower's NPLs as follows:

Category	Discount Rate
Category I collateral.....	100%
Category II collateral.....	80%
Category III collateral.....	60%
Category IV collateral.....	40%
Category V collateral.....	20%

According to amendments to the Equity Regulation and the Capital Adequacy Regulation that became effective as of 1 January 2022, general provisions would, from that date, no longer be allowed to be included in a bank's supplementary capital (*i.e.*, tier 2 capital); *however*, on 24 December 2021, the BRSA revoked these amendments. As such, these general provisions are included in supplementary capital and not deducted from a bank's risk-weighted assets.

Capital Adequacy

Article 45 of the Banking Law defines "capital adequacy" as having adequate capital against losses that could arise from the risks encountered. Pursuant to the same article, banks must calculate, achieve, maintain and report their capital adequacy ratio, which, within the framework of the BRSA's regulations, cannot be less than 8% (excluding capital buffers). In addition, as a prudential requirement, the BRSA requires a target capital adequacy ratio that is 4% higher than the regulatory capital ratio of 8% (in each case, excluding capital buffers).

The BRSA is authorised to increase the minimum capital adequacy ratio and the minimum consolidated capital adequacy ratio, to set different ratios for each bank and to revise risk weights of assets that are based upon participation accounts, but must consider each bank's internal systems as well as its asset and financial structures.

The Equity Regulation defines capital of a bank as the sum of: (a) principal capital (*i.e.*, tier 1 capital), which is composed of core capital (*i.e.*, common equity tier 1 capital) and additional principal capital (*i.e.*, additional tier 1 capital) and (b) supplementary capital (*i.e.*, tier 2 capital) *minus* capital deductions. Pursuant to the Capital Adequacy Regulation, which entered into force on 31 March 2016: (i) both the unconsolidated and consolidated minimum common equity tier 1 capital adequacy ratios are 4.5% and (ii) both unconsolidated and consolidated minimum tier 1 capital adequacy ratios are 6.0%.

The BRSA published several new regulations and communiqués or amendments to its existing regulations and communiqués (as published in the Official Gazette No. 29511 dated 23 October 2015 and No. 29599 dated 20 January 2016) in accordance with the Regulatory Consistency Assessment Programme ("RCAP") of the Basel Committee on Banking Supervision (the "*Basel Committee*"), which is conducted by the Bank for International Settlements (the "*BIS*") with a view to ensure Türkiye's compliance with Basel regulations. These included amendments to the Equity Regulation and the entry into force of the Capital Adequacy Regulation, both on 31 March 2016. The Capital Adequacy Regulation sustained the capital adequacy ratios introduced by the former regulation but changed the risk weights of certain items, including: (a) the risk weights of foreign currency-denominated required reserves held with the Central Bank from 0% to 50%; *however*, on 24 February 2017, the BRSA amended its guidance to allow foreign exchange-denominated required reserves held with the Central Bank to be subject to a 0% risk weight, and (b) the exclusion of the general reserve for possible losses from capital calculations. If, during a fiscal period, general provisions recorded during previous fiscal periods are reversed, then the net income for such later period is increased by the amount of such reversals, which thus increases shareholders' equity.

The Capital Adequacy Regulation also lowered the risk weights of certain assets and credit conversion factors, including reducing: (a) the risk weights of residential mortgage loans from 50% to 35% (on 24 August 2023, the BRSA increased the risk weightings to 150% for residential mortgage loans extended to individuals who already had at least one residential property, either personally or through their spouses or children under 18 years of age) (*however*, as per BRSA Decision No. 10849 dated 15 February 2024, if such persons own only one residential property and such is destroyed or a destruction decision has been taken due to such property being determined to be a "risky building" (in Turkish: *riskli yapı*) within the scope of Law No. 6306 on the Transformation of Areas under Disaster Risk, then such increased risk weight will not be applicable), (b) the risk weights of consumer loans (excluding residential mortgage loans) qualifying as retail loans (*perakende alacaklar*) in accordance with the Capital Adequacy Regulation and instalment payments of credit cards from a range of 100% to 250% (depending upon their outstanding tenor) to 75% (irrespective of their tenor) (on 31 July 2023, the BRSA increased the risk weighting for consumer credit cards (including cash withdrawals and spending) and consumer cash loans (excluding mortgage loans and including overdraft accounts) issued after 31 July 2023 to 150%); *provided* that such

receivables are not reclassified as NPLs, and (c) the credit conversion factors of commitments for credit cards and overdrafts from 20% to 0% (on 12 December 2023, the BRSA further revised this rule so that, starting as of 1 January 2024, banks may use the Central Bank's foreign exchange buying rates as of 26 June 2023 in such calculations). As of 7 February 2017, the BRSA published a decision that enables banks to use 0% risk weightings for Turkish Lira-denominated exposures guaranteed by the KGF and supported by the Turkish Treasury. On 12 June 2018, the BRSA announced its decision (dated 7 June 2018 and numbered 7841) to amend the per customer total risk limit for loans described in clause (b), which is the upper limit for such loans subjected to the 75% risk weight, from TL 4,200,000 to TL 5,500,000, which was then increased to TL 7,000,000 on 18 January 2019, TL 10,000,000 on 21 December 2021 and TL 20,000,000 on 31 January 2023. In response to the COVID-19 pandemic, on 23 March 2020 and 16 April 2020, the BRSA announced regulatory forbearance measures that allow banks to:

(a) use in their calculations of risk-weighted assets for credit risk exposures from March 2020 through 31 December 2020 (as per the decision dated 8 December 2020, extended through 30 June 2021) the foreign exchange rates that are used in their 2019 year-end financial statements;

(b) 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; and

(c) calculate the level of capital used in capital adequacy ratio calculations by disregarding through 31 December 2020 (as per the BRSA's decision dated 8 December 2020, extended through 30 June 2021) the negative net valuation differences related to securities held as of 23 March 2020 in the portfolio of financial assets at fair value through other comprehensive income; *however*, on 17 June 2021, the BRSA indefinitely suspended the application of paragraph (c) from 30 June 2021, and, as per its decision dated 21 December 2021, ended the suspension other than for the "securities whose fair value difference is reflected in other comprehensive income" were negative as of 21 December 2021 (for "securities after 21 December 2021 whose fair value difference is reflected in other comprehensive income," the relevant provisions of the Regulation on Banks' Equity will continue to be implemented). As per its decision dated 12 December 2023, the BRSA further decided that in case of securities whose fair value difference is reflected in other comprehensive income as negative as of 1 January 2024, such difference may be disregarded in the calculation of the capital used in capital adequacy ratio calculations; provided that the relevant provisions of the Regulation on Banks' Equity will continue to be implemented for securities obtained after 1 January 2024 whose fair value difference is reflected in other comprehensive income).

As for the application of paragraph (a) above, the BRSA determined that until such date as determined by the BRSA, banks may use the average of the Central Bank's foreign exchange buying rates during the 252 business days before the calculation date when calculating the risk-weighted amounts of credit risk exposures and the relevant special provision amounts as per TFRS for both cash and non-cash assets other than assets in foreign currency measured on a historical cost basis instead of using the relevant foreign exchange buying rate as of the calculation date (on 21 December 2021, the BRSA announced that, as of 1 January 2022 until otherwise determined by the BRSA, 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, and 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).

On 28 April 2022, the BRSA increased the risk-weights applicable to commercial cash loans provided after 1 May 2022 from a range of 20-150% to 200%; provided that the following are excluded: (a) loans provided to SMEs, financial institutions, individuals and/or certain governmental authorities and their subsidiaries and (b) export and investment loans, agricultural loans and corporate credit cards. On 14 February 2023, as a result of two large earthquakes in Kahramanmaraş on 6 February 2023 that affected 10 different cities, the BRSA announced that such risk-weights shall (until 1 January 2024) not be applied to the personal credit cards and consumer loans and commercial cash loans provided after 6 February 2023 to customers located in the cities affected by such earthquakes. On 23 February 2023, the BRSA extended such provisional measures to other regions that satisfy certain criteria to be considered disaster areas. With its decision dated 19 December 2024, the BRSA terminated the application of the 200% risk-weight, which was applied as per its decision dated 28 April 2022 when using the standard approach, and decided that the relevant provisions of the Regulation on Banks' Equity will continue to be implemented, including the existing loans provided).

On 23 June and 7 July 2022, the BRSA also increased the risk weights applicable to: (i) Turkish Lira- and foreign currency-denominated commercial cash loans to be utilised by Turkish legal or natural residents who have performed derivative transactions with non-residents after 23 June 2022 and (ii) Turkish Lira-denominated commercial cash loans utilised after 30 June 2022 if the lending bank determines that the documents provided by the borrower are inadequate according to the BRSA's limitations on borrowings by companies with foreign currency-denominated assets above a certain threshold, in each case to 500% regardless of their credit risk mitigation technique, mortgage or credit rating notes.

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

Amendments to the Equity Regulation introduced certain limitations to the items that are included in the capital calculations of banks that have issued additional tier 1 and tier 2 instruments prior to 1 January 2014. According to these amendments, tier 2 instruments that were issued (*among others*) after 1 January 2013 are included in tier 2 calculations only if they satisfy all of the Tier 2 Conditions.

On 11 July 2017, clause 9(8)(b) of the Equity Regulation was repealed. In this context, the excess amount mentioned in Article 57 of the Banking Law (*i.e.*, "the total book value of the real property owned by a bank cannot exceed 50% of its capital base"), and the commodity goods and properties that banks acquire due to their receivables (*e.g.*, foreclosed-upon collateral) but have not disposed within three years, are no longer deducted from a bank's capital base.

In 2013, the BRSA published the Regulation on Capital Conservation and Countercyclical Capital Buffers, which entered into force on 1 January 2014 and provides additional core capital requirements both on a consolidated and unconsolidated basis. Pursuant to this regulation, the additional core capital requirements are to be calculated by the multiplication of the amount of risk-weighted assets by the sum of a capital conservation buffer ratio and bank-specific countercyclical buffer ratio. According to this regulation, the capital conservation buffer for banks was set at 1.875% for 2018 and 2.500% for 2019 and thereafter. Pursuant to decisions of the BRSA, the countercyclical capital buffer required for Turkish banks' exposures in Türkiye was initially set at 0% of a bank's risk-weighted assets in Türkiye; *however*, such ratio might fluctuate between 0% and 2.5% as announced from time to time by the BRSA. Any increase to the countercyclical capital buffer ratio is to be effective one year after the relevant public announcement, whereas any reduction is to be effective as of the date of the relevant public announcement.

In 2013, the BRSA also published the Regulation on the Measurement and Evaluation of Leverage Levels of Banks (which entered into force on 1 January 2014 with the exception of certain provisions that entered into effect on 1 January 2015), seeking to constrain leverage in the banking system and ensure maintenance of adequate equity on a consolidated and unconsolidated basis against leverage risks (including measurement error in the risk-based capital measurement approach).

In February 2016, the BRSA issued the D-SIBs Regulation in line with the Basel Committee standards, introducing a methodology for assessing the degree to which banks are considered to be systemically important to the Turkish domestic market and setting out the additional capital requirements for those banks classified as D-SIBs. The contemplated methodology uses an indicator-based approach to identify and classify D-SIBs in Türkiye under four different categories: size, interconnectedness, lack of substitutability and complexity. Initially, a score for each bank is to be calculated based upon their 2014 year-end consolidated financial statements by assessing each bank's position against a threshold score to be determined by the BRSA. The D-SIBs Regulation requires banks identified as D-SIBs to maintain a capital buffer depending

upon their respective classification. These buffers are applied as 3% for Group 4 banks, 2% for Group 3 banks, 1.5% for Group 2 banks and 1% for Group 1 banks. As of the date of this Base Prospectus, the Bank is classified as a Group 2 D-SIB under the D-SIBs Regulation.

Furthermore, the Regulation on Liquidity Coverage Ratios seeks to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day period. The Regulation on Liquidity Coverage Ratios provides that the ratio of the high quality asset stock to the net cash outflows, both of which are calculated in line with the regulation, cannot be lower than 100% in respect of total consolidated and unconsolidated liquidity and 80% in respect of consolidated and unconsolidated foreign exchange liquidity. The BRSA decision dated 26 December 2014 (No. 6143) on liquidity ratios provides that a 0% liquidity adequacy ratio limit applies to deposit banks. On 15 August 2017, the BRSA revised from 50% to 100% the ratio of required reserves held with the Central Bank that can be included in liquidity calculations. Unconsolidated total and foreign currency liquidity coverage ratios cannot be non-compliant more than six times within a calendar year, which includes non-compliances that have already been remedied.

Pursuant to the Equity Regulation, if a Turkish bank invests in debt instruments of other banks or financial institutions that are already invested in that Turkish bank's additional tier 1 or tier 2 capital, then the amount of such debt instrument (and their issuance premia) are required to be deducted when calculating that Turkish bank's additional tier 1 or tier 2 capital (as applicable).

On 7 June 2018, the BRSA published the Communiqué on Debt Instruments to be included in the Calculation of Banks' Equity, which sets forth procedures and principles for the write-up and write-down of the debt instruments or loans that are included in the calculation of banks' equity (*i.e.*, additional tier 1 and tier 2 capital) as well as procedures and principles related to conversion of such debt instruments into shares.

See also a discussion of the implementation of Basel III in “-Basel Committee - Basel III” below.

Tier 2 Rules

According to the Equity Regulation, which came into force on 1 January 2014, tier 2 capital shall be calculated by subtracting capital deductions from general provisions that are set aside for receivables and/or the surplus of provisions and capital deductions with respect to expected loss amounts for receivables (as the case may be, depending upon the method used by the bank to calculate the credit risk amounts of the applicable receivables) and the debt instruments that have been approved by the BRSA upon the application of the board of directors of the applicable bank along with a written statement confirming compliance of the debt instruments with the conditions set forth below and their issuance premia (the “*Tier 2 Conditions*”):

(a) the debt instrument shall have been issued by the bank and approved by the CMB and shall have been fully collected in cash,

(b) in the event of dissolution of the bank, the debt instrument shall have priority over debt instruments that are included in additional tier 1 capital and shall be subordinated with respect to rights of deposit holders and all other creditors,

(c) the debt instrument shall not be related to any derivative operation or contract, nor shall it be tied to any guarantee or security, in one way or another, directly or indirectly, in a manner that violates the condition stated in clause (b),

(d) the debt instrument must have an initial maturity of at least five years and shall not include any provision that may incentivise prepayment, such as dividends and increase of interest rate,

(e) if the debt instrument includes a prepayment option, such option shall be exercisable no earlier than five years after issuance and only with the approval of the BRSA; approval of the BRSA is subject to the following conditions:

(i) the bank should not create any market expectation that the option will be exercised by the bank,
and

(ii)(A) the debt instrument shall be replaced by another debt instrument either of the same quality or higher quality, and such replacement shall not have a restrictive effect on the bank's ability to sustain its operations or (B) following the exercise of the option, the equity of the bank shall exceed the higher of: (1) the capital adequacy requirement that is to be calculated pursuant to the Capital Adequacy Regulation along with the BRSA's Regulation on Capital Conservation and Countercyclical Capital Buffers published on 5 November 2013, (2) the capital requirement derived as a result of an ICAAP of the bank and (3) the higher capital requirement set by the BRSA (if any);

however, if tax legislation or other regulations are materially amended, a prepayment option may be exercised; *provided* that the above conditions in this clause (e) are met and the BRSA approves,

(f) the debt instrument shall not provide investors with the right to demand early amortisation except for during a bankruptcy or dissolution process relating to the issuer,

(g) the debt instrument's dividend or interest payments shall not be linked to the creditworthiness of the issuer,

(h) the debt instrument shall not be: (i) purchased by the issuer or by corporations controlled by the issuer or significantly under the influence of the issuer or (ii) assigned to such entities, and its purchase shall not be directly or indirectly financed by the issuer itself,

(i) if there is a possibility that the bank's operating licence would be cancelled or the probability of the transfer of the management of the bank to the SDIF arises pursuant to Article 71 of the Banking Law due to the losses incurred by the bank, then removal of the debt instrument from the bank's records or the debt instrument's conversion to share certificates for the absorption of the loss would be possible if the BRSA so decides,

(j) in the event that the debt instrument has not been issued by the bank itself or one of its consolidated entities, the amounts obtained from the issuance shall be immediately transferred without any restriction to the bank or its consolidated entity (as the case may be) in accordance with the rules listed above, and

(k) the repayment of the principal of the debt instrument before its maturity is subject to the approval of the BRSA and the approval of the BRSA is subject to the same conditions as the exercise of the prepayment option as described in clause (e).

Loans (as opposed to securities) that have been approved by the BRSA upon the application of the board of directors of the applicable bank accompanied by a written statement confirming that all of the Tier 2 Conditions (except for the CMB approval condition stated in clause (a) of the Tier 2 Conditions) are met also can be included in tier 2 capital calculations.

In addition to the conditions that need to be met before including debt instruments and loans in the calculation of tier 2 capital, the Equity Regulation also provides a limit for inclusion of general provisions to be set aside for receivables and/or the surplus of provisions and capital deductions with respect to expected loss amounts of receivables; *however*, the portion of surplus of this amount that exceeds general provisions is not taken into consideration in calculating the tier 2 capital.

Furthermore, in addition to the Tier 2 Conditions stated above, the BRSA may require new conditions for each debt instrument and the procedure and principles regarding the removal of the debt instrument from the bank's records or the debt instrument's conversion to share certificates are determined by the BRSA.

Under Article 8(2)(g) of the Equity Regulation, to be eligible for inclusion as tier 2 capital, it must be possible pursuant to the terms of such capital that such capital be written down and/or converted into equity of the relevant bank upon the decision of the BRSA in the event that it is probable that: (a) the operating licence of such bank may be revoked or (b) shareholders' rights (except to dividends) and the management and supervision of such bank may be transferred to the SDIF, in each case pursuant to Article 71 of the Banking Law.

Debt instruments and loans that are approved by the BRSA are included in accounts of tier 2 capital as of the date of transfer to the relevant accounts in the applicable bank's records. Loans and debt instruments that have been included in tier 2 capital calculations and that have less than five years to maturity shall be included in tier 2 capital calculations after being reduced by 20% each year.

Additional Tier 1 Capital Rules

Under Article 7(2)(i) of the Equity Regulation, in order for a debt to qualify as additional tier 1 capital of a bank, the bank must be entitled pursuant to the terms of that debt to write-down or convert into equity (but not necessarily both) such debt upon the common equity tier 1 capital adequacy ratio(s) of such bank, on a consolidated or non-consolidated basis, falling below 5.125%. In such a case, such bank is required to promptly notify the BRSA and an amount of such debt must be written-down and/or converted into equity, in each case to the extent necessary so as to restore the applicable such common equity tier 1 capital adequacy ratio(s) to at least 5.125%. As a result of such a write-down: (a) in the event of the liquidation of the bank, the claims of the holders of such debt must be reducible via write-down, (b) in the event of the exercise of the redemption option, the amount redeemed will be the then-outstanding principal amount (*i.e.*, after any write-downs and write-ups) as opposed to their original principal amount, and (c) dividend and interest payments on such debt must be partially or completely cancellable.

In addition, Article 7(2)(j) of the Equity Regulation provides that, in order for a debt to qualify as additional tier 1 capital, it must be possible, pursuant to the terms of that debt, for such debt to be written down or converted into equity (but not necessarily both) upon the decision of the BRSA if it is probable that: (a) the bank's operating licence might be revoked or (b) such bank may be transferred to the SDIF, in each case pursuant to Article 71 of the Banking Law.

Prior to any determination of non-viability of a bank under Article 71 of the Banking Law, the BRSA may require a number of corrective, rehabilitative and/or restrictive actions to be taken by the bank in accordance with Articles 68, 69 and 70 of the Banking Law, including as described in “-Cancellation of Banking License.” In the event that: (a) such actions are not (in whole or in part) taken by such bank within a period of time set forth by the BRSA or in any case within 12 months, (b) the financial structure of such bank cannot be strengthened despite its having taken such actions, (c) it is determined that taking these actions will not lead to the strengthening of the bank's financial structure, (d) the continuation of the activities of such bank would jeopardise the rights of the depositors and the participation account owners and the security and stability of the financial system, (e) such bank cannot cover its liabilities as they become due, (f) the total amount of the liabilities of such bank exceeds the total amount of its assets or (g) the controlling shareholders or directors of such bank are found to have utilised such bank's resources for their own interests, directly or indirectly or fraudulently, in a manner that jeopardised the secure functioning of the bank or caused such bank to sustain a loss as a result of such misuse, then the BRSA may determine that such bank is non-viable under Article 71 of the Banking Law.

Calculation of Additional Tier 1 Capital. According to the Equity Regulation, the amount of additional tier 1 capital shall be calculated by subtracting capital deductions from the sum of: (a) shares with preferential rights that are not included in common equity tier 1 capital (except for such shares that require the distribution of dividends in the future), (b) share premia resulting from the issuance of such shares with preferential rights and (c) debt that has been approved by the BRSA (and related issuance premia) as eligible for inclusion in the calculation of additional tier 1 capital. The Equity Regulation sets out that, in order for a debt instrument to be included in the calculation of additional tier 1 capital, the following conditions need to be met:

- (a) such debt instrument shall have been issued by the bank and approved by the CMB and shall have been fully collected in cash,
- (b) in the event of dissolution of such bank, such debt instrument shall be subordinated with respect to debt that is included in tier 2 capital and rights of deposit holders and all other creditors (other than other additional tier 1 capital),
- (c) such debt instrument shall not be linked to any derivative operation or contract, nor shall it be linked to any guarantee or security (in Turkish: *teminat*), in one way or another, directly or indirectly, in a manner that violates the condition stated in clause (b),
- (d) such debt instrument shall not have a maturity and shall not include any provision that may incentivise redemption, such as dividends and increase of interest rate,

(e) if such debt instrument includes a redemption option, then such option shall be exercisable no earlier than five years after issuance and only with the approval of the BRSA; approval of the BRSA is subject to the following conditions:

(i) such bank should not create any market expectation that the option will be exercised by the bank, and either

(ii) such debt instrument shall be replaced by another debt instrument either of the same quality or higher quality, and such replacement shall not have a restrictive effect on such bank's ability to sustain its operations, or

(iii) following the exercise of the option, the equity of such bank shall exceed the higher of: (A) the capital adequacy requirement that is to be calculated pursuant to the Capital Adequacy Regulation along with the BRSA's Regulation on Capital Conservation and Countercyclical Capital Buffers published on 5 November 2013, (B) the capital requirement derived as a result of an ICAAP of such bank and (C) the higher capital requirement set by the BRSA (if any);

however, if tax legislation or other regulations are materially amended, a redemption option may be exercised; *provided* that the above conditions in this clause (e) are met and the BRSA approves,

(f) the redemption of the principal of such debt instrument shall be subject to approval of the BRSA, in which case the BRSA would seek the conditions stated in clause (e) to be met,

(g) the bank shall be entitled to cancel the interest and dividend payments on such debt instrument and, if it exercises such right, then it shall not have an obligation to pay the difference between the amount set out in the terms of such debt instrument and the amount actually paid in subsequent periods (even in case of non-payment), cancellation of payments shall not be considered as default, such bank shall be entitled to use at its own discretion the amounts corresponding to the cancelled payments and the cancellation shall not have any restricting effect on such bank except with respect to payments to be made to its shareholders,

(h) dividend or interest payments on such debt instrument may be made only out of the items that may be used for dividend distribution,

(i) such debt instrument's dividend and interest payments shall not be linked to the creditworthiness of such bank,

(j) such debt instrument shall not be: (i) purchased by such bank or by corporations controlled by such bank or significantly under the influence of such bank or (ii) assigned to such entities, and its purchase shall not be directly or indirectly financed by such bank itself,

(k) such debt instrument shall not possess any features hindering any new equity issuance,

(l) such bank must be entitled, pursuant to the terms of the debt instrument, to write-down or convert into equity (but not necessarily both) such debt instrument if the common equity tier 1 capital adequacy ratio of the bank (on a consolidated or non-consolidated basis) falls below 5.125%, in each case to the extent necessary so as to restore the applicable such common equity tier 1 capital adequacy ratio(s) to at least 5.125%; as a result of such a write-down: (i) in the event of the liquidation of the bank, the claims of the holders of such debt instrument must be reducible via write-down, (ii) in the event of any redemption of such debt instrument, the amount redeemed will be the then-outstanding principal amount (*i.e.*, after any write-downs and write-ups) as opposed to their original principal amount, and (iii) dividend and interest payments on such debt instrument must be partially or completely cancellable,

(m) if there is a possibility that such bank's operating licence would be cancelled or the probability of the transfer of such bank to the SDIF arises pursuant to Article 71 of the Banking Law due to the losses incurred by the bank, then such debt instrument shall be subject to being written down or converted into equity (but not necessarily both) for the absorption of the loss if the BRSA so decides, and

(n) in the event that such debt instrument has not been issued by such bank itself or one of its consolidated entities, the amounts obtained from the issuance shall be immediately transferred without any restriction to such bank or the applicable consolidated entity (as the case may be) in accordance with the rules listed above.

In addition to debt instruments issued by the bank and approved by the CMB (as stated in clause (a)), loans that have been approved by the BRSA upon the application of the board of directors of the applicable bank accompanied by a written statement confirming that all of these conditions (except for the condition stated in clause (a) regarding debt instruments issued by the bank and approved by the CMB) are met also can be included in the calculation of the amount of additional tier 1 capital.

In addition to these conditions, the BRSA may also require other conditions to be met in respect of a debt, including in connection with the procedures relating to the write-down or conversion into equity of such debt.

Debt instruments and loans that are approved by the BRSA are included in the calculation of the amount of additional tier 1 capital as of the date of transfer of the proceeds thereof to the relevant accounts in the applicable bank's records. When applying with respect to a bank the measures set out under Article 71 of the Banking Law, the BRSA is not to take into account as liabilities of such bank the debt instruments and loans included in the calculation of additional tier 1 capital of such bank.

The Equity Regulation provides that the BRSA is to determine the rules and procedures with respect to the write-down or conversion into equity of debt included in additional tier 1 capital. Accordingly, on 7 June 2018, the BRSA published the Communiqué on Debt Instruments to be included in the Calculation of Banks' Equity (the "*Regulatory Capital Communiqué*"). The Regulatory Capital Communiqué is intended to align the Turkish additional tier 1 framework with European practices and imposed certain new requirements on banks.

Regulatory Capital Communiqué. The Regulatory Capital Communiqué stipulates that the debt included in additional tier 1 capital must be subject to write-off, write-down and conversion into equity before the debt included in tier 2 capital of the banks. Pursuant to the Regulatory Capital Communiqué, if there are multiple additional tier 1 instruments included in the additional tier 1 capital of a bank, then the write-off, write-down or conversion into equity of such additional tier 1 instruments is to be carried out on a *pro rata* basis based upon each such additional tier 1 instrument's portion in the total value of the additional tier 1 instruments of such bank that are included in the additional tier 1 capital of such bank. Interest and dividend distributions on, and redemptions of, additional tier 1 instruments that have been partially converted into equity or written-down are to take into account the outstanding amount after such conversion into equity or write-down.

The Regulatory Capital Communiqué also provides for a potentially non-permanent write-down of additional tier 1 instruments upon the common equity tier 1 capital adequacy ratio of a bank, on a consolidated or non-consolidated basis, falling below 5.125%. In terms of this write-down procedure, a bank is required to immediately notify the BRSA and the holders of such additional tier 1 instruments of the occurrence of such event. An issuer will determine the amount to be written down and/or converted into equity, without prejudice to any authority that the Banking Law grants to the BRSA.

In the case of additional tier 1 instruments that provide for such a write-down of debt on a non-permanent basis, the terms of such additional tier 1 instrument will include provisions for the potential write-up of such written-down amount; *however*, according to the Regulatory Capital Communiqué, a write-up is not possible for additional tier 1 instruments that have been written down for other reasons. In addition, the Regulatory Capital Communiqué requires that the following conditions (among others) be satisfied for any such write-up:

(a) a write-up can be effected only to the extent that a positive distributable net profit was calculated based upon the most recent fiscal year of the applicable bank,

(b) the sum of the write-up amount and the dividend or coupon payments made with respect to the written-down principal amount must not be more than the distributable net profit of the applicable bank *multiplied by* the result of: (i) the sum of the aggregate initial principal amount of the additional tier 1 instruments and the aggregate initial principal amount of all written-down additional tier 1 instruments of such bank *divided by* (ii) the total tier 1 capital of such bank, each as of the date of the relevant write-up,

(c) the write-up must be effected on a *pro rata* basis with the other written-down additional tier 1 instruments of such bank, and

(d) the sum of any write-up amount, coupon and dividend payments over the written-down debt will be treated as dividend payments, which will be subject to the restrictions relating to dividend distributions and the maximum distributable amount restrictions.

The Regulatory Capital Communiqué also introduced various requirements that must be satisfied in order for a bank to exercise any option to convert additional tier 1 instruments into equity. While the Bank has no additional tier 1 capital, any tier 1 capital that the Bank issues in the future might provide for such a conversion.

Basel Committee

Basel II. The most significant difference between the capital adequacy regulations in place before 1 July 2012 and the Basel II regulations is the calculation of risk-weighted assets related to credit risk. The current regulations seek to align more closely the minimum capital requirement of a bank with its borrowers' credit risk profile. The impact of the new regulations on capital adequacy levels of Turkish banks largely stems from exposures to the Turkish government, principally through the holding of Turkish government bonds. While the previous rules provided a 0% risk weight for exposures to the Turkish sovereign and the Central Bank, the rules of Basel II require that claims on sovereign entities and their central banks be risk-weighted according to their credit assessment, which (as of the date of this Base Prospectus) results in a 50% risk weighting for Türkiye; *however*, the Turkish rules implementing the Basel principles in Türkiye revised this general rule by providing that Turkish Lira-denominated claims on sovereign entities in Türkiye and the Central Bank shall have a 0% risk weight. See “—*Basel III*” below for the risk weights of foreign currency-denominated claims on the Central Bank in the form of required reserves.

The BRSA published the Communiqué on the Calculation of Principal Subject to Credit Risk by Internal-Ratings Based Approaches and the Communiqué on the Calculation of Principal Subject to Operational Risk by Advanced Measurement Approaches for the banks to apply internal ratings for the calculation of principal subject to credit risk and advanced measurement approaches for the calculation of principal subject to operational risk, which entered into effect on 1 January 2015. The BRSA also issued various guidelines noting that the use of such internal rating and advanced measurement approaches in the calculation of capital adequacy is subject to the BRSA's permission.

Basel III. Turkish banks' capital adequacy requirements have been and will continue to be affected by Basel III, as implemented by the Equity Regulation, which includes requirements regarding regulatory capital, liquidity, leverage ratio and counterparty credit risk measurements. In 2013, the BRSA announced its intention to adopt the Basel III requirements and published initially the Equity Regulation and a capital adequacy regulation, each entering into effect on 1 January 2014. The Equity Regulation introduced core tier 1 capital and additional tier 1 capital as components of tier 1 capital. Subsequently, the BRSA replaced this first capital adequacy regulation with the Capital Adequacy Regulation, which entered into force on 31 March 2016. These changes: (a) introduced a minimum core capital adequacy ratio (4.5%) and a minimum tier 1 capital adequacy ratio (6.0%) to be calculated on a consolidated and unconsolidated basis (which are in addition to the previously existing requirement for a minimum total capital adequacy ratio of 8.0%) and (b) changed the risk weights of certain items that are categorised under “other assets.” The Equity Regulation also introduced new tier 2 rules and determined new criteria for debt instruments to be included in the tier 2 capital. According to the Capital Adequacy Regulation, which entered into force on 31 March 2016, the risk weights of foreign currency-denominated required reserves on the Central Bank in the form of required reserves were increased from 0% to 50%; *however*, on 24 February 2017, the BRSA amended its guidance to allow foreign exchange-required reserves held with the Central Bank to be subject to a 0% risk weight.

In order to further align Turkish banking legislation with Basel principles, the BRSA has published from time to time new regulations and communiqués amending or replacing the existing regulations and communiqués, some of which amendments entered into force on 31 March 2016. For information related to the leverage ratios, capital adequacy ratios and liquidity coverage ratios of banks, see “—*Capital Adequacy*” above.

The BIS reviewed Türkiye's compliance with Basel regulations within the scope of the Basel Committee's RCAP and published its RCAP assessment report in March 2016, in which Türkiye was assessed as compliant with Basel standards.

If the Bank and/or the Group is unable to maintain its capital adequacy or leverage ratios above the minimum levels required by the BRSA or other regulators (whether due to the inability to obtain additional capital on acceptable economic terms, if at all, sell assets (including subsidiaries) at commercially reasonable prices, or at all, or for any other reason), then this might have a material adverse effect on the Group's business, financial condition and/or results of operations.

Liquidity and Reserve Requirements

Article 46 of the Banking Law requires banks to calculate, attain, maintain and report the minimum liquidity level in accordance with principles and procedures set out by the BRSA. Within this framework, a comprehensive liquidity arrangement has been put into force by the BRSA, following the consent of the Central Bank.

Pursuant to the Communiqué Regarding Reserve Requirements (the “*Communiqué Regarding Reserve Requirements*”), the Central Bank imposes different reserve requirements for different currencies and different tenors and adjusts these rates from time to time in order to encourage or discourage certain types of lending and/or deposit-taking.

The Central Bank has permitted Turkish banks to maintain: (a) a portion of the Turkish Lira reserve requirements in U.S. dollars (however, such option has been terminated by the Central Bank effective as of 1 October 2021) and another portion of the Turkish Lira reserve requirements in standard and scrap gold (however, on 31 December 2022, the Central Bank announced that the facility for holding standard and scrap gold for Turkish Lira reserve requirements will be terminated as of 23 June 2023) and (b) a portion or all of the reserve requirements applicable to precious metal deposit accounts in standard gold, which portions are revised from time to time by the Central Bank. See “*Risk Factors—Risks Relating to the Group and its Business—Market Risks—Foreign Exchange and Currency Risk.*” In addition, banks are required to maintain their required reserves against their U.S. dollar-denominated liabilities in U.S. dollars only.

In December 2018 and April 2019, the Central Bank amended the Communiqué Regarding Reserve Requirements to exclude in the calculation of reserve requirements the following liabilities on the balance sheet: (a) funds acquired on the Borsa İstanbul with repo transactions and (b) deposits and participation funds of certain official institutions. Separate amendments in January 2019 removed a temporary article that distinguished the reserve requirement regime applicable to foreign currency liabilities other than deposits and participation funds that existed up to and prior to 28 August 2015 from those created after such date. The Central Bank further amended the Communiqué Regarding Reserve Requirements on 16 February 2019 to decrease the Turkish Lira liabilities reserve ratios for: (i) demand deposits, time deposits and participation funds with maturities of up to one year and other liabilities with maturities of up to (and including) three years, by 100 basis points, and (ii) all other liabilities subject to reserve requirements, by 50 basis points. On 9 May 2019, the Central Bank increased reserve requirements for all foreign-exchange liabilities (including foreign-exchange deposits/participation funds) deposits by 100 basis points and, on 27 May 2019, increased all reserve requirements for foreign-exchange deposits/participation funds by another 200 basis points, through which approximately US\$3.0 billion and US\$4.2 billion of liquidity, respectively, was withdrawn from the market. On both 7 August and 20 September 2019, the Central Bank increased reserve requirements for foreign-exchange deposits/participation funds by 100 basis points for all maturity brackets. To support financial stability and the real loan growth-linked reserve requirement practice, the Central Bank decided on 28 December 2019 to increase (effective as of 10 January 2020 for the liability period starting on 27 December 2019) the reserve requirement ratios for foreign exchange deposits/participation funds by 200 basis points for all maturity brackets, but applying a 200 basis point reduction on the new ratios for banks that attain certain Turkish Lira real loan growth conditions (i.e., effectively keeping the reserve requirement ratios for foreign exchange deposits/participation funds of such banks unchanged).

In March 2020, as part of the government’s response to the COVID-19 pandemic, the Central Bank issued a press release announcing the implementation of the following temporary measures: (a) providing banks with flexibility in Turkish Lira and foreign currency liquidity management, (b) offering targeted additional liquidity facilities to banks to secure credit flow to the corporate sector and (c) aiming to boost the cash flow of exporters by facilitating the discounting of export receivables. On 18 July 2020, the Central Bank increased foreign currency reserve requirement ratios by 300 basis points in all liability types and maturity brackets for all banks.

On 27 November 2020, the Central Bank: (a) revised to 12% *per annum* the remuneration rate for Turkish Lira-denominated required reserves and (b) reduced the commission rate applied to the reserves maintained against U.S. dollar-denominated deposits and participation fund liabilities from 1.25% to 0%. As a result, from December 2020, the reserve requirement ratios for: (i) deposits and participation funds (excluding those obtained from banks abroad) on demand and with a maturity up to (and including) three months and Turkish Lira-denominated other liabilities (including deposits and participation funds received from banks abroad) with a maturity up to (and including) one year were reduced to 6% *per annum* from 7% *per annum*, (ii) foreign currency-denominated deposits and participation funds (excluding deposits and participation funds obtained from banks abroad and precious metal deposit accounts) on demand and with a maturity less than one year were reduced to 19% *per annum* from 22% *per annum*, (iii) foreign currency-denominated deposits and participation funds (excluding deposits and participation funds obtained from banks abroad and precious metal deposit accounts) with a maturity

of one year or more were reduced to 13% *per annum* from 18% *per annum* and (iv) other foreign currency-denominated liabilities (regardless of maturity) were reduced by 3% *per annum* (to a range of 5% *per annum* to 21% *per annum*).

On 24 February 2021, the Central Bank: (a) increased Turkish Lira reserve requirement ratios by 2.00% for all liability types and maturity brackets, (b) revised portions of the Turkish Lira reserve requirements that Turkish banks are permitted to maintain in U.S. dollars and standard gold and (c) revised to 13.50% the remuneration rate for Turkish Lira-denominated required reserves. These changes became effective from the calculation date of 19 February 2021, with the maintenance period starting on 5 March 2021. On 1 July 2021, the Central Bank: (a) reduced the maximum percentage of Turkish Lira reserves it can allow to be held in U.S. dollars from 20% to 10% and terminated the option of Turkish banks to maintain a portion of the Turkish Lira reserve requirements in U.S. dollars as of 1 October 2021, (b) increased the reserve requirement ratios for foreign currency-denominated deposits and participation funds by 200 basis points for all maturity brackets and (c) started to apply remuneration rates from 13.5% to 19.0% *per annum* for Turkish Lira-denominated reserves of banks depending upon certain conditions, each of which changes became effective from the calculation date of 6 August 2021 (with the maintenance period starting on 19 July 2021). On 15 September 2021, the Central Bank increased reserve requirement ratios for foreign currency-denominated deposits and participation funds and precious metals deposit accounts by 200 basis points for all maturity brackets effective as of 17 September 2021. On 9 November 2021, the Central Bank: (i) further reduced the maximum percentage of Turkish Lira reserves it would allow to be held in standard gold from 15% to 10% and announced that the facility for holding standard gold for Turkish Lira reserve requirements will be gradually decreased and eventually terminated and (ii) increased the reserve requirement ratios for foreign currency deposits/participation funds by a further 200 basis points for all maturity brackets effective from the calculation date of 12 November 2021 (with the maintenance period starting on 28 October 2021). On 21 December 2021, the Central Bank amended the Communiqué Regarding Reserve Requirements to exclude in the calculation of reserve requirements the amounts converted from foreign exchange deposits/participation funds into Turkish Lira term deposits/participation funds. In addition to that, the Central Bank abolished with effect from 21 June 2024 the requirement of additional mandatory reserves based on the financial leverage ratio falling within certain intervals, with its Communiqué No. 2024/15 amending the Communiqué on Reserve Requirements published in the Official Gazette dated 28 June 2024 and numbered 32586.

On 23 April 2022, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 29 April 2022) to require Turkish banks to establish mandatory reserves for their Turkish Lira-denominated commercial cash loans; provided that the following are excluded: (a) loans provided to SMEs, tradesmen, financial institutions and/or certain governmental authorities and their subsidiaries and (b) export and investment loans, agricultural loans and corporate credit cards (i.e., the Commercial Cash Loan Reserve Requirement). Also in April 2022, the Central Bank revised to 0% *per annum* the remuneration rate for Turkish Lira-denominated required reserves.

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

Pursuant to the amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 3 May 2025 and No. 32889, the reserve requirements effective from 25 April 2025 and onwards for foreign currency liabilities are as set forth below:

Category of Foreign Currency Liabilities	Required Reserve Ratio
Demand deposits, notice deposits, private current accounts and the deposit/participation accounts with up to (and including) 1-month.....	32.0%
Deposit/participation accounts up to 3-month, 6-month and 1-year maturities.....	28.0%
Deposit/participation accounts up to 1-year and longer maturities	22.0%
Precious metal deposit accounts with up to (and including) 1-month, 3-month, 6-month and up to 1-year maturities	28.0%
Borrowers' deposit accounts held at development and investment banks	25.0%
Precious metal deposit accounts up to 1-year and longer maturities	24.0%
Other liabilities up to 1-year maturity (including 1-year).....	21.0%
Other liabilities up to 2-year maturity (including 2-year).....	16.0%
Other liabilities up to 3-year maturity (including 3-year).....	11.0%
Other liabilities up to 5-year maturity (including 5-year).....	7.0%
Other liabilities longer than 5-year maturity	5.0%
Funds obtained from foreign repo transactions conducted with domestic residents, classified under other liabilities of banks with maturities up to and including 1 year.....	25.0%

Pursuant to the amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 2 November 2023 and No. 32357, with effect from 27 October 2023, the Central Bank also introduced an additional reserve requirement of 4% (to be deposited in Turkish Lira) for all foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) regardless of their maturities. The additional reserve requirement for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) was increased to 8% on 30 January 2024, effective retroactively from 27 October 2023. The same additional reserve requirement was decreased by the Central Bank to 5% with amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 21 September 2024 and No. 32669, with effect from 13 September 2024, and further to 4%, with amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 22 November 2024 and No. 32730, with effect from 22 November 2024.

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

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

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

Further, with effect from 8 December 2023, the Central Bank announced that it started charging the banks a commission on the required reserves held with the Central Bank for the FX-denominated deposit accounts and participation funds (including the precious metal accounts). Such commission is not applied to certain banks in case the criteria determined by the Central Bank are met and the rate of such commission varies from time to time. On 27 October 2023, as part of the efforts of the Central Bank to incentivise the Turkish Lira deposits' share in the overall deposit base, the Central Bank

announced that certain measures on such commissions charged on the required reserves held with the Central Bank for the FX-denominated deposit accounts and participation funds are to be taken. In particular, based on the ratio of renewal of the banks' FX-protected TL time deposits converted initially from FX-deposits (in the calculation of which renewal, such deposits renewed as standard TL time deposits, with a maturity of at least 32 days, are also taken into account):

(a) if a bank failed to attain a ratio of hundred per cent. (100%) renewal of its FX-protected TL time deposits converted initially from FX-deposits (in the calculation of which renewal, standard TL time deposits, with a maturity of at least 32 days, are also taken into account), the maturity of which fall within a given calculation period, such commissions would be charged by the Central Bank at the level of six per cent. (6%) p.a. on the required reserves, which may go up to at most eight per cent. (8%) p.a., depending on the distance of the actual ratio to the targeted hundred per cent. (100%) renewal ratio; and

(b) if a bank failed to attain or exceed the ratio of hundred per cent. (100%) renewal of its FX-protected TL time deposits converted initially from FX-deposits (in the calculation of which renewal, standard TL time deposits, with a maturity of at least 32 days, are also taken into account), the maturity of which fall within a given calculation period, such commissions would be charged by the Central Bank at levels varying based on the ratio of renewal as FX-protected TL time deposits ("Renewal Ratio 1") and the ratio of renewal as standard TL time deposits, with a maturity of at least 32 days ("Renewal Ratio 2") by charging on the aforementioned required reserves:

(i) a commission of zero point two per cent. (0.2%) p.a. for each five per cent. (5%) shortfall if the relevant bank's Renewal Ratio 1 was lower than seventy-five per cent. (75%) (at most, three per cent. (3%) p.a. of commission for having a Renewal Ratio 1 lower than seventy-five per cent. (75%)); and

(ii) a commission of zero point five per cent. (0.5%) p.a. for each one per cent. (1%) shortfall if the relevant bank's Renewal Ratio 2 was lower than ten per cent. (10%) (at most, five per cent. (5%) p.a. of commission for having a Renewal Ratio 2 lower than ten per cent. (10%)).

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

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

On 1 February 2022, the Central Bank introduced the Communiqué No. 2022/7 on the Deposit and Participation System Accounts for Non-Resident Citizens (YUVAM accounts), published in the Official Gazette dated 1 February 2022 numbered 31737 ("**Communiqué on YUVAM Accounts**"). The Communiqué on YUVAM Accounts established procedures and principles for converting foreign currency deposits and participation fund accounts held by non-resident individuals into Turkish Lira denominated YUVAM accounts. YUVAM accounts provide additional returns, as determined by the Central

Bank, in addition to the interest or profit share generated by these accounts. The Communiqué on YUVAM Accounts previously defined “non-resident individuals” as (i) Turkish citizens holding residence or working permits abroad, or registered with an overseas address, (ii) holders of a blue card under Article 28 of Turkish Citizenship Law No. 5901, and (iii) foreign nationals and legal entities eligible to open bank accounts in Türkiye. On 15 February 2025, the Central Bank amended this scheme with the Communiqué No. 2025/8, published in the Official Gazette dated 15 February 2025 numbered 32814. By further amendments introduced by the Central Bank, most recently on 15 February 2025 and published in the Official Gazette dated 15 February 2025 numbered 32814, YUVAM accounts may currently be opened by such eligible individuals only provided that the deposited foreign currency funds are either transferred from abroad or documented to have been physically brought into Türkiye from abroad. These Turkish Lira denominated YUVAM accounts continue to benefit from additional returns as previously established, with the exact rates and methods determined by the Central Bank. The amendments entered into force immediately upon their publication on 15 February 2025.

On 23 May 2024, the Central Bank announced that, if a bank’s monthly foreign currency loan growth exceeds 2%, then it will be required to set aside a mandatory reserve equal to the Turkish Lira-equivalent of the excess amount, with such excess to be blocked for one year. According to further regulations introduced by the Central Bank, the following loans are not to be taken into account in the calculation of the foreign currency loan growth for the application of this rule: (i) investment loans with a maturity of at least 2 years to fund expenditures based on an invoice (excluding those disbursed to fund real estate, financial asset or passenger car purchases), (ii) loans extended to other domestic banks and (iii) loans extended to institutions and organisations, state economic enterprises and their establishments, subsidiaries and affiliates included in tables (I), (II), (III) and (IV) in the annex of the Law No. 5018 on Public Finance Management and Control Law, local administrations and organised industrial region entities. On 20 July 2024, the Central Bank announced that (i) the aforementioned monthly growth limit of 2% for foreign currency loans is reduced to 1.5%, and (ii) it was decided to keep the monthly growth limit of 2% for Turkish Lira loans unchanged. On 4 January 2025, the Central Bank further announced that (i) the aforementioned monthly growth limit of 1.5% for foreign currency loans is reduced to 1.0%, and (ii) the aforementioned monthly growth limit of 2% for Turkish Lira loans has been differentiated as (a) 2.5% for SME loans; and (b) 1.5% for other commercial loans. With the amendments to the Communiqué Regarding Reserve Requirements published in the Official Gazette dated 4 January 2025 and numbered 32772, the Central Bank has clarified that the deadline for the application of aforementioned monthly loan growth limits was extended from 3 January 2025 to 2 January 2026, and, in accordance with the procedures and principles determined by the Central Bank, no mandatory reserve will be required for the portion of the credit exceeding the limit, provided that it is considered in the calculation of the growth rate for the next period as determined by the Central Bank. On 1 March 2025, the Central Bank further announced that the monthly foreign currency loan growth limit was reduced from 1.0% to 0.5%, and exemptions from this limit were narrowed. Specifically, investment loans under the investment incentive certificate must now have a minimum maturity of two years and be used exclusively for machinery and equipment purchases, while only loans obtained from international development finance institutions for these purchases remain exempt. Investment loans without an investment incentive certificate exemption must still be at least two years in maturity and used for heavy commercial vehicle purchases, and invoice submission is now mandatory for all exempted investment loans. Effective as of 1 March 2025, the exemption granted to loans in earthquake-affected regions has been terminated, and these decisions apply only to loans disbursed on or after 1 March 2025. However, loans removed from the exemption list may still be included in the base period stock balance for foreign currency loan growth calculations on an optional basis.

Pursuant to the Regulation on the Maintenance of Securities, effective from 24 June 2022 and repealed on 9 May 2024 by the Central Bank, each Turkish bank was required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government (including lease certificates issued by Undersecretariat of Treasury Asset Leasing Company) for the foreign currency deposits, participation funds and precious metals accounts held with such bank (excluding those of certain depositors, including the Central Bank itself, the Turkish Treasury, certain other governmental entities, other Turkish banks and non-citizens, and such deposits/funds/accounts funded by foreign direct investments as determined by the Central Bank) as well as the funds from foreign exchange-denominated repo transactions. Pursuant to an amendment to the Regulation on the Maintenance of Securities made on 25 June 2023 (as itself amended on 25 July 2023, 20 August 2023 and 22 December 2023), each Turkish bank was required to hold an amount of long-term Turkish Lira-securities issued by the Turkish government equal to four per cent (4%) of the amount of the foreign currency deposits, participation funds and precious metals accounts held by the relevant customers with such bank as well as the funds from foreign exchange-denominated repo transactions.

On 20 August 2022, 31 December 2022 and 25 July 2023, the Central Bank amended the Regulation on the Maintenance of Securities to require Turkish banks to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 30% of the amount of: (a) the securities issued by entities

(other than financial institutions) held by such banks and (b) Turkish Lira-denominated commercial cash loans (*provided* that the following are excluded: (i) loans provided to SMEs, tradesmen, financial institutions and/or certain governmental authorities and their subsidiaries and (ii) export and investment loans, agricultural loans, consumer loans and corporate credit cards); however, all of such requirements were terminated by an amendment to the Regulation on the Maintenance of Securities on 27 October 2023 (except that, with respect to the calculation period on 29 September 2023, banks are required to hold Turkish Lira-denominated securities for such loans and securities until 23 November 2023).

In various amendments through 22 December 2023, the Central Bank amended the Regulation on the Maintenance of Securities to require Turkish banks to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government as follows:

(i) if a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 26 August 2022 to 25 November 2022 compared to the previous calculation period was higher than 3%, then such bank is required to hold (for a 12-month period) with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 3%; *however*, the application of this obligation was terminated as of 28 September 2023,

(ii) if a bank's Turkish Lira-denominated commercial cash loan (excluding such excluded loans) growth as of 30 December 2022 compared to 29 July 2022 is higher than 10%, then such bank was required to hold (for a 12-month period) with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 10% *minus* the amount already held as of 30 December 2022 as required by clause (i), and

(iii) if a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 27 January 2023 to 28 June 2024 compared to the previous calculation period was higher than 2.5% for commercial loans, then such bank was required to hold (for a 12-month period) with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such rate.

Additionally, the 20 August 2022 amendment provides that, for Turkish Lira-denominated commercial loans extended from 20 August 2022 until 31 December 2022, a Turkish bank was required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to:

(a) 20% of the amount of Turkish Lira-denominated commercial cash loans (excluding the above-noted excluded loans) extended during such period at an annual compound interest rate from and including 1.4 times to (but excluding) 1.8 times higher than the Central Bank-released annual compound reference rate (which reference rate is 10.31% for the period between 1 December 2022 and 31 December 2022), and

(b) 90% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended during such period at an annual compound interest rate of 1.8 times or more higher than such Central Bank-released annual compound reference rate; however, on 27 October 2023, the Central Bank announced that the implementation of this rule will be terminated.

With respect to commercial loans extended from 31 December 2022, banks were required (based upon a calculation to be made on the last Friday of every month) until 29 December 2023 to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 20% or 150% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended during such month depending upon their annual compound interest rate. On 20 August 2023, to be effective as of 26 August 2023, the Central Bank amended this rule to require banks to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 150% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended from 20 August 2023 to 29 December 2023 depending upon their annual compound interest rate.

As part of efforts of the Central Bank's to simplify and improve the existing micro and macroprudential framework, the Central Bank repealed the Regulation on the Maintenance of Securities on 9 May 2024, and announced the repeal in the Official Gazette dated 9 May 2024 and numbered 32541 with immediate effect (and therefore, the rules requiring banks to hold long-term Turkish Lira-denominated securities issued by the Turkish government with the Central Bank have been abolished).

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

In May 2023, the Central Bank introduced new rules for credit growth for consumer loans, vehicle loans, SME loans and certain commercial cash loans, which rules provide that, if any of such loan types grows more than 3% per month, the applicable bank will be required to hold with the Central Bank long-term Turkish lira-denominated securities issued by the Turkish Treasury in an amount equal to the excess of loans over the 3% growth rate (reduced in August 2023 to 2.5% for Turkish Lira-denominated commercial cash loans (excluding export, investment, agricultural, consumer and tradesmen loans), 2.0% for vehicle loans and 2.5% for other Turkish Lira-denominated cash loans excluding consumer loans).

On 26 May 2023, the BRSA published the Regulation on the Net Stable Funding Ratio Calculations of Banks to align the Turkish regulatory capital regime with Basel III requirements that seeks to strengthen the liquidity of banks. Pursuant to this new regulation, starting from 1 January 2024, the three-month arithmetic mean of a bank's consolidated and non-consolidated net stable funding ratios (calculated on a monthly basis) shall not be less than 100%. The BRSA will also announce a minimum rate for the banks' consolidated and non-consolidated net stable funding ratios (as calculated monthly) and if either the consolidated or non-consolidated net stable funding ratio of a bank falls below such minimum requirement, then such bank must resolve this discrepancy by the next calculation period.

On 20 August 2023 and 27 October 2023, as a provisional measure effective from 26 August 2023, the Central Bank required each Turkish bank (except banks whose deposit/participation fund size was below an amount determined by the Central Bank from time to time) to hold (for a six-month period) additional Turkish Lira-denominated securities issued by the Turkish government equal to the amount of the deficient portion (based upon a calculation to be made as of the last Friday of every month through 29 September 2023 or 29 December 2023 depending upon the maturity deadline) if: (a) the conversion rate of foreign exchange-protected accounts that mature through 29 December 2023 to Turkish Lira term deposit/participation accounts was less than 50% and/or (as calculated for real persons only) the conversion rate of foreign exchange protected accounts that mature through 29 September 2023 to Turkish Lira term deposit/participation accounts was less than 10% per monthly calculation period, (b) the renewal rate of foreign exchange protected accounts was less than 95% and/or (c) the share of Turkish Lira deposits/participation accounts (as calculated only for real persons) was less than 2% below the share of to the previous calculation period and the share of Turkish Lira deposits/participation accounts (as calculated only for legal entities) was less than the share calculated on 18 August 2023. In addition, the Central Bank required, from 27 October 2023, each Turkish bank to pay an annual fee to the Central Bank in an amount up to 11% of the reserves required to be held by such bank with respect to its foreign exchange deposits. The Central Bank changes from time to time (i) the target renewal rate of foreign-exchange protected accounts, (ii) the target increase rate in the Turkish Lira deposits/participation accounts and (iii) the commission to be paid to the Central Bank by Turkish banks on their reserves required to be held with the Central Bank due to failure of meeting such target rates.

On 5 February 2024, the Central Bank announced that eligible deposit banks are to receive interest quarterly on their reserve requirements maintained for Turkish Lira deposits and foreign currency-protected deposit accounts with a maturity longer than one month. Starting from 20 January 2024, if a bank's rate of FX-protected deposit accounts' total renewal and conversion to Turkish Lira deposits is at least 90%, then the Central Bank pays up to 25% interest on such reserves for foreign exchange protected accounts. Since that date, the Central Bank has implemented several updates to remuneration rates. The Central Bank announced further on 25 April 2024 that (i) the upper limit of the interest rate applied to the required reserves, which are to be maintained with the Central Bank, in respect of FX-protected deposit accounts, is set at 60% of the Central Bank's policy rate in accordance with the rate of the relevant bank's FX-protected deposit accounts' total renewal and conversion to Turkish Lira deposits and (ii) the upper limit of the interest rate applied to the required reserves, which is to be maintained with the Central Bank, in respect of Turkish Lira deposit accounts, is set as 80% of the Central Bank's policy rate in accordance with the relevant bank's rate of conversion to Turkish Lira deposits. On 23 May 2024, the Central Bank lowered the target rate of FX-protected deposit accounts' total renewal and conversion to Turkish Lira to 75% and amended the interest rate applied on the reserves required to be held with the Central Bank for FX-protected deposit accounts to 40% of the policy rate, contingent upon achieving the total target. On 29 August 2024, the Central Bank increased the upper limit from 80% to 84% of the policy interest rate for the required reserves, which is to be maintained with the Central Bank, in respect of Turkish Lira deposit accounts, in accordance with the relevant bank's rate of conversion to Turkish Lira deposits. With the same

announcement on 29 August 2024, the Central Bank also set out that (i) the monthly increase target for banks with a ratio of individual customers' TL deposit between 45% and 50% has been raised to 0.8 percentage points, (ii) for banks whose rate of individual customers' TL deposit ratio exceeds 60%, the monthly increase target was abolished and replaced with the requirement of the same TL deposit ratio staying above 60% and (iii) legal person customers' FX-protected deposit accounts are also be taken into account for the calculation of a bank's rate of FX-protected deposit accounts' total renewal and conversion to Turkish Lira deposits. On 21 September 2024, the Central Bank announced that it abolished the requirement of a rate of conversion to Turkish Lira deposits in the remuneration of required reserves that Turkish banks hold with the Central Bank in respect of their Turkish Lira deposits.

On 4 February 2025, with the amendments to the Communiqué Regarding Reserve Requirements published in the Official Gazette dated 4 February 2025 and numbered 32803, introduced a change in the methodology for applying deductions to the total amount of liabilities subject to reserve requirements. According to such methodology, from the total amount of liabilities subject to reserve requirements, a deduction could be made in the amount of credit extended to non-residents by foreign branches of banks, excluding loans extended to other banks and other institutions authorized to grant credit. This deduction is made starting with the shortest-term other liabilities subject to reserve requirements. With the aforementioned change, it has been clarified that such deduction is made starting from those shortest-term other liabilities with the lowest applicable reserve requirement ratio.

Foreign Exchange Requirements

The ratio of a bank's foreign exchange net position to its capital base should not exceed 5% (previously 20%, prior to 9 January 2023), such calculation being required on a weekly basis. Since 9 January 2023, the BRSA may increase or reduce the 5% threshold by four times or one-fourth, respectively, with any reduction taking effect with one month's notice.

The net foreign exchange position is the difference between the Turkish Lira equivalent of a bank's foreign exchange assets and its foreign exchange liabilities. For the purpose of computing the net foreign exchange position, foreign exchange assets include all active foreign exchange accounts held by a bank and its foreign branches, its foreign exchange indexed assets and its subscribed forward foreign exchange purchases; for purposes of computing the net foreign exchange position, foreign exchange liabilities include all passive foreign exchange accounts held by a bank (including its foreign branches), its subscribed foreign exchange indexed liabilities and its subscribed forward foreign exchange sales.

From 9 January 2023, in the calculation of their ratio of foreign exchange net position to capital base, banks may take into account (i) general and special provisions that they set aside (for more details on such provisions, see "*Turkish Regulatory Environment—Expected Credit Losses*") and (ii) with respect to foreign exchange forward purchase and sale commitments, the delta equivalent of their currency options determined as the product of the nominal value of such options and their delta value, provided that, in such calculation, the purchase of call options and the sale of put options are treated as a forward foreign exchange purchase commitment whereas the sale of call options and the purchase of put options are treated as a forward foreign exchange sale commitment. Further, the BRSA also specified that, with effect from 9 January 2023, in the calculation of their ratio of foreign exchange net position to capital base, in respect of interest rate derivatives, the interests paid and collected are to be taken into account as derivative financial assets and liabilities in the relevant currency, whereas the exchanged principal is to be taken into account as forward foreign exchange purchase or sale commitment depending on the relevant currency of such principal.

If the ratio of a bank's net foreign exchange position to its capital base exceeds 5% (previously 20%, prior to 9 January 2023), then the bank is required to take steps to move back into compliance within two weeks following the bank's calculation period. Banks are permitted to exceed the legal net foreign exchange position to capital base ratio up to six times per calendar year.

Audit of Banks

According to Article 24 of the Banking Law, a bank's board of directors is required to establish audit committees for the execution of the audit and monitoring functions of the board of directors. The duties and responsibilities of the audit committee include: (a) the supervision of the efficiency and adequacy of the bank's internal control, risk management and internal audit systems, (b) the functioning of these systems and accounting and reporting systems within the framework of the Banking Law and other relevant legislation, (c) the integrity of the information produced by such systems, (d) conducting the necessary preliminary evaluations for the selection of independent audit firms by the board of directors, (e) regularly monitoring the activities of independent audit firms selected by the board of directors and (f) in the case of holding companies

covered by the Banking Law, ensuring that the internal audit functions of the institutions that are subject to consolidation operate in a coordinated manner.

Banks are required to select an independent audit firm in accordance with the Turkish Auditor Regulation. Independent auditors are held liable for damages and losses to third parties and are subject to stricter reporting obligations. Professional liability insurance is required for: (a) independent auditors and (b) evaluators, rating agencies and certain other support services (if requested by the service-acquiring bank or required by the BRSA). Furthermore, banks are required to consolidate their financial statements on a quarterly basis in accordance with certain consolidation principles established by the BRSA. The year-end consolidated financial statements are required to be audited whereas interim consolidated financial statements are subject to only a review by independent audit firms.

Pursuant to the Regulation regarding the Internal Systems and Internal Capital Adequacy Assessment Process of Banks, as issued by the BRSA and published in the Official Gazette No. 29057 dated 11 July 2014 (the “ICAAP Regulation”), banks are obligated to establish, manage and develop (for themselves and all of their consolidated financial subsidiaries) internal audit, internal control and risk management systems commensurate with the scope and structure of their activities, in compliance with the provisions of such regulation. The ICAAP Regulation also requires banks to conduct an “internal capital adequacy assessment process” (“ICAAP”), which is an internal process whereby banks calculate the amount of capital required to cover the risks to which they are or may be exposed on an unconsolidated and consolidated basis and with a forward-looking perspective, taking into account their near- and medium-term business and strategic plans. In this context, each bank is required to prepare an internal capital adequacy assessment process report (the “ICAAP Report”) representing the bank’s own assessment of its capital and liquidity requirements. The ICAAP Regulation established standards as to principles of internal control, internal audit and risk management systems and an ICAAP in order to bring such regulations into compliance with Basel II requirements.

In 2015 and 2016, the BRSA issued certain amendments to the ICAAP Regulation to align the Turkish regulatory capital regime with Basel III requirements. These amendments relating to internal systems and internal capital adequacy ratios entered into force on 20 January 2016 and the other amendments entered into force on 31 March 2016. These amendments impose new regulatory requirements to enhance the effectiveness of internal risk management and internal capital adequacy assessments by introducing, among other things, new stress test requirements. Accordingly, the board of directors and senior management of a bank are required to ensure that a bank has established appropriate risk management systems and that it applies an ICAAP such that the bank has adequate capital to meet the risks incurred by it. The ICAAP Report is required to be audited by either the internal audit department or an independent audit firm in accordance with the internal audit procedures of a bank.

All banks (public and private) also undergo annual audits and interim reviews by certified bank auditors who have the authority to audit banks on behalf of the BRSA, which audits encompass all aspects of a bank’s operations, its financial statements, other matters affecting the bank’s financial position and the bank’s compliance with law. The Central Bank has the right to monitor compliance by banks with the Central Bank’s regulations through on-site and off-site examinations.

In 2015, the BRSA amended the Regulation on Principles and Procedures of Audits to expand the scope of the audit of banks in compliance with the ICAAP Regulation. According to this regulation, the BRSA monitors banks’ compliance with the regulations relating to the maintenance of capital and liquidity adequacy for risks incurred or to be incurred by banks and the adequacy and efficiency of banks’ internal audit systems.

The Savings Deposit Insurance Fund (SDIF)

The SDIF is a public legal entity set up to insure savings deposits held with banks and (along with all other Turkish banks) the Bank is subject to its regulations. The SDIF is responsible for and authorised to take measures for restructuring, transfers to third parties and strengthening the financial structures of banks, the shares of which and/or the management and control of which have been transferred to the SDIF in accordance with Article 71 of the Banking Law, as well as other duties imposed on it.

(a) *Insurance of Deposits.* Pursuant to Article 63 of the Banking Law: (a) funds in checking accounts that are owned by commercial entities (which accounts are used solely for the payment of checks) and (b) funds in savings deposit accounts owned by natural persons are insured by the SDIF. Effective as of 28 August 2022, all deposit and participation funds except those owned by official institutions, credit institutions and financial institutions are insured by the SDIF. The scope and amount of deposit and participation funds subject to the insurance are determined by the

SDIF upon the approval of the Central Bank, the BRSA and the Turkish Treasury. The tariff of the insurance premium, the time and method of collection of this premium, minimum target level of deposit insurance reserve (effective as of 28 August 2022) and other relevant matters are determined by the SDIF upon the approval of the BRSA. Since 1 January 2023, an amount of up to TL 400,000 of a depositor's deposit account benefits from the SDIF insurance guarantee.

(b) *Power to require Advances from Banks.* Provided that BRSA consent is received, the banks may be required by the SDIF to make advances of up to the total insurance premiums paid by them in the previous year to be set-off against their future premium obligations. The decision regarding such advances shall also indicate the interest rate applicable thereto.

(c) *Contribution of the Central Bank.* If the SDIF's resources prove insufficient due to extraordinary circumstances, then the Central Bank will, on request, provide the SDIF with an advance. The terms, amounts, repayment conditions, interest rates and other conditions of the advance will be determined by the Central Bank upon consultation with the SDIF.

(d) *Premiums as an Expense Item.* Premiums paid by a bank into the SDIF are to be treated as an expense in the calculation of that bank's corporate tax.

(e) *Liquidation.* In the event of the bankruptcy or (effective as of 28 August 2022) liquidity of a bank, the SDIF is a privileged creditor and may liquidate the bank under the provisions of the Execution and Bankruptcy Law No. 2004, exercising the duties and powers of the bankruptcy office and creditors' meeting and the bankruptcy administration.

(f) *Claims.* In the event of the bankruptcy of a bank, holders of savings deposits will have a privileged claim in respect of the part of their deposit that is not covered by the SDIF's insurance.

The main powers and duties of the SDIF pursuant to the SDIF regulation published in the Official Gazette No. 31901 dated 23 July 2022, are as follows:

(a) becoming members of international financial, economic and professional organisations in which domestic and foreign equivalent agencies participate, and signing memoranda of understanding with the authorised bodies of foreign countries regarding the matters that fall within the SDIF's span of duty,

(b) insuring all deposits and participation accounts in the credit institutions except the accounts of official institutions, credit institutions and financial institutions,

(c) determining the scope and amount of the deposit and participation accounts that are subject to insurance with the opinion of the Central Bank, the BRSA and the Turkish Treasury, and the risk-based insurance premium timetable, collection time and form, minimum target level of deposit insurance reserve and other related issues in cooperation with the BRSA,

(d) determining the procedures and principles regarding the establishment, operation and supervision of the system to be established by the credit institutions as a basis for the calculation, follow-up, verification and payment of the insured deposit and participation funds, in cooperation with the BRSA,

(e) paying (directly or through another bank) the insured deposits and participation accounts in the credit institutions whose banking licence has been revoked by the BRSA from deposit insurance reserves,

(f) fulfilling the necessary operations regarding the transfer, sale and merger of the banks whose shareholder rights (except to dividends) and management and supervision have been transferred to the SDIF by the BRSA, with the condition that the losses of the shareholders are reduced from the capital,

(g) taking management and control of the banks whose banking licence has been revoked by the BRSA and fulfilling the necessary operations regarding the bankruptcy and liquidation of such banks,

(h) fulfilling the necessary operations regarding liquidation of the savings finance institutions whose operation licence has been revoked by the BRSA, and

(i) carrying out activities required for the management, sale and liquidation of partnership shares and assets of the companies whose powers have been transferred to the SDIF or to which the SDIF has been appointed as a trustee.

Cancellation of Banking Licence

If the results of an audit show that a bank's financial structure has seriously weakened, then the BRSA may require the bank's board of directors to take measures to strengthen its financial position. Pursuant to the Banking Law, in the event that the BRSA in its sole discretion determines that:

(a) the assets of a bank are insufficient or are likely to become insufficient to cover its obligations as they become due or the bank is not complying with liquidity requirements,

(b) the bank's profitability is not sufficient to conduct its business in a secure manner due to disturbances in the relation and balance between expenses and profit,

(c) the regulatory equity capital of such bank is not sufficient or is likely to become insufficient,

(d) the quality of the assets of such bank have been impaired in a manner potentially weakening its financial structure,

(e) the decisions, transactions or applications of such bank are in breach of the Banking Law, relevant regulations or the decisions of the BRSA,

(f) such bank does not establish internal audit, supervision and risk management systems or to effectively and sufficiently conduct such systems or any factor impedes the audit of such systems,

(g) imprudent acts of such bank's management materially increase the risks stipulated under the Banking Law and relevant legislation or potentially weaken the bank's financial structure, or

(h) for D-SIBs, the precautions under the precaution plan described below are not implemented promptly, such precautions are unable to cure the applicable weakness or it is determined that such weakness cannot be cured even if such precautions were implemented,

then the BRSA may require the board of directors of such bank: (i) in the event of the occurrence of an event described in clause (a), (b), (c), (d) or (h), to:

(A) increase such bank's equity capital,

(B) not permit such bank to distribute dividends for a temporary period to be determined by the BRSA and to transfer its distributable dividend to the reserve fund,

(C) increase such bank's loan provisions,

(D) stop such bank's extension of loans to its shareholders,

(E) dispose of such bank's assets in order to strengthen its liquidity,

(F) limit or stop such bank's new investments,

(G) limit such bank's salary and other payments, and/or

(H) cease such bank's long-term investments, and

(ii) in the event of the occurrence of an event described in clause (e), (f) or (g), to:

(A) cause such bank to comply with the relevant banking legislation,

(B) cease such bank's risky transactions by re-evaluating such bank's credit policy, and/or

(C) causing such bank to take all actions to decrease any maturity, foreign exchange and interest rate risks for a period determined by the BRSA and in accordance with a plan approved by the BRSA.

The BRSA may also take any other action in relation to the occurrence of an event described in clauses (a) through (h) that it may deem necessary.

In the event that the aforementioned actions are not taken (in whole or in part) by the applicable bank, its financial structure cannot be strengthened despite the fact that such actions have been taken or the BRSA determines that taking such actions will not lead to a favourable result, then the BRSA may require such bank: (i) in the event of the occurrence of an event described in clause (a), (b), (c), (d) or (h) of the preceding paragraph, to:

(A) strengthen its financial structure, increase its liquidity and/or increase its capital adequacy,

(B) dispose of its fixed assets and long-term assets within a reasonable time determined by the BRSA,

(C) decrease its operational and management costs,

(D) postpone its payments under any name whatsoever, excluding the regular payments to be made to its employees, and/or

(E) limit or prohibit extension of any cash or non-cash loans to certain third persons, legal entities, risk groups or sectors, and

(ii) in the event of the occurrence of an event described in clause (e), (f) or (g) of the preceding paragraph, to:

(A) convene an extraordinary general assembly in order to change some or all of the members of the board of directors or assign new member(s) to the board of directors, in the event any board member is responsible for a failure to comply with relevant legislation, a failure to establish efficient and sufficient operation of internal audit, internal control and risk management systems or non-operation of these systems efficiently or there is a factor that impedes supervision or such member(s) of the board of directors cause(s) to increase risks significantly as stipulated above, and/or

(B) implement short-, medium- or long-term plans and projections that are approved by the BRSA to decrease the risks incurred by the bank and the members of the board of directors and the shareholders with qualified shares must undertake the implementation of such plan in writing.

The BRSA may also take any other action in relation to the occurrence of an event described in clauses (a) through (h) of the preceding paragraph that it may deem necessary.

In the event that the aforementioned actions are not taken (in whole or in part) by the applicable bank, the problem cannot be solved despite the fact that the actions have been taken or the BRSA determines that taking such actions will not lead to a favourable result, then the BRSA may require such bank to:

(a) limit or cease its business or the business of the whole organisation, including its relations with its local or foreign branches and correspondents, for a temporary period,

(b) apply various restrictions, including restrictions on the interest rate and maturity with respect to resource collection and utilisation,

(c) remove from office (in whole or in part) some or all of its members of the board of directors, general manager and deputy general managers and the relevant department and branch managers and obtain approval from the BRSA as to the persons to be appointed to replace them,

(d) make available long-term loans; *provided* that these will not exceed the amount of deposit or participation accounts subject to insurance, and be secured by the shares or other assets of the controlling shareholders,

(e) limit or cease its non-performing operations and to dispose of its non-performing assets,

(f) merge with one or more other interested bank(s),

(g) provide new shareholders in order to increase its equity capital,

(h) deduct any resulting losses from its own funds, and/or

(i) take any other action that the BRSA may deem necessary.

In the event that: (a) the aforementioned actions are not (in whole or in part) taken by the applicable bank within a period of time set forth by the BRSA or in any case within 12 months, (b) the financial structure of such bank cannot be strengthened despite its having taken such actions, (c) it is determined that taking these actions will not lead to the strengthening of the bank's financial structure, (d) the continuation of the activities of such bank would jeopardise the rights of the depositors and the participation account owners and the security and stability of the financial system, (e) such bank cannot cover its liabilities as they become due, (f) the total amount of the liabilities of such bank exceeds the total amount of its assets or (g) the controlling shareholders or directors of such bank are found to have utilised such bank's resources for their own interests, directly or indirectly or fraudulently, in a manner that jeopardised the secure functioning of the bank or caused such bank to sustain a loss as a result of such misuse, then the BRSA, with the affirmative vote of at least five of its board members, may revoke the licence of such bank to engage in banking operations and/or to accept deposits and transfer the management, supervision and control of the shareholding rights (excluding dividends) of such bank to the SDIF for the purpose of whole or partial transfer or sale of such bank to third persons or the merger thereof; *provided* that any loss is deducted from the share capital of current shareholders.

In order for the advance identification of the appropriate response measures to be taken in case of the occurrence of any events (or probability of the occurrence of any events) that might weaken their financial structures, banks that are classified by the BRSA as systemically important banks (*i.e.*, as D-SIBs) must create prevention plans and submit those to the BRSA. In the case of any determination of the occurrence of any such events (or probability of the occurrence of any such events) with respect to such a bank (on a consolidated or non-consolidated basis), such bank must implement the precautions indicated in their prevention plan and notify the BRSA of such circumstances and the BRSA may impose the implementation of such precautions.

Any and all execution and bankruptcy proceedings (including preliminary injunction) against a bank whose license is revoked would be discontinued as from the date on which the BRSA's decision to revoke such bank's licence is published in the Official Gazette. From the date of revocation of such bank's licence, the creditors of such bank may not assign their rights or take any action that could lead to assignment of their rights. The SDIF must take measures for the protection of the rights of depositors and other creditors of such bank. The SDIF is required to pay the insured deposits of such bank either by itself or through another bank it may designate. The SDIF is required to institute bankruptcy proceedings in the name of depositors against a bank whose banking licence is revoked.

Annual Reporting

Pursuant to the Banking Law, Turkish banks are required to follow the BRSA's principles and procedures (which are established in consultation with the Turkish Accounting Standards Board and international standards) when preparing their annual reports. Turkish listed companies must also comply with the Communiqué on Principles of Financial Reporting in Capital Markets issued by the CMB. In addition, they must ensure uniformity in their accounting systems, correctly record all their transactions and prepare timely and accurate financial reports in a format that is clear, reliable and comparable as well as suitable for auditing, analysis and interpretation.

Furthermore, Turkish companies (including banks) are required to comply with the Regulation regarding Determination of the Minimum Content of the Companies' Annual Reports published by the Ministry of Customs and Trade, as well as the Corporate Governance Communiqué, when preparing their annual reports. These reports are required to include the following information: management and organisation structures, human resources, activities, financial situation, assessment of management and expectations and a summary of the directors' report and independent auditor's report.

A bank cannot settle its balance sheets without ensuring reconciliation with the legal and auxiliary books and records of its branches and domestic and foreign correspondents.

The BRSA is authorised to take necessary measures where it is determined that a bank's financial statements have been misrepresented.

Pursuant to the Regulation on the Principles and Procedures Concerning the Preparation of Annual Reports by Banks published in the Official Gazette No. 26333 dated 1 November 2006, the chairman of the board, audit committee, general manager, deputy general manager responsible for financial reporting and the relevant unit manager (or equivalent authorities) must sign the reports indicating their full names and titles and declare that the financial statements comply with relevant legislation and accounting records.

Independent auditors must perform an audit of, and provide an opinion on, the annual financial statements prepared by the banks.

Banks are required to submit their financial statements to related authorities and publish them in accordance with the BRSA's principles and procedures.

According to BRSA regulations, the annual report is subject to the approval of the board of directors and must be submitted to shareholders at least 15 days before the annual general assembly of the bank. Banks also must submit an electronic copy of their annual reports to the BRSA within seven days following the publication of the reports. Banks must publish a copy of such reports on their websites by the end of May following the end of the relevant fiscal year.

Amendments to the Regulation on the Principles and Procedures Regarding the Preparation of Annual Reports by Banks, which entered into force on 31 March 2016, require annual and interim financial statements of banks to include explanations regarding their risk management in line with the Regulation on Risk Management to be Disclosed to the Public.

Disclosure of Financial Statements

The BRSA published amendments (which entered into force on 31 March 2016) to the Communiqué on Financial Statements to be Disclosed to the Public setting forth principles of disclosure of annotated financial statements of banks in accordance with the Communiqué on Public Disclosure regarding Risk Management of Banks and the Equity Regulation. The amendments reflect the updated requirements relating to information to be disclosed to the public in line with the amendments to the calculation of risk-weighted assets and their implications for capital adequacy ratios, liquidity coverage ratios and leverage ratios. Rules relating to equity items presented in the financial statements were also amended in line with the amendments to the Equity Regulation. Additionally, banks are required to make necessary disclosures on their websites immediately upon repayment of a debt instrument, depreciation or conversion of a share certificate or occurrence of any other material change.

In addition, the BRSA published the Communiqué on Public Disclosure regarding Risk Management of Banks, which expands the scope of public disclosure to be made in relation to risk management (which entered into force on 31 March 2016) in line with the disclosure requirements of the Basel Committee. According to this regulation, each bank is required to announce information regarding their consolidated and/or unconsolidated risk management related to risks arising from or in connection with securitisation, counterparty, credit, market and its operations in line with the standards and procedures specified in this regulation. Each bank is also required to form policies approved by its board of directors regarding internal audit and control processes relating to risk management.

On 15 September 2018, the Ministry of Commerce issued a communiqué that sets forth the procedures and principles relating to the application of Article 376 of the Turkish Commercial Code, which article regulates the measures that Turkish companies (*i.e.*, joint stock companies, limited liability companies and limited partnerships, in which the capital is divided into shares, including financial institutions) are required to adopt in case of loss of capital or insolvency. This new

communiqué aims to clarify and complement the remedial actions that can be taken in relation to the treatment of foreign exchange losses in the calculation of the loss of capital or insolvency. As companies in Türkiye prepare their financial statements in Turkish Lira, the value of any foreign currency-denominated asset and liability is converted into Turkish Lira based upon the currency rate applicable as of the date of such financial statements; *however*, until 1 January 2025, the communiqué allows companies to disregard any losses arising from the exchange rate volatility of any outstanding foreign currency-denominated liability while making any capital loss or insolvency calculations. As such, companies will not be required to apply any measures set forth in Article 376 of the Turkish Commercial Code to maintain their capital if the relevant loss of capital or insolvency arises from currency fluctuations.

ESG Reporting

A decision of the POA dated 27 December 2023 (entering into force on 1 January 2024) requires Turkish banks that are not under the SDIF's administration to report on sustainability in accordance with the Turkish Sustainability Reporting Standards, which are prepared by the POA in compliance with the International Sustainability Reporting Standards. The Bank anticipates that it will start reporting in accordance with the Turkish Sustainability Reporting Standards as required in the POA's decision in 2025.

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

Financial Services Fee

Pursuant to Heading XI of Tariff No. 8 attached to the Law on Fees (Law No. 492) amended by the Law No. 5951, banks are required to pay to the relevant tax office to which their head office reports an annual financial services fee for each of their branches. The amount of the fee is determined in accordance with the population of the district in which the relevant branch is located.

Corporate Governance Principles

The Corporate Governance Communiqué provides certain mandatory and non-mandatory corporate governance principles as well as rules regarding related-party transactions and a company's investor relations department. Some provisions of the Corporate Governance Communiqué are applicable to all companies incorporated in Türkiye and listed on the Borsa İstanbul, whereas some others are applicable solely to companies whose shares are traded in certain markets of the Borsa İstanbul. The Corporate Governance Communiqué provides specific exemptions and/or rules applicable to banks that are traded on the Borsa İstanbul.

As of the date of this Base Prospectus, the Bank is subject to the corporate governance principles stated in the banking regulations and the regulations for capital markets that are applicable to banks. The Bank is required to state in its annual activity report whether it is in compliance with the principles applicable to it under the Corporate Governance Communiqué. In case of any non-compliance, explanations regarding such non-compliance are also required to be included in such report. Should the Bank fail to comply with any mandatory obligations, then it may be subject to sanctions from the CMB. In its latest annual report before the date of this Base Prospectus, the Bank stated that it was in compliance with the mandatory principles of the Corporate Governance Communiqué.

The Corporate Governance Communiqué contains principles relating to: (a) companies' shareholders and other stakeholders, (b) public disclosure and transparency and (c) boards of directors. A number of principles are compulsory, while the remaining principles apply on a "comply or explain" basis. The Corporate Governance Communiqué classifies listed companies into three categories according to their market capitalisation and the market value of their free-float shares, subject to recalculation on an annual basis. The Bank is classified as a "1st Group" company.

The mandatory principles under the Corporate Governance Communiqué include provisions relating to: (a) the composition of the board of directors, (b) appointment of independent board members, (c) board committees, (d) specific corporate approval requirements for related party transactions, transactions that may result in a conflict of interest and certain other transactions deemed material by the Corporate Governance Communiqué and (e) information rights in connection with general assembly meetings. According to the Corporate Governance Communiqué, banks may, taking into account the size of their operations and type of their structures, determine their corporate governance principles based upon those stated in the

Corporate Governance Communiqué provided that they comply with the principles and procedures set out in the Banking Law and the provisions of other regulations entered into effect in accordance therewith.

Listed companies are required to have independent board members, who should meet the mandatory qualifications required for independent board members as set out in the Corporate Governance Communiqué. Independent board members should constitute at least one-third of the board of directors and should not be fewer than two; *however*, publicly traded banks are required to appoint at least three independent board members to their board of directors, which directors may be selected from the members of the bank's audit committee, in which case the mandatory qualifications required for independent members are not applicable; *provided* that when all independent board members are selected from the audit committee, at least one member should meet the mandatory qualification required for independent board members as set out in the Corporate Governance Communiqué. The Corporate Governance Communiqué further initiated a pre-assessment system to determine the “independency” of individuals nominated as independent board members in “1st Group” companies (for banks, to the extent such independent board members are not members of that bank's audit committee). Those nominated for such positions must be evaluated by the “Corporate Governance Committee” or the “Nomination Committee,” if any, of the board of directors for fulfilling the applicable criteria stated in the Corporate Governance Communiqué. The board of directors is required to prepare a list of nominees based upon this evaluation for final review by the CMB, which is authorised to issue a “negative view” on any nominee and prevent their appointment as independent members of the board of directors. The Corporate Governance Communiqué also requires listed companies to establish certain other board committees; *however*, banks are exempt from this requirement for the audit committee, early detection of risk committee and remuneration committee.

In addition to the mandatory principles regarding the composition of the board and the independent board members, the Corporate Governance Communiqué introduced specific corporate approval requirements for all material related party transactions. All those types of transactions shall be approved by the majority of the independent board members. If not, then they shall be brought to the general assembly meeting where related parties to those transactions are not allowed to vote. Meeting quorum shall not be sought for these resolutions and the resolution quorum is the simple majority of the attendees who may vote. For banks and financial institutions, transactions with related parties arising from their ordinary activities are not subject to the requirements of related party transactions.

The Capital Markets Law authorises the CMB to require listed companies to comply with the corporate governance principles in whole or in part and to take certain measures with a view to monitor compliance with the new principles, which include requesting injunctions from the court or filing lawsuits to determine or to revoke any unlawful transactions or actions that contradict with these principles.

In addition to the provisions of the Corporate Governance Communiqué related to the remuneration policy of banks, the BRSA published a guideline on good pricing practices in banks, which entered into force on 31 March 2016. This guideline sets out the general principles for employee remuneration as well as standards for remuneration to be made to the board of directors and senior management of banks.

As of the date of this Base Prospectus, the Bank is in compliance with the mandatory principles under the Corporate Governance Communiqué, as well as with applicable requirements for having independent directors.

On 2 October 2020, the CMB amended the Corporate Governance Communiqué to provide that publicly held companies that are subject to the corporate governance principles are also to be subject to the principles specified in the Sustainability Principles Compliance Framework (in Turkish: *Sürdürülebilirlik İlkeleri Uyum Çerçevesi*), which seeks to increase Turkish companies' attention to environmental, social and corporate governance principles and thereby enhance their attractiveness to international investors. Although the application of such principles is voluntary for publicly held companies, companies are required to state in their annual activity report whether they adhere to the principles (*i.e.*, “comply or explain”).

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

Please see “*The Group and its Business—Anti-Money Laundering, Combatting the Financing of Terrorism and Anti-Bribery Policies.*”

Consumer Loan, Provisioning and Credit Card Regulations

On 8 October 2013, the BRSA published regulations that aim to limit the expansion of individual loans and payments (especially credit card instalments). The rules: (a) include overdrafts on deposit accounts and loans on credit cards in the category of consumer loans for purposes of provisioning requirements, (b) set a limit for credit cards issued to consumers who apply for a credit card for the first time if their income cannot be determined by the bank, (c) require credit card issuers to monitor cardholders' income levels before each limit increase of the credit card and (d) increase the minimum monthly payment required to be made by cardholders. The Central Bank also adjusts from time to time the monthly cap on individual and commercial credit card interest rates and the commission rates that can be applied by banks for their "acquisition" of vouchers from merchants, any of which changes might make the related business less profitable (or even unprofitable). In addition, pursuant to the Banking Law, the Central Bank is empowered to determine the maximum interest rates for lending and deposit-taking activities of banks, as well as any fees, expenses and commissions charged by them.

Loan Transactions

On 31 December 2013, the BRSA adopted rules on loan-to-value and instalments of certain types of loans and, on 27 September 2016, the BRSA made certain amendments to such rules. Pursuant to these rules, the minimum loan-to-value requirement for housing loans extended to consumers, financial lease transactions for housing and loans (except auto loans) secured by houses is 80% (which was 75% before such amendments), with exceptions for houses that have an energy identification document within the scope of the Energy Efficiency Law No. 5627, for which a higher loan-to-value percentage is applicable. On 19 March 2020, the BRSA (as part of the measures taken against the impacts of the COVID-19 pandemic) published a resolution that increased such loan-to-value requirement to 90% for houses worth TL 500,000 or less; *provided* that such loans are made to consumers and are not used for the purchase of autos. On 23 June 2022 and 24 February 2023, the BRSA imposed different loan-to-value requirements for housing loans utilised for new and existing homes, again with respect to a house's sales value and energy efficiencies. In addition, the Regulation on Loan Transactions of Banks sets maximum loan-to-value ratios for auto loans extended to consumers, loans secured by autos and autos leased under financial lease transactions, the loan-to-value limit for which varies depending upon the sales price of the applicable vehicle.

On 16 September 2021, the BRSA reduced the overall maturity limit for general purpose loans from 36 months to 24 months for loans over TL 50,000. The BRSA also provided that general purpose loans granted before such date can be restructured, for a maximum of 36 months, if requested by the borrower even if their debt balances are over TL 50,000. According to the regulations announced by the BRSA, the total amount of general purpose loans that have more than 24 months maturity and that have been granted after such date must be limited to TL 50,000 per customer and each bank is required to monitor this limit for its own customers. On 9 June 2022, the BRSA further reduced the maturity limit for general purpose loans from 24 months to 12 months for loans over TL 100,000; *however*, the BRSA also provided that general purpose loans granted before 16 September 2021 can be restructured, for a maximum of 36 months, and general purpose loans granted between 16 September 2021 and 9 June 2022 can be restructured, for a maximum of 24 months, if requested by the borrower even if their debt balances are over TL 50,000. Finally, on 13 February 2025, the BRSA adopted a new measure and revised the overall maturity limits applicable to consumer loans as follows: (i) for loans with an amount of TL 125,000 or less, the maturity limit is 36 months, (ii) for loans with an amount exceeding TL 125,000 but not exceeding TL 250,000, the maturity limit is 24 months, (iii) for loans with an amount exceeding TL 250,000, the maturity limit is 12 months. The BRSA further clarified that the same maturity limits shall also apply in case of the restructuring of the relevant loans. The decision was published on the BRSA's official website and notified to the relevant sector associations.

Due to two large earthquakes in Kahramanmaraş on 6 February 2023 that affected 10 different cities, on 7 and 10 February 2023, the BRSA announced (*inter alia*) the following provisional measures to be applied until 3 January 2025 regarding loan transactions of natural and legal persons located in the affected cities (and on 23 February 2023, the BRSA extended such provisional measures to other regions that satisfy certain criteria to be considered disaster areas):

- banks may determine grace periods and/or maturities of retail loans that are newly provided or restructured,
- the maturity thresholds determined under the Regulation on Loan Transactions shall not be applied,
- subject to the request of a borrower, such borrower's principal and interest payments shall be delayed for at least six months; *however*, whether or not requested by a borrower, so long as no interest/profit share is to be paid by such borrower as a result of such postponement, then such payments shall be delayed for at least six months, and

- in the case of the delay of principal and interest payments for vehicle and retail loans upon the request of the borrower, the maturity thresholds determined under the Regulation on Loan Transactions shall not be applied.

Caps on Fees, Commissions and POS Commission Rates

The BRSA and Central Bank have issued various laws in late 2019 and early 2020 that impose limitations on certain fees and commissions that Turkish banks may charge to customers. On 16 October 2019, the Central Bank introduced an amendment to cap the commission rates applied by banks in their “point of sale” (POS) business. The Central Bank then issued the *Communiqué on Deposit and Loan Interest Rates and Participation Accounts Profit and Loss Participation Rates* (the “*Communiqué on Deposit and Loan Interest Rates*”) and the *Communiqué on Procedures and Principles of Fees to be Collected by Banks from Commercial Customers* (the “*Communiqué on Commercial Customer Fees*”), both of which became effective as of 1 March 2020 (for the *Communiqué on Commercial Customer Fees*, most of the provisions relating to fees became effective as of 1 April 2020) and impose certain such limitations. Pursuant to these communiqués, the caps on POS commission rates for purchases of goods and service were subjected to revision by reference to a monthly reference rate determined by the Central Bank *plus* a fixed rate set out under the *Communiqué on Commercial Customer Fees*, which rates are adjusted by taking into account the number of days between the day of a purchase transaction and the day on which the amount from such purchase is transferred by the applicable bank to the applicable merchant. In August 2021, the Central Bank (though increasing the fees that can be charged for ATM usage and commissions that can be collected from the use of POS systems) introduced further limits.

The *Communiqué on Commercial Customer Fees* further sets out standardised fees and caps that are to be charged to commercial customers depending upon the category of the applicable product and service. Turkish banks are required to apply to the Central Bank to charge any fees or commissions to commercial customers other than those listed under the *Communiqué on Commercial Customer Fees*. These limits include (*inter alia*) limits on fees for electronic funds transfers, credit allocation fees, credit underwriting fees and prepayment fees. Banks also are required to accept a commercial customer’s request for prepayment of all of such customer’s credit debt (for which prepayment the bank may charge a prepayment fee subject to certain limitations under the *Communiqué on Commercial Customer Fees*).

Foreign Currency Restrictions

F/X Loan Restriction. Decree 32 and the Capital Movements Circular of the Central Bank (the “*Capital Movements Circular*”) were amended, effective as of 2 May 2018, in order to introduce restrictions on Turkish resident legal entities utilising foreign currency loans. While this regime maintained the previous prohibition on Turkish individuals utilising foreign exchange loans and foreign exchange-indexed loans, it introduced a strict prohibition on Turkish resident non-bank legal entities (each a “*Corporate Borrower*”) utilising foreign currency-indexed loans, imposed restrictions on Corporate Borrowers utilising foreign currency loans (the “*F/X Loan Restriction*”) and provided exemptions relating to a borrower’s foreign currency income (the “*F/X Income Exemption*”) and foreign currency activities (the “*Activity Exemption*”) and based upon the unpaid outstanding balance of a borrower’s total foreign currency loans (the “*Loan Balance*”).

As far as the F/X Income Exemption is concerned, if the Loan Balance of a Corporate Borrower is below US\$15 million, then the sum of the foreign currency loans to be utilised and the existing Loan Balance must not be more than the combined value of such Corporate Borrower’s foreign currency income as stated in its financial statements for the last three fiscal years. Turkish-resident financial institution lenders are required to control whether a Corporate Borrower complies with this rule. In case of any non-compliance with the F/X Loan Restriction rules, Turkish-resident financial institution lenders are required either to cancel or convert into Turkish Lira the portion of the foreign currency loans to such Corporate Borrower that exceeds this value within 10 business days after the date of determination. The cancelled or converted portion of the relevant loans are then deducted from the credit balance of such Corporate Borrower. In case of a breach of this obligation, an administrative monetary fine might be imposed.

In respect of the Activity Exemption, a legal entity must qualify as a public institution, bank, factoring, financial leasing or financing company resident in Türkiye in order to utilise foreign currency loans. In the case of Corporate Borrowers, the Activity Exemption must relate to an activity performed in the last three fiscal years in the context of, among others: (a) a domestic tender with an international element awarded to such Corporate Borrower, (b) defence industry projects approved by the Undersecretariat of Defence Industry, (c) public-private partnership projects or (d) an export, transit trade, sales and related deliveries subject to the relevant Corporate Borrower certifying the scope of its relevant activity and its potential sources of foreign currency incomes (*muhtemel döviz geliri*). Additionally, loans within the scope of an investment incentive

certificate also benefit from the Activity Exemption; *provided that* a Corporate Borrower is required to declare whether any foreign currency loan has been previously utilised based upon the same investment incentive certificate and, if so, such statement must be accompanied with information on the utilisation date, total amount and intermediary bank. On 8 December 2020, the Turkish Treasury extended the scope of the Activity Exemption by including foreign currency loans made to Turkish-resident legal entities that are shareholders of a Turkish-resident legal entity operating a project established as a public-private partnership if the proceeds of such loan are to be added to the capital of such operating company or are to be used in the project. On 8 July 2021, the Turkish Treasury limited the scope of the Activity Exemption for foreign currency loans for renewable energy generation projects and revised the rules such that both licensed generating plants initiating their operations after 1 July 2021 and certain unlicensed generating plants cannot benefit from the Activity Exemption.

F/X Transaction Restriction. On 13 September 2018, Decree 32 was amended to impose restrictions on the use of, or indexing to, foreign currency in the following contracts executed between Persons residing in Türkiye: sale and purchase of movable and immovable property, leasing of all kinds of movable and immovable property (including vehicle and financial leasing), employment, service and construction contracts. According to such amendments, Turkish residents were required to amend any relevant contract so that the contract price and all other payment obligations thereunder were re-determined in Turkish Lira within a 30-day transition period (*i.e.*, by 13 October 2018). On 6 October 2018 and 16 November 2018, the Turkish Treasury issued an amending communiqué that broadened the scope of, but provided certain exemptions to, these restrictions. Among other exemptions, capital market instruments (including any Notes issued directly to Turkish investors, subject to restrictions applicable to a resident of Türkiye on directly investing in Notes (or beneficial interests therein) issued outside of Türkiye – see “*Transfer and Selling Restrictions*”) are exempt from these restrictions. Accordingly, the issuance, purchase and sale of capital market instruments in accordance with the Capital Markets Law may be denominated in, or indexed to, foreign currency. As clarified by the amendment dated 28 March 2025 to the communiqué, the purchase and sale of securities traded in foreign markets, other capital market instruments, and all types of derivative instruments, including futures and options contracts, must be conducted through banks and brokerage firms authorized by the CMB, provided that the transfer of funds is carried out through banks. However, provided that no promotional, advertising, or marketing activities are directed towards residents of Türkiye, transactions in derivative instruments conducted by Turkish residents entirely on their own initiative with financial institutions located abroad are not required to be executed through banks or brokerage firms. Nevertheless, the transfer of funds related to such transactions must be carried out through banks.

In August 2018, the BRSA capped Turkish banks’ exposure under swap, spot and forward transactions with non-residents of Türkiye (except transactions with such banks’ non-resident financial subsidiaries and other affiliates that are subject to consolidation) under which transactions the Turkish bank initially pays Turkish Lira and receives foreign currency and, at the maturity date, such bank pays foreign currency and receives Turkish Lira to 25% of a bank’s regulatory capital, then reduced this level to 10% in February 2020. On 12 April 2020, as part of the government’s efforts to contain the possible adverse effects on the Turkish economy of the global uncertainty resulting from the COVID-19 pandemic, the BRSA issued a press release announcing that this level was reduced to 1%, which level was then returned to 10% on 25 September 2020. In the case of a bank exceeding this level, new transactions may not be executed or renewed until this level (which is calculated on a daily basis) is attained. In addition, written approval of the BRSA is required in case there needs to be a cancellation or extension of any of these derivatives transactions.

On 18 December 2019, the BRSA announced that the total notional amount of a Turkish bank’s currency swaps, forwards, options and other similar products with non-residents in Türkiye (except transactions with such banks’ non-resident financial subsidiaries and other affiliates that are subject to consolidation) with a remaining maturity of seven days or fewer where, at the maturity date, such bank pays Turkish Lira and receives foreign exchange shall not exceed 10% of such bank’s most recently calculated regulatory capital. With its press release on 12 April 2020, the BRSA amended this threshold by announcing that transactions with a remaining maturity of seven days or fewer shall not exceed 1% of the applicable bank’s most recently calculated regulatory capital on any given calendar date, which threshold was then returned to 2% on 25 September 2020 and then increased to 5% on 11 November 2020 (as of such date, a threshold of 10% is applied for transactions with a remaining maturity of 30 days or fewer and 30% for transactions with a remaining maturity of one year or less).

On 22 April 2020, the Central Bank increased from 20% to 30% its limit on the amount of a bank’s swap sales (*i.e.*, purchase of a bank’s foreign exchange by the Central Bank in return for Turkish Lira) in relation to such bank’s total foreign exchange transaction limits with the Central Bank. In May 2020, the Central Bank gradually increased this limit from 30% to 50%, which was increased further to 60% on 26 November 2020. These changes were expected to result in an increase in the foreign exchange reserves held by the Central Bank while enabling Turkish banks to access additional Turkish Lira funding.

On 5 May 2020, the BRSA imposed a new requirement that certain Turkish Lira transactions (i.e., Turkish Lira-denominated placements, loans, deposits and repurchase transactions) performed by a Turkish bank with foreign financial institutions, including such Turkish bank's foreign branches and consolidated foreign subsidiaries regarded as credit institutions and financial institutions, are limited to 0.5% (increased to 2.5% as of 30 November 2020) of such Turkish bank's latest calculated shareholders' equity (as calculated daily on a bank-only basis) as reported to the BRSA on a monthly basis. If a Turkish bank exceeds such limit, then such bank is not to be allowed to enter into any new such transactions (or renew any existing such transactions upon their maturity) until such bank is in compliance with this limit. On 20 May 2020, the BRSA declared that any such transactions that clear through Euroclear or Clearstream, Luxembourg are not to be included in the numerator of such calculation (on 28 July 2020, the BRSA clarified that this exemption will be limited only to the clearing activities of securities denominated in Turkish Lira and exempted from the restrictions on access to Turkish Lira swap transactions that satisfy certain criteria). On 6 August 2020, the BRSA announced certain exemptions to this restriction in favour of foreign financial institutions (other than international development banks) for the following transactions: (a) entering into foreign currency swap trades, under which the foreign financial institution buys Turkish Lira in exchange for foreign currency at the initial exchange date (i.e., where the foreign bank will sell Turkish Lira at the maturity date), (b) entering into swap trades entered into in the Borsa İstanbul foreign exchange swap market, where the foreign bank buys Turkish Lira in exchange for foreign currency at the initial exchange date, (c) entering into repo and reverse repo transactions in the Borsa İstanbul repo market and (d) holding Turkish Lira-denominated deposits with Turkish banks; provided, in each case, that: (i) the foreign financial institution may only invest in Turkish Lira denominated securities with the Turkish Lira received as a result of such transactions, and must deposit any excess Turkish Lira liquidity into accounts held with Turkish financial institutions, and (ii) the relevant foreign financial institution must give an undertaking to its Turkish counterpart with respect to the intended use of Turkish Lira proceeds and obtain the BRSA's prior approval in this respect. On 30 November 2020, the BRSA further exempted from this calculation overdraft facilities extended to foreign financial institutions. This new measure aims to increase the efficient use of Turkish Lira resources and is expected to be effective until the extraordinary conditions that exist due to the COVID-19 pandemic have ceased.

On 23 June 2022, the BRSA adopted a new measure pursuant to decision No. 10248 with respect to the derivative transactions between non-financial institution residents in Türkiye with non-residents. The BRSA decided to apply a risk weighting of 500%, regardless of the method used to calculate the amount subject to credit risk, as well as the credit risk mitigation techniques, credit ratings and real estate mortgages, for the calculation of the capital adequacy ratio for Turkish Lira and foreign currency commercial cash loans to be made available to non-financial institution residents that enter into derivative transactions with non-residents after 23 June 2022.

Amendments to the Turkish Insolvency and Restructuring Regime

The Enforcement and Bankruptcy Law No. 2004 prevents a contractual arrangement by which a contractual event of default clause is stipulated to be triggered in case any application is made by a Turkish company for debt restructuring upon settlement (*uzlaşma yoluyla yeniden yapılandırma*) within the scope of this law. In addition, changes were introduced to this law on 15 March 2018 that (*inter alia*) states that the contractual termination, default and acceleration clauses of an agreement cannot be triggered in case the debtor makes a *concordat* application and such application shall not constitute a breach of such agreement.

On 15 August 2018, the BRSA published the Regulation on Restructuring of Debts in the Financial Sector (the "*Restructuring Regulation*"), which was amended on 21 November 2018 and 12 September 2019, with a view to regulate a financial restructuring opportunity for Turkish companies that have entered into loan transactions with: (a) Turkish banks, (b) financial lease, factoring and financing companies, (c) banks and financial institutions established outside Türkiye, (d) multilateral banks and institutions that directly invest in Türkiye, (e) special purpose companies established by the foregoing institutions for collection of receivables and/or (f) investment funds established as per the Capital Market Law ("*Creditor Institutions*"). The Restructuring Regulation sets forth the procedures and principles on financial restructuring framework agreement(s) (the "*Framework Agreement*") to be executed amongst the Creditor Institutions.

Accordingly, implementation of the restructuring for companies that are financially indebted against banks and other financial institutions for an outstanding principal amount of TL 25 million or more has been initiated with a framework published on the website of the Banks Association of Türkiye on 14 October 2019. On 8 November 2019, implementation of a restructuring regime for companies that are financially indebted against banks and other financial institutions for an outstanding principal amount of less than TL 25 million was published. On 16 July 2021, the Banks Association of Türkiye amended the framework agreement and increased the outstanding principal amount of TL 25 million to TL 100 million. As such, certain borrowers of the Bank might apply for restructuring of their debt.

The Framework Agreement's term expired on 19 July 2023, but its term was extended by another two years on 28 December 2023, such that it will remain in force through 28 December 2025. The President may further extend the term of the Framework Agreement by another two years.

Calculation of the Green Asset Ratio of Banks

On 11 April 2025, the BRSA published the Communiqué on the Calculation of the Green Asset Ratio of Banks in the Official Gazette dated 11 April 2025 and numbered 32867 (the “**Communiqué on the Calculation of the Green Asset Ratio of Banks**”), aiming to set out the procedures and principles for calculating and reporting the green asset ratio and other key performance indicators measuring banks' contributions to financing environmentally sustainable economic activities. According to the Communiqué on the Calculation of the Green Asset Ratio of Banks, which entered into force on 11 April 2025, the primary key performance indicator reflecting banks' contribution to environmental sustainability is the green asset ratio, calculated by dividing compliant assets by the total assets included within the scope of the green asset ratio on the unconsolidated balance sheets of banks. The total assets within the scope of the green asset ratio are calculated by subtracting claims on central administrations, central banks, supranational entities, and assets monitored in trading accounts from total balance sheet financial assets, followed by aggregating the gross amounts measured at amortized cost of the remaining on-balance sheet assets. Eligible assets include all financial assets related to economic activities within the scope of technical screening criteria, regardless of whether they fully meet these criteria. Compliant assets, however, must simultaneously meet three conditions: (i) substantially contributing to one or more environmental objectives, (ii) not significantly harming other environmental objectives, and (iii) complying with minimum social security standards. The environmental objectives specified include climate change mitigation, adaptation to climate change, transition to a circular economy, sustainable use and protection of water and marine resources, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Banks are required to verify compliance with these criteria through reports (e.g., emission reports, feasibility studies, and energy efficiency surveys), certifications, or other internationally or nationally accepted green technology selection tools, and maintain these records for auditing purposes. The BRSA is authorized to determine specific technical screening criteria and may differentiate reporting obligations based on the type and size of banks. Banks must establish necessary documentation, classification, monitoring, and control processes for assets included in green asset ratio calculations and submit periodic reports, which is determined as three month periods by the BRSA decision dated 13 March 2025, numbered 11165, to the BRSA, beginning on 30 June 2025. Additionally, the BRSA has the authority to set minimum thresholds and targets for the green asset ratio and related key performance indicators and may impose measures, including additional capital requirements, on banks that fail to comply with the established thresholds and targets.

Credit Guarantee Fund

The KGF was established pursuant to Decree No. 93/4496 dated 14 July 1993 in order to provide guarantees for SMEs and other enterprises, in particular, to those that are not able to obtain bank loans due to their insufficient collateral. In order to improve financing possibilities and contribute to the effective operation of the credit system, pursuant to provisional Article 20 of the Law regarding the Regulation of Public Financing and Debt Management (Law No. 4749) dated 28 March 2002, resources up to TL 2 billion could be transferred by the Minister in charge of the Turkish Treasury to the credit guarantee institutions. Such amount was increased to TL 25 billion in accordance with the Law No. 6770 dated 18 January 2017. In addition, pursuant to Decree No. 2016/9538 on Treasury Support to be provided to the Credit Guarantee Institutions (published in the Official Gazette No. 29896 and dated 22 November 2016) (as amended), the KGF guarantees are supported by the Turkish Treasury. Pursuant to an amendment to such Decree that was published in the Official Gazette dated 30 March 2020, the Turkish Development and Investment Bank was added among the eligible lenders and natural persons were explicitly added as eligible borrowers. On 30 March 2020, an additional TL 25 billion limit was allocated by the government under the KGF guarantee in order to address the economic impact of the COVID-19 pandemic, increasing the amount available under the KGF programme to TL 185 billion, and the total amount of guarantees that may be given by the KGF was increased from TL 250 billion to TL 500 billion (along with increases in the guarantee limits with respect to individual borrower groups). On 13 August 2022, the total amount of guarantees that may be given by the KGF was increased from TL 500 billion to TL 1 trillion. Additional increases have been implemented that are tailored to specific sectors.

Pursuant to Presidential Decree No. 162 published in the Official Gazette 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 borrowers to restructure their KGF-guaranteed loans prior to any recourse to the KGF guarantee.

Turkish Lira Borrowing Restrictions

On 24 June 2022, the BRSA introduced Turkish Lira borrowing restrictions for non-financial institution companies that are subject to independent audit. Pursuant to these restrictions, such companies may only borrow Turkish Lira-denominated commercial cash loans from Turkish banks and financial leasing, factoring and financing companies subject to various restrictions depending upon the amount of their foreign currency assets (including (*inter alia*) gold, foreign currency cash, foreign exchange deposits and foreign currency-denominated securities but excluding foreign currency-denominated securities issued by Türkiye itself).

According to these restrictions, these companies with such foreign currency assets of the equivalent of at least TL 10 million at the time of loan application are not permitted to receive Turkish Lira-denominated commercial cash loans (including swap transactions) from Turkish banks and financial leasing, factoring and financing companies if such foreign currency assets exceed 5% of the higher of their total assets and net sales revenue for the most recent financial year. The BRSA has, however, provided an exception for companies who are not permitted to borrow Turkish Lira-denominated commercial cash loans due to this restriction and foreign currency-denominated loans due to other restrictions imposed by applicable laws at the time of the loan application, which companies are permitted to borrow Turkish Lira-denominated commercial cash loans in an amount up to the amount of their three month foreign currency net position deficit as declared by the company at the time of loan application and then confirmed by the company's independent auditors or a certified public accountant at the end of every three month period. Where any such companies have entities that consolidate into them, these calculations are made on a consolidated basis (though disregarding non-Turkish entities).

Such companies with such foreign currency assets of less than the above-noted amount are permitted to borrow Turkish Lira-denominated commercial cash loans; *provided* that they submit a declaration that: (a) their current foreign exchange assets, total assets and net sales revenue for the most recent financial year do not exceed the relevant thresholds at the time of the loan application and (b) they undertake that the Turkish Lira equivalent of their foreign exchange assets will not exceed such amount (or, if it exceeds such amount, it will not exceed 5% of the higher of their total assets and net sales revenue for the last financial year ending during the term of such loan). In addition, such companies must (every three months) submit to the lending bank(s) a declaration confirmed by their independent auditor or a certified public accountant reaffirming that the above remain true in order to ensure that such bank(s) is/are able to monitor such declaration and undertaking.

On 6 February 2025, the BRSA decided to repeal its aforementioned decision dated 24 June 2022, and other BRSA decisions related to the foregoing, setting out the Turkish Lira borrowing restrictions explained above for non-financial institution as part of the coordinated macroprudential simplification steps to strengthen financial stability and ensure the effective functioning of the credit system. Accordingly, from 6 February 2025, such restrictions explained above are no longer applicable.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form (with or without interest coupons attached) or registered form (without interest coupons attached), in each case either as Global Notes or Definitive Notes. Bearer Notes may (subject to certain limited exceptions) be issued only in “offshore transactions” to Persons who are not U.S. persons in reliance upon Regulation S and Registered Notes may be issued in “offshore transactions” to Persons who are not U.S. persons in reliance upon Regulation S, to Dealers for resale to QIBs in reliance upon Rule 144A or otherwise in transactions that are exempt from, or not subject to, the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will initially be issued in the form of a temporary global note (a “*Temporary Bearer Global Note*”) or, if so specified in the applicable Final Terms or Pricing Supplement, a permanent global note (a “*Permanent Bearer Global Note*”) and, with a Temporary Bearer Global Note, each a “*Bearer Global Note*”), which, in either case, will:

(a) if such Bearer Global Notes are issued in new global note (“*NGN*”) form, as stated in the applicable Final Terms or Pricing Supplement, be delivered on or prior to the original Issue Date of such Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg, and

(b) if such Bearer Global Notes are not issued in NGN form, as stated in the applicable Final Terms or Pricing Supplement, be delivered on or prior to the original Issue Date of such Tranche to a Common Depository for Euroclear and Clearstream, Luxembourg.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections of the Code referred to above provide that United States investors, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons with respect thereto and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes or interest coupons.

Beneficial interests in Notes that are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

NGN Form. Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms or Pricing Supplement will indicate whether such Bearer Global Notes are intended to be held in a manner that would allow Eurosystem eligibility (though, as of the date of this Base Prospectus, Bearer Global Notes issued in respect of any Tranche in NGN form do not comply with certain of the conditions of the Eurosystem eligibility criteria so as to be recognised by the ECB as eligible collateral for Eurosystem eligibility). Any indication that a Bearer Global Note is to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Temporary Bearer Global Notes. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of such Note due prior to the applicable Exchange Date (as defined below) will be made (against presentation of such Temporary Bearer Global Note if such Temporary Bearer Global Note is not issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the owners of beneficial interests in such Temporary Bearer Global Note are not U.S. persons or Persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has/have given a like certification (based upon the certifications it has received) to the Fiscal Agent.

For any Temporary Bearer Global Note, after the date (the “*Exchange Date*”) that begins immediately upon the expiration of a 40 day period after the later of the commencement of the offering of the applicable Tranche and such Tranche’s Issue Date, beneficial interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for: (a) beneficial interests in a Permanent Bearer Global Note of the same Series or (b) Definitive Bearer Notes of the same Series with, where applicable, Coupons and Talons attached (as indicated in the applicable Final Terms or Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms or Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given; *provided* that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note (or a beneficial interest therein) will not be entitled to collect any payment of interest, principal or other amount due on or after the applicable Exchange Date unless, upon due certification, exchange of such Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Permanent Bearer Global Notes. Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note (if the Permanent Bearer Global Note is not issued in NGN form) without any requirement for certification in the manner described in the previous paragraph.

Exchange from Permanent Bearer Global Notes to Definitive Bearer Notes. The applicable Final Terms or Pricing Supplement of a Tranche of Permanent Bearer Global Notes will specify that such Permanent Bearer Global Notes will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, Coupons and Talons attached only upon the occurrence of an Exchange Event. For these purposes, “*Exchange Event*” means that: (a) an Event of Default has occurred and is continuing with respect to the applicable Series, (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (c) the Issuer has or will become subject to adverse tax consequences that would not be suffered were the Notes represented by the applicable Permanent Bearer Global Note in definitive form and, accordingly, the Issuer has elected to request the exchange of such Permanent Bearer Global Note.

The Issuer will promptly give notice to the applicable Noteholders in accordance with Condition 15 upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event described in clause (a) or (b) of the definition of Exchange Event in the preceding paragraph, the applicable Clearing System(s) (or any Person acting on their respective behalf), acting on the instructions of any holder of an interest in the applicable Permanent Bearer Global Note, may give notice to the Fiscal Agent requesting such an exchange. In the event of the occurrence of an Exchange Event as described in clause (c) of such definition, the Issuer may give notice to the Fiscal Agent requesting such an exchange. Any such exchange will occur no later than 45 days after the date of receipt of the first relevant such notice by the Fiscal Agent.

Bearer Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purposes of their immobilisation in accordance with Article 4 of the Belgian law of 14 December 2005.

Registered Notes

The portion of the Registered Notes (or beneficial interests therein) of each Tranche offered and sold in reliance upon Regulation S in offshore transactions to Persons other than U.S. persons will initially be represented by a global note in registered form (each a “*Regulation S Registered Global Note*”) or, if so specified in the applicable Final Terms or Pricing Supplement, by a registered note in definitive form (a “*Definitive Regulation S Registered Note*” and, with each Regulation S Registered Global Note, a “*Regulation S Registered Note*,” the Bearer Notes and Regulation S Registered Notes being, collectively, the “*Regulation S Notes*”). Prior to expiration of the distribution compliance period (as defined in Regulation S) applicable to a Tranche of Regulation S Registered Notes, a Regulation S Registered Note (or beneficial interests therein) of such Tranche may not be offered or sold to, or for the account or benefit of, a U.S. person and such Regulation S Registered Note will be subject to the restrictions on transfer set forth therein and will bear the applicable restrictive legend described in “Transfer and Selling Restrictions.”

The portion of the Registered Notes (or beneficial interests therein) of each Tranche offered and sold in the United States or to, or for the account or benefit of, U.S. persons may only be offered and sold by the Issuer or any Person acting on its behalf: (a) to Institutional Accredited Investors who execute and deliver to the Issuer an IAI Investment Letter in which

they agree to purchase such Notes (or beneficial interests therein) for their own account and not with a view to the distribution thereof, (b) to QIBs pursuant to Rule 144A or (c) in transactions that are otherwise exempt from, or not subject to, the registration requirements of the Securities Act. The Registered Notes of each Tranche sold to Institutional Accredited Investors as described in clause (a) will be represented by one or more global note(s) in registered form (each an “IAI Global Note”) or in definitive form (each an “IAI Definitive Note” and, with the IAI Global Notes, the “IAI Notes”) and the Registered Notes of each Tranche sold to QIBs as described in clause (b) will be represented by one or more global note(s) in registered form (each a “Rule 144A Global Note” and, with the Regulation S Registered Global Notes and the IAI Global Notes, each a “Registered Global Note”).

Registered Global Notes will either be: (a) deposited with a custodian for, and registered in the name of a nominee of, DTC or (b) deposited with: (i) a Common Depositary or (ii) if the Registered Global Notes are to be held under the “new safekeeping structure” for registered global securities that are intended to constitute eligible collateral for Eurosystem monetary policy operations (the “NSS”), a Common Safekeeper, in each case, for Euroclear and Clearstream, Luxembourg, and will be registered in the name of a nominee of that Common Depositary or Common Safekeeper, as specified in the applicable Final Terms or Pricing Supplement.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Notes in fully registered form.

Where Registered Global Notes issued in respect of any Tranche are to be held under the NSS, the applicable Final Terms or Pricing Supplement will also indicate whether such Registered Global Notes are intended to be held in a manner that would allow Eurosystem eligibility (though, as of the date of this Base Prospectus, Registered Global Notes issued in respect of any Tranche to be held under the NSS do not comply with certain conditions of the Eurosystem eligibility criteria so as to be recognised by the ECB as eligible collateral for Eurosystem eligibility). Any indication that a Registered Global Note is to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for Registered Global Notes to be held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

The Notes of each Tranche sold by the Issuer to U.S. persons who are Institutional Accredited Investors (other than through one or more Dealer(s) under Rule 144A) will be Registered Notes in either definitive form (*i.e.*, IAI Definitive Notes) or global form (*i.e.*, IAI Global Notes). Unless otherwise set forth in the applicable Final Terms or Pricing Supplement, IAI Notes will be issued only in minimum denominations of US\$500,000 and integral multiples of US\$1,000 in excess thereof (or its approximate equivalent in the applicable other Specified Currency at the time of issuance). IAI Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described in “Transfer and Selling Restrictions.”

The Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of a Registered Note will, in the absence of provision to the contrary, be made in the manner provided in Condition 7 to the Person shown on the Register as the registered holder of such Registered Note as of the relevant Record Date. None of the Issuer or any Agent (including the Registrar) will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes (including any payments pursuant to Conditions 7.8 and 7.9) or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Exchange from Registered Global Notes to Definitive Registered Notes. The applicable Final Terms or Pricing Supplement of a Tranche of Registered Global Notes will specify that such Registered Global Notes will be exchangeable (free of charge), in whole but (except with respect to clause (a) of the definition of Exchange Event in the next sentence) not in part, for Definitive Registered Notes only upon the occurrence of an Exchange Event. For these purposes, “*Exchange Event*” means that: (a) an Event of Default has occurred and is continuing with respect to the applicable Series, (b) if the applicable Registered Global Note is registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as a depository for such Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (c) if the applicable Registered Global Note is registered in the name of a nominee for a Common Depositary or, as the case

may be, Common Safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, or (d) the Issuer has or will become subject to adverse tax consequences that would not be suffered were the Notes represented by the applicable Registered Global Note in definitive form and, accordingly, the Issuer has elected to request the exchange of such Registered Global Note.

The Issuer will promptly give notice to the applicable Noteholders in accordance with Condition 15 upon the occurrence of an Exchange Event. In the event of the occurrence of any Exchange Event described in clause (a), (b) or (c) of the definition thereof in the preceding paragraph, the applicable Clearing System(s) (or any Person acting on their respective behalf), acting on the instructions of any holder of an interest in the applicable Registered Global Note, may give notice to the Registrar requesting such an exchange. In the event of the occurrence of an Exchange Event specified in clause (d) of such definition, the Issuer may give notice to the Registrar requesting such an exchange. Any such exchange will occur no later than 45 days after the date of receipt of the first relevant such notice by the Registrar. In addition, as set out in the preceding paragraph with respect to clause (a) of the definition of Exchange Event therein, a holder of an interest in the applicable Registered Global Note credited to such holder's account with the applicable Clearing System may request that the Registrar deliver, on behalf of the Issuer, to such Clearing System, Definitive Registered Notes in exchange for such holder's interest in such Registered Global Note in accordance with the standard operating procedures of such Clearing System.

Transfer of Interests. Beneficial interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a Person who wishes to hold: (a) such interest in another Registered Global Note other than an IAI Global Note or (b) upon the delivery of an IAI Investment Letter, an IAI Note (including an interest in an IAI Global Note). IAI Definitive Notes may, subject to compliance with all applicable restrictions and if there is a Registered Global Note for the applicable Series, be transferred to a Person who wishes to hold such Notes in the form of an interest in such Registered Global Note; provided that if such Registered Global Note is an IAI Global Note, then such transferee shall have delivered an IAI Investment Letter. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. The Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions (see "*Transfer and Selling Restrictions*").

General

Pursuant to the Agency Agreement, the Fiscal Agent will arrange that, where a further Tranche of Notes is issued that is intended to be consolidated with, and form a single Series with, an existing Tranche of Notes on a date after the Issue Date of the further Tranche, the Notes of such further Tranche will (to the extent applicable) be assigned an ISIN, Common Code, CUSIP, CINS, CFI Code and/or FISN number that are different from the ISIN, Common Code, CUSIP, CINS, CFI Code and/or FISN assigned to Notes of any other Tranche of the same Series until such time as such Tranches are consolidated and form a single Series, which shall not be prior to the expiration of any applicable distribution compliance period (as defined in Regulation S) applicable to the Notes of such further Tranche.

Repayment of the principal of a Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and such Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of the applicable Series and payment in full of the amount due has not been made in accordance with the provisions of such Global Note, then, from 8:00 p.m. (London time) on the day on which such payment was to have been made, holders of interests in such Global Note credited to their accounts with a Clearing System will, on the basis of statements of account provided by such Clearing System, become entitled to proceed directly against the Issuer on and subject to the terms of the Deed of Covenant.

The Issuer may agree with any Dealer or investor that Notes may be issued in a form not contemplated by the Conditions of the Notes herein, in which event (for any listed issuance) a new prospectus or a supplement to this Base Prospectus, if appropriate, will be made available that will describe the effect of the agreement reached in relation to such Notes.

FORM OF APPLICABLE FINAL TERMS/PRICING SUPPLEMENT

Set out below is the form of Final Terms or Pricing Supplement that, subject (for any transaction not listed on the Regulated Market) to any necessary amendment, will be completed for each Tranche of Notes. Text in this section appearing in italics does not form part of the Final Terms or Pricing Supplement, as the case may be, but denotes directions for completing the Final Terms or Pricing Supplement, as the case may be.

[NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH THE PROSPECTUS REGULATION (DEFINED BELOW) FOR THE ISSUE OF THE NOTES DESCRIBED BELOW. THE CENTRAL BANK OF IRELAND HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.]¹

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes [(and beneficial interests therein)] are not intended to be offered, sold or otherwise made available to (and should not be offered, sold or otherwise made available to) any EEA Retail Investor in the European Economic Area (the “EEA”). For these purposes: (a) “*EEA Retail Investor*” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “*MiFID II*”), (ii) a customer within the meaning of Directive (EU) No. 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in Regulation (EU) No. 2017/1129 (as amended, the “*Prospectus Regulation*”), and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes [(or beneficial interests therein)] to be offered so as to enable an investor to decide to purchase or subscribe for such Notes [(or beneficial interests therein)]. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “*PRIIPs Regulation*”) for offering or selling the Notes [(or beneficial interests therein)] or otherwise making them available to EEA Retail Investors in the EEA has been prepared and, therefore, offering or selling the Notes [(or beneficial interests therein)] or otherwise making them available to any EEA Retail Investor in the EEA might be unlawful under the PRIIPs Regulation.²

[PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes [(and beneficial interests therein)] are not intended to be offered, sold or otherwise made available to (and should not be offered, sold or otherwise made available to) any UK Retail Investor in the United Kingdom. For these purposes: (a) a “*UK Retail Investor*” means: (i) a client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “*EUWA*”), (ii) a customer within the meaning of the Financial Services and Markets Act 2000 (as amended, the “*FSMA*”) of the United Kingdom and any rules or regulations made under the FSMA to implement Directive (EU) No. 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA, or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) No. 2017/1129 (as amended) as it forms part of United Kingdom domestic law by virtue of the EUWA, and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes [(or beneficial interests therein)] to be offered so as to enable an investor to decide to purchase or subscribe for such Notes [(or beneficial interests therein)]. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended) as it forms part of United Kingdom domestic law by virtue of the EUWA (the “*UK PRIIPs Regulation*”) for offering or selling the Notes [(or beneficial interests therein)] or otherwise making them available to UK Retail Investors in the United Kingdom has been prepared and, therefore, offering or selling the Notes [(or beneficial interests therein)] or otherwise making them available to any UK Retail Investor in the United Kingdom might be unlawful under the UK PRIIPs Regulation.³

[MIFID II PRODUCT GOVERNANCE / ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY TARGET MARKET

Solely for the purposes of [each][the] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes [(and beneficial interests therein)] is

¹ Include for Notes having a maturity of less than one year or which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Regulation where in each case a Pricing Supplement is to be completed in place of Final Terms.

² Only applicable where paragraph 8(f)(i) of Part B of the Final Terms or Pricing Supplement is marked as “Applicable.”

³ Only applicable where paragraph 8(f)(ii) of Part B of the Final Terms or Pricing Supplement is marked as “Applicable.”

eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “*MiFID II*”)] [MiFID II], and (b) all channels for distribution of the Notes [(and beneficial interests therein)] to eligible counterparties and professional clients are appropriate. Any Person subsequently offering, selling or recommending the Notes [(or beneficial interests therein)] (a “*distributor*”) should take into consideration the manufacturer[’s][s’] target market assessment; *however*, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes [(or beneficial interests therein)] (by either adopting or refining the manufacturer[’s][s’] target market assessment) and determining appropriate distribution channels.]⁴

[UK MIFIR PRODUCT GOVERNANCE / ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY TARGET MARKET

Solely for the purposes of [each][the] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes [(and beneficial interests therein)] is only eligible counterparties (as defined in the FCA Handbook Conduct of Business Sourcebook) and professional clients (as defined in Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the [EUWA/European Union (Withdrawal) Act 2018 (as amended)] (as amended, “*UK MiFIR*”), and (b) all channels for distribution of the Notes [(and beneficial interests therein)] to such eligible counterparties and professional clients are appropriate. Any Person subsequently offering, selling or recommending the Notes [(or beneficial interests therein)] (a “*distributor*”) should take into consideration the manufacturer[’s][s’] target market assessment; *however*, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “*UK MiFIR Product Governance Rules*”) is responsible for undertaking its own target market assessment in respect of the Notes [(or beneficial interests therein)] (by either adopting or refining the manufacturer[’s][s’] target market assessment) and determining appropriate distribution channels.]⁵

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (AS AMENDED, THE “SFA”)]

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “*CMP Regulations 2018*”), the Issuer has determined the classification of the Notes [(and beneficial interests therein)] to be capital markets products other than: (a) “prescribed capital markets products” (as defined in the CMP Regulations 2018) and (b) “Excluded Investment Products” (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]⁶

⁴ Delete where: (a) none of the Managers/Dealers are MiFID II investment firms that are manufacturers pursuant to MiFID II for the purposes of the offering of the relevant Tranche of Notes, or revise where the relevant manufacturers have determined that an alternative target market is appropriate for the offering of the relevant Tranche of Notes (or beneficial interests therein), or (b) this matter is already addressed in the issue-specific prospectus for the issue of Notes. If this paragraph is included but the paragraph regarding the PRIIPS Regulation is not included, then include the definition of MiFID II in this paragraph.

⁵ Delete where: (a) none of the Managers/Dealers are UK MiFIR investment firms that are manufacturers pursuant to UK MiFIR for the purposes of the offering of the relevant Tranche of Notes, or revise where the relevant manufacturers have determined that an alternative target market is appropriate for the offering of the relevant Tranche of Notes (or beneficial interests therein), or (b) this matter is already addressed in the issue-specific prospectus for the issue of Notes.

⁶ Legend to be included on front of the Final Terms or Pricing Supplement if the Notes (and, if applicable, beneficial interests therein): (a) do not constitute prescribed capital markets products as defined under the CMP Regulations 2018 and (b) will be offered in Singapore.

[FINAL TERMS][PRICING SUPPLEMENT]

[Date]

TÜRKİYE GARANTİ BANKASI A.Ş.

Legal Entity Identifier (LEI): 5493002XSS7K7RHN1V37

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the “Notes”)
under the US\$6,000,000,000
Global Medium Term Note Programme (the “Programme”)**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “Conditions”) set forth in the base prospectus dated [●] 2025 [and the supplement[s] to it dated [date] [and [date]]], which [together] constitute[s] a base prospectus [for the purposes of [the Prospectus Regulation][Regulation (EU) No. 2017/1129 (as amended, the “Prospectus Regulation”)]⁷ (the “Base Prospectus”). This document constitutes the [Final Terms][Pricing Supplement] of the Notes described herein [for the purposes of the Prospectus Regulation]⁵ and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus [and these Final Terms/Pricing Supplement]⁸ [has/have] been published on the Issuer’s website ([insert website address]) [and these Final Terms/this Pricing Supplement] [has/have] been [made available in printed form at the registered address of the Issuer at [insert address]], at the offices of [insert the name of the financial intermediary(ies)] at [insert address] [and [insert address], respectively,] and at the offices of the Fiscal Agent at [insert address]]/[published on the website of the Irish Stock Exchange plc trading as Euronext Dublin].

[The following alternative language for the preceding paragraph applies if the first Tranche of Notes of a Series that is being increased was issued under a base prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “Conditions”) set forth in the base prospectus dated [date of the relevant previous base prospectus] [and the supplement[s] to it dated [date] [and [date]]] (the “Original Base Prospectus”) that [is][are] incorporated by reference into the base prospectus dated [●] 2025 [and the supplement[s] to it dated [date] [and [date]]], which [together] constitute[s] a base prospectus [for the purposes of [the Prospectus Regulation][Regulation (EU) No. 2017/1129 (as amended, the “Prospectus Regulation”)]⁵ (the “Base Prospectus”). This document constitutes the [Final Terms][Pricing Supplement] of the Notes described herein [for the purposes of the Prospectus Regulation]⁵ and must be read in conjunction with the Base Prospectus, including the Conditions in the Original Base Prospectus incorporated by reference into the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus, the Original Base Prospectus [and these Final Terms/this Pricing Supplement]⁶ have been published on the Issuer’s website ([insert website address]) and these Final Terms/this Pricing Supplement] [has/have] been [made available in printed form at the [registered address of the Issuer at [insert address]]] [offices of [insert the name of the financial intermediary(ies)] at [insert address] [and [insert address], respectively,] and at the offices of the Fiscal Agent at [insert address]]/[published on the website of the Irish Stock Exchange plc trading as Euronext Dublin].

[The following alternative language applies in the case of Notes having a maturity of less than one year or that are neither admitted to trading on a regulated market in the EEA nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Regulation.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the base prospectus dated [[original date] [and the supplement[s] to it dated [date] [and [date]]] (the “Original Base Prospectus”) which are incorporated by reference into the base prospectus dated [●] 2025 [and the supplement[s] to it dated [date] [and [date]]] (the “Base Prospectus”). This document constitutes the Pricing Supplement for

⁷ Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Regulation.

⁸ The Final Terms or Pricing Supplement should be published in accordance with the provisions of the Prospectus Regulation for Notes to be admitted to trading on a regulated market in the European Economic Area.

the Notes described herein and must be read in conjunction with the Base Prospectus, including the Conditions in the Original Base Prospectus incorporated by reference into the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus and the Original Base Prospectus have been published on the Issuer's website (*[insert website address]*).

[Include whichever of the following apply or specify as "Not Applicable." Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs that are not applicable can be deleted). Italics denote directions for completing the Final Terms or Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, then their minimum denomination must be £100,000 or its equivalent in any other currency.]⁹

1. Issuer: Türkiye Garanti Bankası A.Ş.
2. (a) Series Number: [●]
(b) Tranche Number: [●]
(c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 22 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency: [●]
4. Aggregate Nominal Amount immediately after issuance of this Tranche:
(a) Series: [●]
(b) Tranche: [●]
5. Issue Price: [●] *per cent.* of the Aggregate Nominal Amount of the Tranche [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denomination(s): [●] [and integral multiples of [●] in excess thereof]

(NB: Notes must have a minimum denomination of €100,000 (or equivalent).)

(Note – where multiple denominations above [€100,000] or equivalent are being used, the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)

⁹ Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

(NB: Where a Temporary Bearer Global Note or a Permanent Bearer Global Note is, in each case, exchangeable for Definitive Notes, Definitive Notes must only be issued with a denomination equal to, or greater than, €100,000 (or equivalent) and integral multiples thereof.)

- (b) Calculation Amount [(in relation to the calculation of interest for Global Notes or Definitive Registered Notes, see the Conditions)]: [●] (the “Calculation Amount”)
(If only one Specified Denomination, then insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [Specify][Issue Date][Not Applicable]
(NB: An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
- (c) Trade Date: [●]
(NB: Trade Date is included as a mandatory settlement field required by the International Central Securities Depositories.)
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date [falling in][nearest to] [specify month and year]]¹⁰
9. Interest Basis: [[●] per cent. per annum Fixed Rate]
 [[SONIA - Compounded Daily SONIA][SONIA - Compounded Index Rate][SOFR Index Rate with Observation Period Shift][Compounded SOFR with Lookback][Compounded SOFR with Observation Period Shift][Compounded SOFR with Payment Delay][TLREF][[●] [month] EURIBOR/ROBOR/PRIBOR/HIBOR/NIBOR/WIBOR/CNH HIBOR]
 +/- [●] per cent. per annum Floating Rate][Zero Coupon]
(see further particulars in paragraph [14/15/16] below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
11. Change of Interest Basis: [For the period from (and including) the Interest Commencement Date up to (but excluding) [●], paragraph [14/15] below applies, and, for the period from (and including) [●] up to (and including) the Maturity Date, paragraph [14/15] below applies][Not Applicable]

¹⁰ For Renminbi-denominated Fixed Rate Notes and Modified Fixed Rate Notes where Interest Periods and Interest Amounts are subject to adjustment, it will be necessary to use the second option here.

12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see further particulars in paragraph [18/19/20] below)]
[Not Applicable]
13. (a) Status of the Notes: Senior
- (b) Date Board approval for issuance of Notes obtained: [●][Not Applicable]
- (NB: Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes.)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions: [Applicable][Not Applicable]
- (If not applicable, then delete the remaining sub-paragraphs of this paragraph.)*
- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrear on [the/each] Interest Payment Date (the “Interest Rate”)
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date/[specify other]¹¹
- (Amend appropriately in the case of irregular coupons. In the case of Modified Fixed Rate Notes, insert regular interest payment dates and also complete paragraph (g) below as applicable. Paragraph (g) is not relevant to Fixed Rate Notes where Interest Periods and Interest Amounts are not subject to adjustment and either: (i) a customary Following Business Day Convention is to apply in accordance with Condition 7.6 to any date for payment that is not a Payment Business Day or (ii) such payment dates are not otherwise to be subject to adjustment by reference to any other Business Day Convention.)*
- (c) Fixed Coupon Amount(s) [(in relation to Global Notes or Definitive Registered Notes, see the Conditions)]: [[●] per Calculation Amount][Not Applicable]
- (Applicable only to Bearer Notes initially issued in definitive form. Not applicable to Renminbi-denominated Fixed Rate Notes and Modified Fixed Rate Notes where Interest Periods and Interest Amounts are subject to adjustment.)*
- (d) Broken Amount(s) [(in relation to Global Notes or Definitive Registered Notes, see the Conditions)]: [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
- (Applicable only to Bearer Notes initially issued in definitive form. Not applicable to Renminbi-denominated Fixed Rate Notes and Modified Fixed Rate Notes where*

¹¹ For certain Renminbi-denominated Fixed Rate Notes, Interest Periods and Interest Amounts are subject to adjustment and the following proviso should be added: “; provided that if any Interest Payment Date falls on a day that is not a Business Day, then such Interest Payment Date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.”

Interest Periods and Interest Amounts are subject to adjustment.)

- (e) [Day Count Fraction: [30/360][Actual/Actual (ICMA)][Actual/360]
[Actual/365 (Fixed)]]¹²

(Delete this sub-paragraph in the case of Modified Fixed Rate Notes.)

- (f) [Determination Date(s): [[•] in each year][Not Applicable]]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.)

- (g) Modified Fixed Rate Notes: [Applicable][Not Applicable]

(Modified Fixed Rate Notes are Fixed Rate Notes: (i) the terms of which provide for Interest Periods and Interest Amounts to be subject to adjustment or (ii) for which Interest Periods and Interest Amounts are not subject to adjustment but a specified Payment Business Day Convention (other than the Following Business Day Convention) is to apply to any date for payment that is not a Payment Business Day. If not applicable, then delete the remaining sub-paragraphs of this paragraph.)

- (i) Interest Periods and Interest Amounts subject to adjustment: [Applicable][Not Applicable]

- (ii) Business Day Convention: [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable]

(Only applicable where Interest Periods and Interest Amounts are subject to adjustment.)

- (iii) Specified Business Centre(s): [•][Not Applicable]

(Only applicable where Interest Periods and Interest Amounts are subject to adjustment. This paragraph relates to Interest Period end dates and not the date of payment, to which sub-paragraph (vi) below relates.)

- (iv) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]

¹² Applicable to Renminbi-denominated Fixed Rate Notes.

(v)	Payment Business Day Convention:	[Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable]
		<i>(Only applicable where Interest Periods and Interest Amounts are not subject to adjustment and a specified Payment Business Day Convention (other than the Following Business Day Convention) is to apply to any date for payment that is not a Payment Business Day.)</i>
(vi)	Specified Financial Centre(s):	[•][Not Applicable]
		<i>(Only applicable if a Payment Business Day Convention is specified in sub-paragraph 14(g)(v). Note that this paragraph relates to the date of payment and not Interest Period end dates, to which sub-paragraph (iii) above relates.)</i>
15.	Floating Rate Note Provisions:	[Applicable][Not Applicable]
		<i>(If not applicable, then delete the remaining sub-paragraphs of this paragraph.)</i>
(a)	Specified Period(s)/Specified Interest Payment Dates:	[•][, not subject to adjustment, as the Business Day Convention in sub-paragraph (b) below is specified to be Not Applicable]
		<i>(Specified Period(s)/Specified Interest Payment Dates may not be subject to adjustment in accordance with a Business Day Convention in the case of Modified Floating Rate Notes. In these circumstances only, paragraph (m) below will be applicable. In the case of Notes using Compounded SOFR with Payment Delay, follow the definition of “Interest Payment Date” in Condition 6.2(b)(viii).)</i>
(b)	Business Day Convention:	[Floating Rate Convention][Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable] ¹³
		<i>(Complete unless paragraph (m) below is applicable. See note to paragraph (a) above for guidance.)</i>
(c)	Specified Business Centre(s):	[•][Not Applicable] ¹⁴
		<i>(Note that this paragraph relates to Interest Period end dates and not the date of payment, to which paragraph 23 relates. Complete unless paragraph (m) below is applicable. See note to paragraph (a) above for guidance.)</i>
(d)	Manner in which the Interest Rate and Interest Amount is to be determined:	[Screen Rate Determination][ISDA Determination]

¹³ Only not applicable in the case of Modified Floating Rate Notes.

¹⁴ In addition to certain other circumstances, not applicable in the case of Modified Floating Rate Notes.

- (e) Party responsible for calculating the Interest Rate and Interest Amount (if not the Fiscal Agent): [● (the “*Calculation Agent*”)][Not Applicable]
- (f) Screen Rate Determination: [Applicable][Not Applicable]
- Reference Rate: [SONIA][SOFR Index Rate with Observation Period Shift][Compounded SOFR with Lookback][Compounded SOFR with Observation Period Shift][Compounded SOFR with Payment Delay][TLREF][●] [month] EURIBOR/ROBOR/PRIBOR/HIBOR/NIBOR/WIBOR/CNH HIBOR]
 - Specified Time: [●]

(11:00 a.m. in the case of SONIA, EURIBOR, ROBOR, PRIBOR, WIBOR and HIBOR, 11:15 a.m. in the case of CNH HIBOR, 12:00 noon in the case of NIBOR and 3:00 p.m. in the case of SOFR.)
 - Relevant Financial Centre: [London][Brussels][New York City][Bucharest][Prague][Hong Kong][Singapore][Oslo][Warsaw][●][Not Applicable]

(The Relevant Financial Centre will customarily be Brussels for EURIBOR, Bucharest for ROBOR, Prague for PRIBOR, Hong Kong for HIBOR and CNH HIBOR, Oslo for NIBOR, Warsaw for WIBOR and New York City for SOFR.)
 - Interest Determination Date(s): [●]

(The second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR, the second TLREF Business Day prior to the day on which the relevant Interest Accrual Period ends if TLREF, the second Bucharest business day prior to the start of each Interest Period if ROBOR, the second Prague business day prior to the start of each Interest Period if PRIBOR, the first day of each Interest Period if HIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR, the second Warsaw business day prior to the start of each Interest Period if WIBOR, the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR, the fifth London Banking Day prior to the day on which the relevant Interest Period ends (but that by its definition is excluded from the Interest Period) if SONIA and where the Calculation Method is Compounded Daily SONIA or, in the case of SONIA where the Calculation Method is Compounded Index Rate, the Relevant Number specified below, the fifth (or such other period as specified in the applicable Final Terms or Pricing Supplement) U.S. Government Securities Business Day prior to the related Interest Payment Date for SOFR Index Rate with Observation Period Shift, Compounded SOFR with Lookback and Compounded SOFR with Observation

Period Shift and, for Compounded SOFR with Payment Delay, the Interest Accrual Period End Date and the end of each Interest Accrual Period; provided that the Interest Determination Date with respect to the final Interest Accrual Period shall be the Rate Cut-Off Date.)

- Lookback Number of U.S. Government Securities Business Days: ☐[Not Applicable]

(Applicable for Compounded SOFR with Lookback)
- Observation Period Days: ☐ U.S. Government Securities Business Days☐[Not Applicable]

(The number of U.S. Government Securities Business Days preceding the first date in the Interest Period and the Interest Payment Date for such Interest Period for the definition of “Observation Period” in Condition 6.2(b)(v).) (applicable for SOFR Index Rate with Observation Period Shift and Compounded SOFR with Observation Period Shift)
- SOFR Index Start Date: ☐ U.S. Government Securities Business Days☐[Not Applicable]

(The number of U.S. Government Securities Business Days preceding the first date of the applicable Interest Period for the definition of “SOFR Index_{Start}” in Condition 6.2(b)(v).) (applicable for SOFR Index Rate with Observation Period Shift if to differ from the number of days set out in such definition)
- SOFR Index End Date: ☐ U.S. Government Securities Business Days☐[Not Applicable]

(The number of U.S. Government Securities Business Days preceding the Interest Payment Date for the applicable Interest Period for the definition of “SOFR Index_{End}” in Condition 6.2(b)(v).) (applicable for SOFR Index Rate with Observation Period Shift if to differ from the number of days set out in such definition)
- Interest Accrual Period End Dates: ☐[Not Applicable]

(Applicable for Compounded SOFR with Payment Delay)
- Interest Accrual Period: ☐quarterly☐semi-annually☐other☐[Not Applicable]

(Applicable for Compounded SOFR with Payment Delay)
- Rate Cut-Off Date: ☐[Not Applicable]

(Applicable for Compounded SOFR with Payment Delay)
- Relevant Screen Page: ☐[Not Applicable]

(In the case of EURIBOR, if not Reuters EURIBOR01, then ensure it is a page that shows a composite rate or amend

the fallback provisions appropriately.)

(Select “Not Applicable” only if the Conditions do not refer to Relevant Screen Page, such as for Compounded SOFR.)

- Calculation Method: [Compounded Daily SONIA][Compounded Index Rate][SOFR Index Rate with Observation Period Shift][Compounded SOFR with Lookback][Compounded SOFR with Observation Period Shift][Compounded SOFR with Payment Delay][Not Applicable]
- Observation Method: [Lag][Shift][Not Applicable]

(Only applicable to Floating Rate Notes that reference SONIA and apply the Calculation Method of Compounded Daily SONIA – see above)
- SONIA Compounded Index: [][Not Applicable]

(If applicable, include definition of SONIA Compounded Index specifying any Relevant Screen Page and its time of publication and including definition of the Relevant Screen Page) (Only relevant to Floating Rate Notes that reference SONIA and specify “Not Applicable” under Observation Method above)
- Observation Period: Look-Back [[●] London Banking Days][Not Applicable]¹⁵

(Only relevant to SONIA where Compounded Daily SONIA is specified as the Calculation Method)

(NB: A minimum of five London Banking Days should be specified unless otherwise agreed with the Fiscal Agent (or such other Person specified in the applicable Final Terms or Pricing Supplement as the party responsible for calculating the Interest Rate).)
- Relevant Number: [●][Not Applicable]

(Only relevant to SONIA where the Calculation Method is Compounded Index Rate. If the Fiscal Agent is also the Calculation Agent, then the Relevant Number shall not be less than “5” unless otherwise agreed with the Fiscal Agent.)
- Benchmark Discontinuation Provisions Applicable: Condition 6.7(II) is [Applicable][Not Applicable]

(Only applicable for Floating Rate Notes referencing SOFR. If marked as “Not Applicable,” then the provisions of Condition 6.7(I) will apply to the Notes. Specify “Not Applicable” for all Floating Rate Notes referencing a

¹⁵ Only relevant for SONIA Reference Rate

benchmark other than SOFR.)

(g) ISDA Determination:

[Applicable][Not Applicable]

• ISDA Definitions:

[2006 ISDA Definitions][2021 ISDA Definitions]

[NB: Certain fallback events and fallback triggers applicable to some, or in one instance all, relevant interest rates under the 2021 ISDA Definitions (i.e. “Administrator/Benchmark Event,” “Generic Fallbacks” and “Calculation Agent Alternative Rate Determination”) are not workable in a note issuance context without amendments to the Conditions to disapply those provisions and/or to include bespoke replacement provisions (and consequential amendments to the pro forma Final Terms or Pricing Supplement). The additional amendments may be included in a drawdown prospectus at the point of issue.]

• Floating Rate Option:

[•]

(If “2021 ISDA Definitions” is selected, then ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions).)

• Designated Maturity:

[•][Not Applicable]

(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate.)

• Reset Date:

[•]

(In the case of a EURIBOR-based option, the first day of the Interest Period.)

(NB: The fall-back provisions applicable to ISDA Determination under the ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR, which, depending upon market circumstances, might not be available at the relevant time.)

• Compounding:

[Applicable/Not Applicable]

(If not applicable, then delete the following row.)

• Compounding Method:

[Compounding with Lookback

Lookback: [[•] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

[Compounding with Observation Period Shift

Observation Period Shift: [[•] Observation Period Shift Business Days]/[As specified in the

- Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business Days:
[●]/[Not Applicable]]
- [Compounding with Lockout
- Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Lockout Period Business Days: [●]/[Applicable Business Days]]
- Averaging: [Applicable/Not Applicable]
(If not applicable, then delete the following row.)
 - Averaging Method: [Averaging with Lookback
Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
[Averaging with Observation Period Shift
Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days:
[●]/[Not Applicable]]
[Averaging with Lockout
Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Lockout Period Business Days: [●]/[Applicable Business Days]]
 - Index Provisions: [Applicable/Not Applicable]
(If not applicable, then delete the following row.)
 - Index Method: Compounded Index Method with Observation Period Shift
Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days:
[●]/[Not Applicable]

- (h) Linear Interpolation: [Not Applicable][Applicable – the Interest Rate for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation [and [●] shall be the Calculation Agent for these purposes] (*specify for each short or long interest period and, if the Calculation Agent is to be an entity other than the Issuer in accordance with Condition 6.2(e), then specify here the name of the Calculation Agent*)]
- (i) Margin(s): [+/-][●] *per cent. per annum*
- (j) Minimum Interest Rate: [[●] *per cent. per annum*][Not Applicable]
- (k) Maximum Interest Rate: [[●] *per cent. per annum*][Not Applicable]
- (l) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
- (m) 2021 ISDA Definitions: [Applicable][Not Applicable]

(*Only relevant for Floating Rate Notes for which ISDA Determination is specified as being applicable in subparagraph 15(g) above*)
- (i) Applicable Benchmark: [●][Not Applicable]
- (ii) Fixing Date: [●][Not Applicable]
- (iii) Fixing Time: [●][Not Applicable]
- (iv) Any other terms relating to the 2021 ISDA Definitions: [●][Not Applicable]
- (n) Modified Floating Rate Notes: [Applicable][Not Applicable]

(*If not applicable, then delete the remaining subparagraphs of this paragraph.*)
- (i) Payment Business Day Convention: [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable]
- (ii) Specified Financial Centre(s): [●][Not Applicable]
16. Zero Coupon Note Provisions: [Applicable][Not Applicable]

(*If not applicable, then delete the remaining subparagraphs of this paragraph.*)
- (a) Accrual Yield: [●] *per cent. per annum*

- (b) Reference Price: [●]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 8.2: Minimum period: [●] days
Maximum period: [●] days
18. Issuer Call: [Applicable][Not Applicable]
- (If not applicable, then delete the remaining subparagraphs of this paragraph.)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [[●] per Calculation Amount]
- (c) If redeemable in part: [Applicable][Not Applicable]
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (d) Notice periods: Minimum period: [●] days
Maximum period: [●] days
- (NB: When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which, in the case of Euroclear and Clearstream, Luxembourg, require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements that may apply, for example, as between the Issuer and the Fiscal Agent or, in the case of Registered Notes, the Registrar.)*
19. Investor Put: [Applicable][Not Applicable]
- (If not applicable, then delete the remaining subparagraphs of this paragraph.)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [[●] per Calculation Amount]
- (c) Notice periods: Minimum period: [●] days
Maximum period: [●] days
- (NB: When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems*

(which, in the case of Euroclear and Clearstream, Luxembourg, require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements that may apply, for example, as between the Issuer and the Fiscal Agent or, in the case of Registered Notes, the Registrar.)

20. Final Redemption Amount: [[●] per Calculation Amount]
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. (a) Form of Notes: [Bearer Notes:
- [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note that is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event]
- [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Bearer Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event]
- [Definitive Bearer Notes]
- [Bearer Notes shall not be physically delivered: (i) in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005, or (ii) in the United States of America.]]
- (NB: The option for an issue of Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
- [Registered Notes:
- [Regulation S Registered Global Note(s) registered in the name of a nominee for [DTC][a common depository for Euroclear and Clearstream, Luxembourg][a common safekeeper for Euroclear and Clearstream, Luxembourg] exchangeable for Definitive Registered Notes only upon the occurrence of an Exchange Event]

[Rule 144A Global Note(s) registered in the name of a nominee for [DTC][a common depositary for Euroclear and Clearstream, Luxembourg][a common safekeeper for Euroclear and Clearstream, Luxembourg] exchangeable for Definitive Registered Notes only upon the occurrence of an Exchange Event]

[Definitive Regulation S Registered Notes]

[Rule 144A Definitive Registered Notes]

[IAI Definitive Notes]

[IAI Global Note registered in the name of a nominee for [DTC][a common depositary for Euroclear and Clearstream, Luxembourg][a common safekeeper for Euroclear and Clearstream, Luxembourg] exchangeable for Definitive Registered Notes only upon the occurrence of an Exchange Event]]

(NB: In the case of an issue with more than one Global Note or a combination of one or more Bearer Global Note(s) and IAI Definitive Note(s), specify the nominal amounts of each Global Note and, if applicable, the aggregate nominal amount of all IAI Definitive Notes if such information is available.)

(b) New Global Note:

[Yes][No]

23. Specified Financial Centre(s):

[•][Not Applicable]

(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purpose of calculating the Interest Amount, to which subparagraph 15(c) relates. Delete this paragraph if subparagraphs 14(g)(vi) or 15(m)(ii) are completed.)

24. Talons for future Coupons to be attached to Definitive Notes:

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.][No]

(Relevant to Definitive Bearer Notes only)

PROVISIONS APPLICABLE TO TURKISH LIRA NOTES

25. USD Payment Election:

[Applicable][Not Applicable]

(Only applicable for Notes the Specified Currency of which is Turkish Lira.)

PROVISIONS APPLICABLE TO RMB NOTES

26. RMB Currency Event:

[Applicable][Not Applicable]

(If not applicable, then delete the remaining sub-paragraphs of this paragraph.)

(a) Party responsible for calculating the Spot Rate: [[●] (the “Calculation Agent”)]

(b) RMB Settlement Centre(s): [●][Not Applicable]

[THIRD PARTY INFORMATION]

The description[s] of the ratings in sub-paragraph 2 of Part B of these Final Terms] [and] *[other relevant third party information]* [has/have] been extracted from [the websites of *[name(s) of rating agency(ies)]*] [and] *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by *[name(s) of rating agency(ies)]* [and] *[specify source]*, no facts have been omitted that would render the reproduced information inaccurate or misleading.]

Signed on behalf of

Türkiye Garanti Bankası A.Ş.

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the [regulated market][Global Exchange Market] of the Irish Stock Exchange plc trading as Euronext Dublin with effect from [●]; *however*, no assurance can be given that such application will be accepted.][Not Applicable]
- (When documenting an issue of Notes that is to be consolidated and to form a single Series with a previous listed issue, it should be indicated here that the original Notes are already listed and admitted to trading.)*
- (b) Estimate of total expenses related to admission to trading: [●][Not Applicable]

2. RATINGS

- Initial ratings: [The Notes [have been][are expected to be] initially rated “[●]” by [●] [and “[●]” by [●]].][The following rating[s] reflect[s] ratings assigned to Notes of this type issued under the Programme generally: “[●]” by [●] [and “[●]” by [●]].][Not Applicable]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the Notes to be issued have been specifically rated, that rating.)*
- (The below additional disclosure in respect of the relevant credit rating agency(ies) is only required in Final Terms for Notes that are to be admitted to trading on an EEA regulated market.)*
- [Need to include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- [Each of [insert legal name of credit rating agency(ies)] is established in the [European Union/United Kingdom] and is registered under [Regulation (EC) No. 1060/2009][as it forms part of United Kingdom domestic law by virtue of the EUWA] (the “[UK] CRA Regulation”).]
- [[Insert legal name of credit rating agency] is established in the [European Union/United Kingdom] and is not registered under [Regulation (EC) No. 1060/2009][as it forms part of United Kingdom domestic law by virtue of the EUWA] (the “[UK] CRA Regulation”).]
- [[Insert legal name of credit rating agency] is not established in the [European Union][or][the United

Kingdom] but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the [European Union][and][United Kingdom] and is registered under [Regulation (EC) No. 1060/2009][as it forms part of United Kingdom domestic law by virtue of the EUWA] (the “[UK] CRA Regulation”).]

[[Insert legal name of credit rating agency] is not established in the European Union or the United Kingdom but is certified under [Regulation (EC) No. 1060/2009][as it forms part of United Kingdom domestic law by virtue of the EUWA] (the “[UK] CRA Regulation”).]

[[Insert legal name of credit rating agency] is not established in the European Union or the United Kingdom and is not certified under [Regulation (EC) No. 1060/2009] (the “CRA Regulation”) or the CRA Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA] (the “UK CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the European Union or the United Kingdom and registered under the CRA Regulation or the UK CRA Regulation.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Except for any fees [of [insert relevant fee disclosure]] payable to the [Managers /Dealers], as far as the Issuer is aware, no Person involved in the issue of the Notes has any interest, including a conflicting interest, that is material to the offer of the Notes. The [Managers/Dealers] and/or [its/their] [respective] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. - Amend as appropriate if there are other interests].

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under the Prospectus Regulation.)]

4. YIELD (*Fixed Rate Notes only*)

Indication of yield: [●] per cent. per annum

The yield is calculated as of the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [SONIA/SOFR/EURIBOR/TLREF/ROBOR/PRIBOR/HIBOR/NIBOR/WIBOR/ CNH HIBOR] rates can be obtained from [Reuters] at [●].

6. BENCHMARKS REGULATION (*Floating Rate Notes only*)¹⁶

The below is provided in connection with the EU Benchmarks Regulation (Regulation (EU) No. 2016/1011) of 8 June 2016 (the “*Benchmarks Regulation*”).

- (a) Name of “benchmark administrator” as described in the Benchmarks Regulation: [SONIA/SOFR/EURIBOR/TLREF/ROBOR/PRIBOR/HIBOR/NIBOR/WIBOR/CNH HIBOR] is provided by [administrator legal name]
- (b) Such “benchmark administrator” appears on the register of administrators maintained pursuant to Article 36 of the Benchmarks Regulation: [As of the date hereof, [administrator legal name] appears]/[does not appear] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply such that such benchmark administrator is not currently required to obtain authorisation or registration (or, if located outside of the European Union, recognition, endorsement or equivalence).][As far as the Issuer is aware, the [Bank of England][Federal Reserve Bank of New York] as benchmark administrator of [SONIA][SOFR] does not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that regulation and is not required to appear on the register of administrators maintained pursuant to Article 36 of the Benchmarks Regulation.][Not Applicable]

7. OPERATIONAL INFORMATION

- (a) ISIN: [●][Not Applicable]
- (b) Common Code: [●][Not Applicable]
- (c) CUSIP: [●][Not Applicable]

(In the case of Notes using Compounded SOFR with Payment Delay, as DTC does not support such Notes in its “MMI” programme, a non-MMI CUSIP would need to be obtained in order to settle via DTC.)

- (d) CINS: [●][Not Applicable]
- (e) CFI Code: [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][Not Applicable][Not Available]

¹⁶ Include this Item 6 only for Final Terms for Floating Rate Notes admitted to trading on an EEA regulated market.

- (f) FISN: [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][Not Applicable][Not Available]
- (If the CFI Code and/or FISN is not required or requested as of the completion of the Final Terms or Pricing Supplement, then it/they should be specified to be “Not Applicable,” but if it/they is/are not available as of the completion of the Final Terms or Pricing Supplement, then it/they should be specified to be “Not Available.”)*
- (g) Any clearing system(s) other than Depository Trust Company, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable][give name(s) and number(s)]
- (h) Delivery: Delivery [against/free of] payment
- (i) Name(s) and address(es) of additional Paying Agent(s) (if any): [●][Not Applicable]
- (j) Deemed delivery of clearing system notices for the purposes of Condition 15: [Any notice delivered to Noteholders of Notes held through a clearing system will be deemed to have been given on the [first/second] [business] day after the day on which it was given to the relevant clearing system.][Not Applicable]
- (k) Intended to be held in a manner that would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories[(the “ICSDs”)] as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][include this text for Registered Notes that are to be held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as “no” at the date of [these Final Terms/this Pricing Supplement], should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the International Central Securities Depositories[(the “ICSDs”)] as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][include this text for Registered Notes that are to be held under the NSS]. Note that this

does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

8. DISTRIBUTION

- | | | |
|-----|---|---|
| (a) | Method of distribution: | [Syndicated/Non-syndicated] |
| (b) | If syndicated, names of Managers: | [Not Applicable][give name(s)] |
| (c) | Stabilisation Manager(s) (if any): | [Not Applicable][give name(s)] |
| (d) | If non-syndicated, name of relevant Dealer: | [Not Applicable][give name] |
| (e) | U.S. selling restrictions: | [Reg. S Compliance Category 2] [Rule 144A]
[Section 4(a)(2)][Rules identical to those provided in [TEFRA C][TEFRA D] applicable][TEFRA not applicable] |
| (f) | (i) Prohibition of sales to EEA Retail Investors: | [Applicable][Not Applicable]

<i>(If the Notes clearly do not constitute “packaged” products pursuant to the PRIIPS Regulation, then “Not Applicable” should be specified. If the Notes might constitute “packaged” products and no key information document will be prepared, then “Applicable” should be specified.)</i> |
| | (ii) Prohibition of sales to UK Retail Investors: | [Applicable][Not Applicable]

<i>(If the Notes clearly do not constitute “packaged” products pursuant to the UK PRIIPS Regulation, then “Not Applicable” should be specified. If the Notes might constitute “packaged” products and no key information document will be prepared, then “Applicable” should be specified.)</i> |
| (g) | Prohibition of sales to Belgian consumers: | [Applicable][Not Applicable]

<i>(NB: advice should be taken from Belgian counsel before disapplying this selling restriction.)</i> |

9. REASONS FOR THE OFFER [AND ESTIMATED NET PROCEEDS]

The net proceeds of the issue of the Notes[, the estimated amount of which net proceeds is [●],]¹⁷ will [(or, as of the Issue Date, are intended to)] be applied by (or an equal amount will be applied by) the Issuer for [Eligible Green Projects][and/or][Eligible Social Projects] (in accordance with the Issuer's SDG Bond Framework) and such Notes will therefore be [Sustainable Notes - [Green Bonds][Social Bonds][Sustainability Bonds]]][its general corporate purposes][●].

[See “*Use of Proceeds*” and “*Risk Factors—Risks Relating to the Structure of the Notes - Sustainable Notes*” in the Base Prospectus.]

(See “Use of Proceeds” in the Base Prospectus. If the reason for the offer is different from Sustainable Notes or general corporate purposes, then such specific reason will need to be included here.)

¹⁷ Include only for Final Terms for Notes admitted to trading on an EEA regulated market.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes that, unless otherwise agreed by the Issuer and the relevant Dealer(s) or investor(s) at the time of issue, will be incorporated by reference into, or be attached to, each Global Note and Definitive Note (each as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) or investor(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms or Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to “Form of Applicable Final Terms/Pricing Supplement” for a description of the content of the Final Terms or Pricing Supplement, which will specify which of such terms are to apply in relation to the relevant Notes.

Terms and Conditions of the Notes

This Note is one of a Series (as defined below) of Notes issued by Türkiye Garanti Bankası A.Ş. (the “Issuer”) pursuant to the Agency Agreement (as defined below).

References to “Notes” in these Terms and Conditions (these “Conditions”) shall, unless the context otherwise requires, be references to the Notes of this Series and mean: (a) in relation to any Notes represented by a global note (a “Global Note”), such Global Note or any nominal amount thereof of a Specified Denomination, whether such Global Note is in bearer form (a “Global Bearer Note”) or registered form (a “Registered Global Note”), and (b) in relation to any definitive Notes in bearer form (the “Definitive Bearer Notes” and, with Global Bearer Notes, the “Bearer Notes”) or registered form (the “Definitive Registered Notes” and, with Definitive Bearer Notes, the “Definitive Notes”) (Definitive Registered Notes and Registered Global Notes being collectively the “Registered Notes”), such definitive Notes in bearer or, as the case may be, registered form.

The Notes and the Coupons (as defined below) have the benefit of the Amended and Restated Agency Agreement dated 15 October 2021 as supplemented by a supplemental agency agreement dated 18 July 2023, a second supplemental agency agreement dated 28 February 2024, a third supplemental agency agreement dated 23 July 2024, a fourth supplemental agency agreement dated 3 December 2024 and a fifth supplemental agency agreement dated 22 May 2025 (such agreement as further amended, supplemented and/or restated from time to time, the “Agency Agreement”) and made among the Issuer, The Bank of New York Mellon, London Branch, as fiscal and principal paying agent and exchange agent (the “Fiscal Agent” and the “Exchange Agent,” which expressions shall, respectively, include any successor fiscal agent and exchange agent) and the other paying agents named therein (with the Fiscal Agent, the “Paying Agents,” which expression shall include any additional or successor paying agents), The Bank of New York Mellon, New York Branch, as transfer agent (with the Registrar (as defined below), the “Transfer Agents,” which expression shall include any additional or successor transfer agents), and The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar (the “Registrar,” which expression shall include any successor registrar).

If so specified in the applicable Final Terms or Pricing Supplement, the Issuer will also appoint a calculation agent with respect to a Series of Notes (the “Calculation Agent,” which expression shall include any successor calculation agent and any other calculation agent specified in such Final Terms or Pricing Supplement).

Interest-bearing Definitive Bearer Notes have interest coupons (“Coupons”). In addition, interest-bearing Definitive Bearer Notes that, when issued, have more than 27 interest payments remaining have talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Registered Notes and Bearer Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms or the Pricing Supplement, as the case may be, attached to or endorsed on this Note and complete these Conditions. References to the “applicable Final Terms” or “Pricing Supplement” are, unless otherwise stated, to Part A of the Final Terms or the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to a “Noteholder” or “holder” in relation to a Note means: (a) in the case of a Bearer Note, the holder of such Note, and (b) in the case of a Registered Note, the Person(s) (as defined below) in whose name such Note is registered in the Register (as defined below), and shall, in relation to any Notes represented by a Global Note, be construed as provided

below. Any reference herein to a “*Couponholder*” means the holder of a Coupon and shall, unless the context otherwise requires, include the holder of the related Talon(s).

As used herein, “*Tranche*” means an issue of Notes using the same Final Terms or Pricing Supplement and that are identical in all respects (including as to listing and admission to trading); *provided* that such may have different principal amounts, holder(s), serial numbers and (if applicable) securities codes, and “*Series*” means a Tranche of Notes together with any other Tranche(s) of Notes: (a) that are expressed in the applicable Final Terms or Pricing Supplement to be consolidated and form a single series with one or more previous Tranche(s) and (b) the terms and conditions of which are identical in all respects except for their respective issue dates (each an “*Issue Date*”), Tranche number, date of consolidation with one or more other Tranche(s), principal amounts, Interest Commencement Dates (unless this is a Zero Coupon Note) and Issue Prices, each as specified in the applicable Final Terms or Pricing Supplement.

The Noteholders and the Couponholders are entitled to the benefit of a deed of covenant dated 15 October 2021 and made by the Issuer (such deed as amended, supplemented and/or restated from time to time, the “*Deed of Covenant*”). The original of the Deed of Covenant is held by the common depositary for Euroclear Bank SA/NV (“*Euroclear*”) and Clearstream Banking S.A. (“*Clearstream, Luxembourg*”).

Copies of the Agency Agreement, a deed poll dated 15 October 2021 and made by the Issuer (such deed poll as amended, supplemented and/or restated from time to time, the “*Deed Poll*”), the Deed of Covenant and the applicable Final Terms or Pricing Supplement of the applicable Tranche of Notes may be inspected during normal business hours at the specified office of each of the Fiscal Agent, the other Paying Agents, the Registrar, the Exchange Agent and the other Transfer Agents (such agents and the Registrar being together referred to as the “*Agents*”) by any Noteholder or Couponholder that produces evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes or Coupons, as applicable, (or beneficial interests therein) and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll, the Deed of Covenant and the applicable Final Terms or Pricing Supplement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms or Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms or Pricing Supplement, the applicable Final Terms or Pricing Supplement, as the case may be, shall prevail.

In these Conditions: (a) “*euro*” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and (b) “*Renminbi*” and “*RMB*” refer to the lawful currency of the People’s Republic of China (the “*PRC*”), which (for the purposes of these Conditions) excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administration Region of the PRC and Taiwan.

For the purposes of these Conditions: (a) the term “*law*” shall (unless the context otherwise requires) be deemed to include legislation, regulations and other legal requirements and (b) unless the contrary intention appears, a reference to a law (including a provision of a law) is a reference to that law (or provision) as extended, amended or re-enacted.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are either Bearer Notes or Registered Notes as specified in the applicable Final Terms or Pricing Supplement, will be numbered serially with an identifying number that the Issuer will procure to be recorded on the relevant Note and, in the case of Registered Notes, in the register of holders of the Registered Notes maintained by the Registrar outside of the United Kingdom (the “*Register*”) and shall be in the Specified Currency and Specified Denomination, in each case, as specified in the applicable Final Terms or Pricing Supplement. Definitive Bearer Notes of one Specified Denomination may not be exchanged for Definitive Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

The Notes are issued pursuant to the Turkish Commercial Code (Law No. 6102), the Capital Markets Law (Law No. 6362) of the Republic of Türkiye (“*Türkiye*”) and the Communiqué on Debt Instruments No. VII-128.8 issued by the Turkish Capital Markets Board (in Turkish: *Sermaye Piyasası Kurulu*) (the “*CMB*”).

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the “Interest Basis” specified in the applicable Final Terms or Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached unless they are Zero Coupon Notes, in which case references to Coupons and Couponholders in these Conditions are not applicable.

1.2 Title to the Notes

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfer in accordance with the provisions of the Agency Agreement. The Issuer and each of the Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not any payment on such Note is overdue and regardless of any notice of ownership, trust or any other interest or any writing on, or the theft or loss of, such Note) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the following paragraphs of this Condition 1.2.

For so long as Depository Trust Company (“*DTC*”) or its nominee is the registered holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner and holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through DTC’s participants. The expressions “Noteholder” and “holder of Notes” and related expressions shall, for the purposes of any such Registered Global Note, be construed accordingly.

For so long as any of the Notes is represented by a Global Note deposited with and, in the case of a Registered Global Note, registered in the name of a nominee for a common depository or a common safekeeper, as the case may be, for Euroclear and/or Clearstream, Luxembourg, each Person (other than Euroclear or Clearstream, Luxembourg or any such nominee, common depository or common safekeeper) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the case may be, as the holder of a particular principal amount of such Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, as the case may be, as to the principal amount of such Global Note standing to the account of any Person shall be conclusive and binding for all purposes except in the case of manifest or proven error) shall, upon receipt of such certificate or other document by the Issuer or an Agent, be treated by the Issuer or such Agent (as applicable) as if such Person were the holder of such principal amount of such Notes (and the bearer or registered holder of such Global Note shall be deemed not to be the holder) for all purposes other than with respect to the payment of principal, interest or other amounts on such Global Note, for which purpose the bearer of such Bearer Global Note or the registered holder of such Registered Global Note shall be treated by the Issuer and each Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of such Global Note; *it being understood* that, with respect to any beneficial interests held by (or on behalf of) Euroclear and/or Clearstream, Luxembourg in a Registered Global Note held by DTC or a nominee thereof, the rules of the preceding paragraph shall apply. The expressions “Noteholder” and “holder of Notes” and related expressions shall, for the purposes of any Global Note described in this paragraph, be construed accordingly.

Notes that are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of the applicable clearing system.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of Beneficial Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and (in turn) by direct and (if appropriate) indirect participants in such clearing systems acting on behalf of transferors and transferees of such beneficial interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be

transferable for a Definitive Note of the same Series or for a beneficial interest in another Registered Global Note of the same Series, in each case, only in the Specified Denomination(s) specified in the applicable Final Terms or Pricing Supplement (and provided that the outstanding principal balance of such beneficial interest of the transferor not so transferred is an amount of at least the minimum Specified Denomination) and only in accordance with the then-applicable rules and operating procedures of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement, the relevant Registered Global Note and/or the applicable Final Terms or Pricing Supplement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Definitive Registered Notes

Subject as provided in Condition 2.4, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the Specified Denomination(s) set out in the applicable Final Terms or Pricing Supplement) (and provided that, if transferred in part, the outstanding principal balance of such Definitive Registered Note not so transferred is an amount of at least the minimum Specified Denomination). In order to effect any such transfer: (a) the holder(s) must: (i) surrender such Definitive Registered Note for registration of the transfer thereof (or of the relevant part thereof) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by such holder(s) (or by one or more attorney(s) duly authorised in writing therefor), and (ii) complete and deliver such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the Person(s) making the request. Any such transfer will be subject to such additional reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

Subject as provided in the preceding paragraph, the relevant Transfer Agent will promptly (and, in any event, within three business days (being for this purpose a day on which commercial banks are open for business in the city where the specified office of the relevant Transfer Agent is located)) after its receipt of such a request (or such longer period as may be required to comply with any applicable fiscal or other laws), authenticate (or procure the authentication of) and: (x) deliver, or procure the delivery of, at its specified office to the specified transferee or (y) if so requested by the specified transferee (and then at the risk of such transferee), send by uninsured mail (to such address as such transferee may request) a new Definitive Registered Note of a like aggregate principal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) being transferred.

In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (if so requested by the transferor, and then at the risk of such transferor) sent by uninsured mail (to such transferor's address in the Register) to such transferor. No transfer of a Definitive Registered Note (or a portion thereof) will be valid unless and until entered in the Register.

2.3 Costs of Registration

Noteholders will not be charged by the Issuer or any of the Agents for any costs and expenses of effecting any registration of transfer of Notes in the Register as provided in this Condition 2, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer and/or any Agent may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration and/or transfer.

2.4 Noteholder Establishment of Clearing of a Definitive Registered Note

For so long as any Notes of a Series are represented by a Registered Global Note, a holder of a Definitive Registered Note of the same Series may (to the extent that it has established settlement through DTC, Euroclear and/or Clearstream, Luxembourg) exchange such Definitive Registered Note for interests in the relevant Registered Global Note of the same Series at any time.

3. STATUS OF THE NOTES

The Notes and Coupons (and claims for payment by the Issuer in respect thereof) are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu* without any preference or priority among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, bankruptcy, liquidation or similar event relating to the Issuer, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any Note of this Series remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "*Security Interest*") upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness unless the Issuer, in the case of the creation of a Security Interest, before or at the same time, and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes of this Series are secured by the Security Interest equally and rateably with the Relevant Indebtedness,
- (b) such Security Interest is terminated,
- (c) such other arrangement (whether or not it includes the giving of a Security Interest) is provided for the benefit of the Noteholders as is approved by an Extraordinary Resolution of the Noteholders of this Series, or
- (d) such Security Interest is provided as is approved by an Extraordinary Resolution of the Noteholders of this Series.

Nothing in this Condition 4.1 shall prevent the Issuer from creating or permitting to subsist any Security Interest upon, or with respect to, any present or future business, undertaking, assets or revenues (including any uncalled capital) or any part thereof that is created pursuant to: (i) a bond, note or other indebtedness whereby the payment obligations are secured by a segregated pool of assets (whether held by the Issuer or any third party guarantor) (any such bond, note or other indebtedness, a "*Covered Bond*") or (ii) any securitisation of receivables or other payment rights, asset-backed financing or similar financing structure (created in accordance with normal market practice) and whereby all payment obligations secured by such Security Interest or having the benefit of such Security Interest are to be discharged principally from such business, undertaking, assets or revenues (or, in the case of Direct Recourse Securities, by direct unsecured recourse to the Issuer); *provided* that the aggregate then-existing balance sheet value of receivables or other assets subject to any Security Interest created in respect of: (A) Covered Bonds that are Relevant Indebtedness and (B) any other secured Relevant Indebtedness (other than Direct Recourse Securities) of the Issuer, when added to the outstanding principal amount of all Direct Recourse Securities that are Relevant Indebtedness, does not, at the time of the incurrence thereof, exceed 15% of the consolidated total assets of the Issuer (as shown in the most recent audited consolidated financial statements of the Issuer prepared in accordance with the BRSA Principles).

4.2 Defined Terms

For the purposes of these Conditions:

"*BRSA Principles*" means the laws relating to the accounting and financial reporting of banks in Türkiye (including the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with the Banking Law as published in the Official Gazette No. 26333 dated 1 November 2006, other regulations on the accounting records of banks published by the Banking Regulation and Supervision Board, which is the board of the Banking Regulation and Supervision Agency (in Turkish: *Bankacılık Düzenleme ve Denetleme Kurumu*) (the "*BRSA*"), and circulars and interpretations published by the BRSA) and, for matters that are not regulated by such laws, the Turkish

Accounting Standards 34 (“TAS 34”) Interim Financial Reporting Standard and the “Turkish Financial Reporting Standards” issued by the Public Oversight, Accounting and Auditing Standards Authority (in Turkish: *Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu*),

“*Direct Recourse Securities*” means securities (other than Covered Bonds) issued in connection with any securitisation of receivables or other payment rights, asset-backed financing or similar financing structure (created in accordance with normal market practice) and whereby all payment obligations secured by a Security Interest or having the benefit of a Security Interest are to be discharged principally from such business, undertaking, assets or revenues or by direct unsecured recourse to the Issuer, and

“*Relevant Indebtedness*” means: (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities that (with the consent of the issuer of the indebtedness) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other organised securities market or any loan disbursed to the Issuer as a borrower under a loan participation note or similar transaction, where such securities or loans have an initial maturity at issue or disbursement in excess of 365 days, and (b) any guarantee or indemnity of any such indebtedness.

5. COVENANTS

5.1 Maintenance of Authorisations

So long as any Note remains outstanding, the Issuer shall take all necessary action to maintain, obtain and promptly renew, and do or cause to be done all things reasonably necessary to ensure the continuance of, all consents, permissions, licences, approvals and authorisations, and make or cause to be made all registrations, recordings and filings, that may at any time be required to be obtained or made in Türkiye (including, without limitation, with the CMB and the BRSA) for: (a) the execution, delivery or performance of the Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes or for the validity or enforceability thereof or (b) except for any consents, permissions, licences, approvals, authorisations, registrations, recordings and filings that are immaterial in the conduct by the Issuer of the Permitted Business, the conduct by it of the Permitted Business.

5.2 Transactions with Affiliates

So long as any Note remains outstanding, the Issuer shall not, and shall not permit any of its Material Subsidiaries to, in any 12 month period: (a) make any payment to, (b) sell, lease, transfer or otherwise dispose of any of its properties, revenues or assets to, (c) purchase any properties, revenues or assets from or (d) enter into or make or amend any transaction, contract, agreement, understanding, loan, advance, indemnity or guarantee (whether related or not) with, or for the benefit of, any Affiliate (each an “*Affiliate Transaction*”), which Affiliate Transaction has (or, when taken together with any other Affiliate Transactions during such 12 month period, in the aggregate have) a value in excess of US\$50,000,000 (or its equivalent in any other currency) unless such Affiliate Transaction (and each such other aggregated Affiliate Transaction) is on terms that are no less favourable to the Issuer or the relevant Material Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Material Subsidiary with an unrelated Person; *provided* that transactions between or among the Issuer and any of its Subsidiaries or between or among Subsidiaries of the Issuer shall not be restricted hereby.

5.3 Financial Reporting

So long as any Note remains outstanding, the Issuer shall deliver to the Fiscal Agent for distribution to any Noteholder upon such Noteholder’s written request to the Fiscal Agent:

- (a) not later than six months after the end of each fiscal year of the Issuer, English language copies of the Issuer’s audited consolidated and (if published) unconsolidated financial statements for such fiscal year, prepared in accordance with the BRSA Principles, with the corresponding financial statements for the preceding fiscal year, and all such annual financial statements shall be accompanied by the report of the auditors thereon, and
- (b) not later than 120 days after the end of the first six months of each fiscal year of the Issuer, English language copies of its unaudited (or, if published, audited) consolidated and (if published) unconsolidated financial

statements for such six month period, prepared in accordance with the BRSA Principles, with the corresponding financial statements for the corresponding period of the previous fiscal year, and all such interim financial statements shall be accompanied by the report of the auditors thereon;

provided that any such financial statement shall be deemed to have been delivered on the date on which the Issuer has published such financial statement (in a manner that is readily accessible to all) on its website (as of 22 May 2025, <https://www.garantibbvainvestorrelations.com/en/library/default/Library/1147/0/0>) (the Issuer shall promptly notify the Fiscal Agent that the Issuer has published such financial statement on such website).

5.4 Defined Terms

For the purposes of these Conditions:

“*Affiliate*” means, in respect of any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and, in the case of a natural person, any immediate family member of such person; for the purposes of this definition, “*control*,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise, and the terms “*controlling*,” “*controlled by*” and “*under common control with*” shall have corresponding meanings,

“*Material Subsidiary*” means at any time a Subsidiary of the Issuer:

- (a) whose total assets (consolidated in the case of a Subsidiary that itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer prepared in accordance with BRSA Principles relate, are equal to) not less than 15% of the consolidated total assets of the Issuer, all as calculated respectively by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary prepared in accordance with BRSA Principles and the then latest audited consolidated financial statements of the Issuer prepared in accordance with BRSA Principles; *provided* that: (i) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer prepared in accordance with BRSA Principles relate or (ii) in the case of any such Subsidiary for which its then latest relevant audited financial statements, at the time of such acquisition, are not prepared in accordance with BRSA Principles, the reference to the then latest audited consolidated financial statements of the Issuer prepared in accordance with BRSA Principles and the relevant then latest financial statements of such Subsidiary for the purposes of the calculation above shall, until consolidated financial statements for the financial period in which the acquisition is made have been prepared and audited in accordance with BRSA Principles as aforesaid, be deemed to be a reference to such consolidated financial statements of the Issuer as if such Subsidiary had been shown in such financial statements by reference to such Subsidiary’s then latest relevant audited financial statements, adjusted as deemed appropriate by the Issuer (including to reflect a conversion of such financial statements into BRSA Principles if the then latest relevant audited financial statements of such Subsidiary were not prepared in accordance with BRSA Principles),
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer that immediately prior to such transfer is a Material Subsidiary; *provided* that the transferor Subsidiary shall upon such transfer immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary pursuant to this clause (b) but shall cease to be a Material Subsidiary on the date of publication of the Issuer’s next audited consolidated financial statements prepared in accordance with BRSA Principles; *provided* that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been published as aforesaid under the provisions of clause (a) or, before or after such date, under any other applicable provision of this definition, or
- (c) to which is transferred an undertaking or assets that, taken with the undertaking or assets of the transferee Subsidiary, represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer prepared in accordance with BRSA Principles relate, are equal to) not less than 15% of the consolidated total assets of the Issuer,

all as calculated as set out in clause (a); *provided* that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer immediately cease to be a Material Subsidiary unless, immediately following such transfer, its assets represent (or, in the case aforesaid, are equal to) not less than 15% of the consolidated total assets of the Issuer (all as calculated as set out in clause (a)), and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this clause (c) on the date of the publication of the Issuer's next audited consolidated financial statements prepared in accordance with BRSA Principles; *provided* that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of clause (a) or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement (including with respect to Subsidiaries that do not prepare financial statements in accordance with BRSA Principles).

A report by the independent auditors of the Issuer that in their opinion a Subsidiary is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding upon all parties,

"Permitted Business" means any business that is the same as or related, ancillary or complementary to any of the businesses of the Issuer on the Issue Date of the first Tranche of the Notes of this Series,

"Person" means any individual, company, partnership, association, unincorporated organisation, trust or other juridical entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality, and

"Subsidiary" means, in relation to any Person (the *"first Person"*), any other Person: (a) in which such first Person holds a majority of the voting rights, (b) of which such first Person is a member and has the right to appoint or remove a majority of the board of directors or (c) of which such first Person is a member and controls a majority of the voting rights, and includes any company that is a Subsidiary of a Subsidiary of such Person; *however*, in relation to the consolidated financial statements of a Person, a Subsidiary shall mean Persons that are consolidated into such first Person.

6. INTEREST

The applicable Final Terms or Pricing Supplement indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies to Fixed Rate Notes only. The applicable Final Terms or Pricing Supplement, as the case may be, contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms or Pricing Supplement specifies the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, any applicable Determination Date and whether the provisions relating to Modified Fixed Rate Notes will be applicable.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) *per annum* equal to the applicable Rate(s) of Interest. Interest on Fixed Rate Notes will, subject as provided in these Conditions, be payable in arrear on the applicable Interest Payment Date(s) in each year up to (and including) the Maturity Date.

In the case of Definitive Bearer Notes, the Interest Amount payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount, where a "Fixed Coupon Amount" is specified in the applicable Final Terms or Pricing Supplement, to the Fixed Coupon Amount so specified; *provided* that the Interest Amount payable on any Interest Payment Date will, if so specified in the applicable Final Terms or Pricing Supplement, amount to the Broken Amount so specified.

Except in the case of Definitive Bearer Notes where an applicable Fixed Coupon Amount (and, if applicable, a Broken Amount) is specified in the applicable Final Terms or Pricing Supplement, interest shall be calculated in respect of any period by multiplying the then-applicable Interest Rate by:

- (a) in the case of Fixed Rate Notes that are represented by a Global Note, the aggregate outstanding principal amount of the Fixed Rate Notes represented by such Global Note, or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such amount by the applicable Day Count Fraction. The resultant figure (including the application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention with the written consent of the Issuer). Where the Specified Denomination of a Fixed Rate Note in definitive form is an amount other than the Calculation Amount, the amount of interest payable on such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

If Modified Fixed Rate Notes is specified as applicable in the applicable Final Terms or Pricing Supplement, and Interest Periods and Interest Amounts are specified as being subject to adjustment, then a Business Day Convention shall also be specified in the applicable Final Terms or Pricing Supplement and (where applicable) Interest Payment Dates shall be postponed or brought forward, as the case may be, in accordance with Condition 6.6(b) and the relevant Interest Period and Interest Amount payable on the Interest Payment Date for such Interest Period will be adjusted accordingly.

6.2 Interest on Floating Rate Notes

This Condition 6.2 applies to Floating Rate Notes only. The applicable Final Terms or Pricing Supplement, as the case may be, contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 6.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms or Pricing Supplement specifies any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Specified Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Fiscal Agent, the Margin, any maximum or minimum interest rates, the Day Count Fraction and whether the provisions relating to Modified Floating Rate Notes will be applicable. Where “ISDA Determination” applies to the calculation of interest, the applicable Final Terms or Pricing Supplement will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms or Pricing Supplement will also specify the applicable Reference Rate, Specified Time, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

(a) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest shall be payable, subject as provided in these Conditions, in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms or Pricing Supplement, or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or Pricing Supplement, each date (each such date, with each Specified Interest Payment Date, an “*Interest Payment Date*” for the purpose of such Floating Rate Note) that falls the number of months or other period specified as the Specified Period in the applicable Final Terms or Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest shall be payable in respect of each Interest Period.

(b) *Interest Rate*

The Interest Rate payable from time to time in respect of Floating Rate Notes shall be determined in the manner specified in the applicable Final Terms or Pricing Supplement.

(i) *ISDA Determination for Floating Rate Notes*

Where “ISDA Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Interest Rate for such Tranche for each Interest Period shall be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin (if any). For the purposes of this clause (i), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent or other Person specified in the applicable Final Terms or Pricing Supplement under an interest rate swap transaction if the Fiscal Agent or that other Person were acting as the Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms or Pricing Supplement,
- (B) the Designated Maturity (if applicable) is the period specified in the applicable Final Terms or Pricing Supplement,
- (C) the relevant Reset Date is the day specified in the applicable Final Terms or Pricing Supplement,
- (D) if the Floating Rate Option is an Overnight Floating Rate Option and a Compounding Method is specified in the applicable Final Terms or Pricing Supplement, then the Overnight Rate Compounding Method will be one of the following as specified in the applicable Final Terms or Pricing Supplement: (1) Compounding with Lookback, (2) Compounding with Observation Period Shift or (3) Compounding with Lockout,
- (E) if the Floating Rate Option is an Overnight Floating Rate Option and an Averaging Method is specified in the applicable Final Terms or Pricing Supplement, then the Overnight Averaging Method will be one of the following as specified in the applicable Final Terms: (1) Averaging with Lookback, (2) Averaging with Observation Period Shift or (3) Averaging with Lockout, and
- (F) if the Floating Rate Option is a Compounded Index Floating Rate Option, then the Index Method will be the Compounded Index Method with Observation Period Shift as specified in the applicable Final Terms or Pricing Supplement.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms or Pricing Supplement. Unless otherwise stated in the applicable Final Terms or Pricing Supplement, the Minimum Interest Rate shall be deemed to be zero.

For the purposes of this clause (i), “Floating Rate,” “Calculation Agent,” “Floating Rate Option,” “Designated Maturity,” “Reset Date,” “Overnight Floating Rate Option,” “Overnight Rate Compounding Method,” “Compounding with Lookback,” “Compounding with Observation Period Shift,” “Compounding with Lockout,” “Averaging with Lookback,” “Averaging with Observation Period Shift,” “Averaging with Lockout,” “Compounded Index Floating Rate Option,” “Index Method” and “Compounded Index Method with Observation Period Shift” shall have the meanings given to those terms in the ISDA Definitions.

For these purposes, “ISDA Definitions” means, in relation to any Series of Notes:

- (a) unless “2021 ISDA Definitions” are specified as being applicable in the relevant Final Terms or Pricing Supplement, the 2006 ISDA Definitions (as amended and supplemented as at the date of issue of the first Tranche of Notes of this Series (as specified in the relevant Final Terms or, as the case may be, Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc. (or any successor or replacement thereof) (“ISDA”), or
- (b) if “2021 ISDA Definitions” are specified as being applicable in the relevant Final Terms or Pricing Supplement, then the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor or replacement thereof), each as published by ISDA at the date of issue of the first Tranche of Notes of this Series.

(ii) *Screen Rate Determination for Floating Rate Notes (other than for SOFR, SONIA or TLREF)*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined in respect of any Reference Rate other than for SOFR, SONIA or TLREF, the Interest Rate for such Tranche for each Interest Period shall, subject as provided below, be either:

- (A) if there is only one quotation on the Relevant Screen Page, the offered quotation, or
- (B) in any other case, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate *per annum*) for the Reference Rate(s) that appear(s) on the Relevant Screen Page (or such replacement page on that service that displays the information) as of the Specified Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, then the highest (or, if there is more than one such highest quotation, then only one of such quotations) and the lowest (or, if there is more than one such lowest quotation, then only one of such quotations) shall be disregarded by the Fiscal Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Interest Rate in the event that the Relevant Screen Page is not available or if, in the case of clause (A) above, no such offered quotation appears or if, in the case of clause (B) above, fewer than three such offered quotations appear, in each case, as at the time specified in the preceding paragraph.

(iii) *Screen Rate Determination for Floating Rate Notes that reference SONIA and for which the Calculation Method is Compounded Daily SONIA*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SONIA and the Calculation Method is specified in the applicable Final Terms or Pricing Supplement as being “Compounded Daily SONIA,” then:

- (A) The Interest Rate for each Interest Accrual Period shall, subject as provided below, be Compounded Daily SONIA, as determined by the Calculation Agent, plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin (if any).

- (B) If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA Reference Rate in respect of such London Banking Day shall, unless the Calculation Agent has been notified of any Successor Rate or Alternative Rate (and, in either case, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments) in accordance with Condition 6.7(I)(e), be the sum of: (1) the Bank of England's Bank Rate (the "*Bank Rate*") prevailing at 5:00 p.m. (or, if earlier, the close of business) on such London Banking Day and (2) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there are more than one highest spread, then only one of those highest spreads) and the lowest spread (or, if there are more than one lowest spread, then only one of those lowest spreads).
- (C) Notwithstanding clause (B) of this Condition 6.2(b)(iii) and subject to Condition 6.7(I)(e), in the event the Bank of England publishes guidance as to: (1) how the SONIA Reference Rate is to be determined or (2) any rate that is to replace the SONIA Reference Rate, then the Calculation Agent shall, to the extent that is reasonably practicable and as set forth in a direction from the Issuer in writing, follow such guidance in order to determine the SONIA Reference Rate for any London Banking Day "i" for purposes of the Notes and for so long as the SONIA Reference Rate is not available or has not been published by the relevant authorised distributors.
- (D) If, on any Interest Determination Date, the Interest Rate cannot be determined by reference to any of clauses (A) to (C) of this Condition 6.2(b)(iii), then the Interest Rate for the relevant Interest Accrual Period shall be: (1) the Interest Rate determined as of the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Accrual Period in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Accrual Period) or (2) if there is no such preceding Interest Determination Date, the initial Interest Rate that would have been applicable to such Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Accrual Period).
- (E) If the Notes become due and payable in accordance with Condition 11, then the final Interest Rate shall be calculated for the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the date on which the Notes become so due and payable, and such Interest Rate shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6.5.
- (F) As used in this Condition 6.2(b)(iii):

"*Calculation Agent*" means the Fiscal Agent or such other entity specified in the applicable Final Terms or Pricing Supplement as the Person responsible for the calculation of the Rate(s) of Interest and the Interest Amount(s) or such other amounts as may be specified in the applicable Final Terms or Pricing Supplement.

"*Compounded Daily SONIA*" means, with respect to any Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily SONIA Reference Rate as reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and

the resulting percentage shall be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Relevant SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

“*d*” means: (a) where in the applicable Final Terms or Pricing Supplement “Lag” is specified as the Observation Method, the number of calendar days in the relevant Interest Accrual Period, or (b) where in the applicable Final Terms or Pricing Supplement “Shift” is specified as the Observation Method, the number of calendar days in the relevant Observation Period,

“*d_o*” means: (a) where in the applicable Final Terms or Pricing Supplement “Lag” is specified as the Observation Method, the number of London Banking Days in the relevant Interest Accrual Period, or (b) where in the applicable Final Terms or Pricing Supplement “Shift” is specified as the Observation Method, the number of London Banking Days in the relevant Observation Period,

“*i*” means a series of whole numbers from one to *d_o*, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in: (a) where in the applicable Final Terms or Pricing Supplement “Lag” is specified as the Observation Method, the relevant Interest Accrual Period, or (b) where in the applicable Final Terms or Pricing Supplement “Shift” is specified as the Observation Method, the relevant Observation Period,

“*Interest Accrual Period*” means: (a) each Interest Period and (b) any other Relevant Period,

“*London Banking Day*” or “*LBD*” means a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, England,

“*n_i*”, for any London Banking Day “*i*”, means the number of calendar days from and including such London Banking Day “*i*” up to but excluding the earlier of: (a) the following London Banking Day and (b) the last day of the relevant Interest Accrual Period or, in respect of the final Interest Accrual Period, the Maturity Date,

“*Observation Look-Back Period*” means the period specified as such in the applicable Final Terms or Pricing Supplement,

“*Observation Period*” means the period from (and including) the date falling “*p*” London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding): (a) the date falling “*p*” London Banking Days prior to the Interest Payment Date for such Interest Accrual Period or (b) such date (if any) on which the relevant payment of interest falls due (but that by its definition and the operation of the relevant provisions is excluded from the Interest Accrual Period),

“*p*” means the number of London Banking Days included in the Observation Look-Back Period, as specified in the applicable Final Terms or Pricing Supplement (which, if the Fiscal Agent is also the Calculation Agent, shall not be less than “5” unless otherwise agreed with the Fiscal Agent in the applicable Final Terms),

“*Relevant SONIA_i*” means, in respect of any London Banking Day “*i*”: (a) where “Lag” is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, SONIA_i-pLBD, or (b) where “Shift” is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, SONIA_iLBD,

“*SONIA Reference Rate*,” in respect of any London Banking Day (“*LBD_x*”), means a reference rate equal to the daily Sterling Overnight Index Average (“*SONIA*”) rate for such *LBD_x* as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such *LBD_x*,

“*SONIA_iLBD*” means, in respect of any London Banking Day “*i*” falling in the relevant Observation Period, the SONIA Reference Rate for such London Banking Day “*i*”, and

“*SONIA_{i-p}LBD*” means, in respect of any London Banking Day “*i*” falling in the relevant Interest Accrual Period, the SONIA Reference Rate for the London Banking Day falling “*p*” London Banking Days prior to such London Banking Day “*i*”.

- (iv) *Screen Rate Determination for Floating Rate Notes that reference SONIA and for which the Calculation Method is Compounded Index Rate*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SONIA and the Calculation Method is specified in the applicable Final Terms or Pricing Supplement as being “Compounded Index Rate,” then the Interest Rate for each Interest Accrual Period shall be Compounded Daily SONIA for the Interest Accrual Period determined by reference to the screen rate or index for Compounded Daily SONIA administered by the administrator of the SONIA Reference Rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant Index Determination Dates specified below as further specified in the applicable Final Terms or Pricing Supplement (the “*SONIA Compounded Index*”) as calculated in accordance with the following formula (and the resulting percentage shall be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, if any, all determined by the Calculation Agent.

Compounded Daily SONIA rate is equal to:

$$\left(\frac{\text{SONIA Compounded Index}_y}{\text{SONIA Compounded Index}_x} - 1 \right) \times \frac{365}{d}$$

where:

“*x*” denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Accrual Period,

“*y*” denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the Interest Payment Date for such Interest Accrual Period or such other date as when the relevant payment of interest falls to be due (but that by definition or the operation of the relevant provisions is excluded from such Interest Accrual Period),

a day on which the SONIA Compounded Index is determined pursuant to clause “*x*” or “*y*” above is referred to as an “*Index Determination Date*,”

“*d*” is the number of calendar days from (and including) the day in relation to which “*x*” is determined to (but excluding) the day in relation to which “*y*” is determined, and

“*Relevant Number*” is as specified in the applicable Final Terms or Pricing Supplement (or, if no such number is so specified, five London Banking Days).

If the SONIA Compounded Index is not published or displayed by the administrator of the SONIA Reference Rate or other information service at the relevant time on any relevant Index Determination Date as specified in the applicable Final Terms or Pricing Supplement, then the Compounded Daily SONIA rate for the applicable Interest Accrual Period for which SONIA Compounded Index is not available shall be “Compounded Daily SONIA” determined in accordance with Condition 6.2(b)(iii) above as if Compounded Daily SONIA had been specified in the applicable Final Terms or Pricing Supplement in place of Compounded Index Rate. For these purposes, the “Calculation Method” shall be deemed to be “Compounded Daily SONIA,” the “Relevant Number” specified in the applicable Final Terms or Pricing Supplement shall be deemed to be the “Observation Lookback Period” and “Observation Method” shall be deemed to be “Shift,” as if Compounded Index Rate is not specified as being applicable and these alternative elections had been made.

If the Notes become due and payable in accordance with Condition 11, then the final Interest Rate shall be calculated for the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the date on which the Notes become so due and payable, and such Interest Rate shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6.5.

- (v) *Screen Rate Determination for Floating Rate Notes that reference SOFR and for which the Calculation Method is SOFR Index Rate with Observation Period Shift*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SOFR and the Calculation Method is specified in the applicable Final Terms or Pricing Supplement as being “SOFR Index Rate with Observation Period Shift,” then the Interest Rate for each Interest Period shall be Compounded SOFR, as defined immediately below, plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin.

“*Compounded SOFR*,” with respect to any Interest Period, means the rate computed in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d_c}$$

where:

“*SOFR Index_{Start}*” is the SOFR Index value for the day that is five U.S. Government Securities Business Days, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms or Pricing Supplement, preceding the first date of the relevant Interest Period,

“*SOFR Index_{End}*” is the SOFR Index value for the day that is five U.S. Government Securities Business Days, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms or Pricing Supplement, preceding the Interest Payment Date relating to such Interest Period, and

“*d_c*” is the number of calendar days from (and including) *SOFR Index_{Start}* to (but excluding) *SOFR Index_{End}*.

“*Interest Period*” means each period, the duration of which will be indicated in the applicable Final Terms or Pricing Supplement, from (and including) an Interest Payment Date (or, in the case of

the first Interest Period, the Interest Commencement Date) to (but excluding) the next Interest Payment Date (or, in the case of the final Interest Period, the Maturity Date or, if the Issuer elects to redeem the Floating Rate Notes on the redemption date, the redemption date).

“*SOFR Administrator*” means the Federal Reserve Bank of New York (or a successor administrator of the “Secured Overnight Financing Rate”).

“*SOFR Administrator’s Website*” means the website of the Federal Reserve Bank of New York (currently www.newyorkfed.org/markets/treasury-repo-reference-rates-information) or any successor source.

“*SOFR Index*” means, with respect to any U.S. Government Securities Business Day, the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator’s Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the “*SOFR Index Determination Time*”); *provided* that if a SOFR Index value does not so appear at the SOFR Index Determination Time, then:

- (a) if a Benchmark Event and its related Benchmark Replacement Date (each as defined in Condition 6.7(II)) have not occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to the “SOFR Index Unavailable Provisions” definition below, or
- (b) if a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 6.7(II).

where:

“*SOFR*” means the daily secured overnight financing rate as published by the SOFR Administrator on the SOFR Administrator’s Website,

“*SOFR Index Unavailable Provisions*”: If a $\text{SOFR Index}_{\text{Start}}$ or $\text{SOFR Index}_{\text{End}}$ is not published on the associated Interest Determination Date and a Benchmark Event and its related Benchmark Replacement Date (each as defined in Condition 6.7(II)) have not occurred with respect to SOFR, then “Compounded SOFR” means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for “SOFR Averages,” and definitions required for such formula, published on the SOFR Administrator’s Website. For the purposes of this provision, references in the “SOFR Averages” compounding formula and related definitions to “calculation period” shall be replaced with “Observation Period” and the words “that is, 30-, 90-, or 180- calendar days” shall be removed. If the daily SOFR (“ SOFR_i ”) does not so appear for any day “ i ” in the Observation Period, then SOFR_i for such day “ i ” shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website, and

“*Interest Determination Date*” means the date the number of U.S. Government Securities Business Days specified in the applicable Final Terms or Pricing Supplement before each Interest Payment Date,

“*Observation Period*” means, in respect of each Interest Period, the period from (and including) the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms or Pricing Supplement preceding the first date in such Interest Period to (but excluding) the date that is the same number of U.S. Government Securities Business Days so specified and preceding the Interest Payment Date for such Interest Period, and

“U.S. Government Securities Business Day” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (vi) *Screen Rate Determination for Floating Rate Notes that reference SOFR and for which the Calculation Method is Compounded SOFR with Lookback*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SOFR and the Calculation Method is specified in the applicable Final Terms or Pricing Supplement or Pricing Supplement as being “Compounded SOFR with Lookback,” then the Interest Rate for each Interest Period shall be Compounded SOFR, as defined immediately below, plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin.

“Compounded SOFR,” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_{i-yUSBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“ d_0 ” for any Interest Period means the number of U.S. Government Securities Business Days in such Interest Period,

“ i ” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period,

“ $SOFR_{i-yUSBD}$ ” for any U.S. Government Securities Business Day “ i ” in the relevant Interest Period is equal to SOFR in respect of the U.S. Government Securities Business Day falling “ y ” (the Lookback Number of U.S. Government Securities Business Days) days prior to that day “ i ”,

“ n_i ” for any U.S. Government Securities Business Day “ i ” in the relevant Interest Period is the number of calendar days from (and including) such U.S. Government Securities Business Day “ i ” to (but excluding) the following U.S. Government Securities Business Day (“ $i+1$ ”), and

“ d ” means the number of calendar days in the relevant Interest Period.

“SOFR,” with respect to any U.S. Government Securities Business Day, means:

- (a) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator’s Website at 3:00 p.m. (New York time) on the next U.S. Government Securities Business Day (the “SOFR Determination Time”),
- (b) if the rate specified in clause (a) does not so appear, unless both a Benchmark Event and its related Benchmark Replacement Date (as each such term is defined in Condition 6.7(II)) have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator’s Website, or

- (c) if a Benchmark Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement, subject to the provisions described (and as defined) in Condition 6.7(II),

where:

“Interest Period” and “Interest Determination Date” each have the meaning ascribed to the respective term in Condition 6.2(b)(v), and

“Lookback Number of U.S. Government Securities Business Days” has the meaning specified in the applicable Final Terms or Pricing Supplement and represented in the formula above as “y”.

- (vii) *Screen Rate Determination for Floating Rate Notes that reference SOFR and for which the Calculation Method is Compounded SOFR with Observation Period Shift*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SOFR and the Calculation Method is specified in the applicable Final Terms or Pricing Supplement as being “Compounded SOFR with Observation Period Shift,” then the Interest Rate for each Interest Period shall be Compounded SOFR, as defined immediately below, plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin.

“Compounded SOFR,” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“ d_0 ” for any Observation Period means the number of U.S. Government Securities Business Days in the relevant Observation Period,

“ i ” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Observation Period,

“ $SOFR_i$ ” for any U.S. Government Securities Business Day “ i ” in the relevant Observation Period is equal to SOFR (as defined in Condition 6.2(b)(vi)) in respect of that day “ i ”,

“ n_i ” for any U.S. Government Securities Business Day “ i ” in the relevant Observation Period is the number of calendar days from (and including) such U.S. Government Securities Business Day “ i ” to (but excluding) the following U.S. Government Securities Business Day (“ $i+1$ ”), and

“ d ” means the number of calendar days in the relevant Observation Period.

“Interest Period,” “Interest Determination Date” and “Observation Period” each have the meaning ascribed to the respective term in Condition 6.2(b)(v).

- (viii) *Screen Rate Determination for Floating Rate Notes that reference SOFR and for which the Calculation Method is Compounded SOFR with Payment Delay*

Where “Screen Rate Determination” is specified in the applicable Final Terms or Pricing Supplement for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined, the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SOFR and the Calculation Method is specified in the applicable Final Terms or Pricing Supplement as being “Compounded SOFR with Payment Delay,” then the Interest Rate for each Interest Period shall be Compounded SOFR, as defined immediately below, plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin.

“*Compounded SOFR*” with respect to any Interest Accrual Period means the rate of return of a daily compound interest investment computed in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“ d_0 ” for any Interest Accrual Period means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period,

“ i ” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period,

“ $SOFR_i$ ” for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period is equal to SOFR (as defined in Condition 6.2(b)(vi)) in respect of that day “ i ”,

“ n_i ” for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period is the number of calendar days from (and including) such U.S. Government Securities Business Day “ i ” to (but excluding) the following U.S. Government Securities Business Day (“ $i+1$ ”), and

“ d ” means the number of calendar days in the relevant Interest Accrual Period.

“*Interest Accrual Period*” means each quarterly period, or such other period as specified in the applicable Final Terms or Pricing Supplement, from (and including) an Interest Accrual Period End Date (or, in the case of the first Interest Accrual Period, the issue date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Maturity Date or, if the Issuer elects to redeem the Compounded SOFR with Payment Delay Notes on any earlier redemption date, the redemption date).

“*Interest Accrual Period End Dates*” means the dates specified in the applicable Final Terms or Pricing Supplement, ending on the Maturity Date or, if the Issuer elect to redeem the Compounded SOFR with Payment Delay Notes on any earlier redemption date, the redemption date.

“*Interest Payment Date*” means the second Business Day, or such other Business Day as specified in the applicable Final Terms or Pricing Supplement, following each Interest Accrual Period End Date; *provided* that the Interest Payment Date with respect to the final Interest Accrual Period shall be the Maturity Date or, if the Issuer elects to redeem the Compounded SOFR with Payment Delay Notes on any earlier redemption date, the redemption date.

“*Interest Payment Determination Date*” means the Interest Accrual Period End Date at the end of each Interest Accrual Period; *provided* that the Interest Payment Determination Date with respect to the final Interest Accrual Period shall be the Rate Cut-Off Date.

“*Rate Cut-Off Date*” means the fifth U.S. Government Securities Business Day, or such other U.S. Government Securities Business Day as specified in the applicable Final Terms or Pricing Supplement, prior to the Maturity Date or redemption date, as applicable. For purposes of calculating Compounded SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the Rate Cut-Off Date to (but excluding) the Maturity Date or any earlier redemption date, as applicable, shall be the level of SOFR in respect of such Rate Cut-Off Date.

If any scheduled Interest Accrual Period End Date falls on a day that is not a Business Day, then such date shall be postponed to the following Business Day except that, if such following Business Day would fall in the next calendar month, then the Interest Accrual Period End Date shall be the immediately preceding Business Day.

(ix) *Screen Rate Determination for Floating Rate Notes that reference TLREF*

Where “Screen Rate Determination” is specified in the applicable Final Terms for a Tranche as the manner in which the Interest Rate for such Tranche is to be determined and the Reference Rate is specified in the applicable Final Terms as being TLREF, then the Interest Rate for each Interest Accrual Period shall, subject as provided below, be determined by the Calculation Agent on the relevant TLREF Interest Determination Date (by reference to the relevant published TLREF Indices in respect of the relevant Interest Accrual Period) in accordance with the following formula:

$$\left(\frac{\left(\frac{\text{The published TLREF Index on the second TLREF Business Day preceding the applicable Interest Payment Date}}{\text{The published TLREF Index on the second TLREF Business Day preceding the previous Interest Payment Date}} \right)^{\frac{n1}{n2}} - 1 \right) * 100$$

(and the resulting percentage shall be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) plus or minus (as indicated in the applicable Final Terms) the Margin (if any); *provided* that, in the case of the first Interest Accrual Period, references to the “published TLREF Index on the second TLREF Business Day preceding the previous Interest Payment Date” shall be replaced by a reference to the “published TLREF Index on the day that is two TLREF Business Days preceding the first date of such Interest Accrual Period.”

For the purposes of the formula above and this Condition 6.2(b)(ix):

“*BIST TLREF Index*” means the TLREF value announced via the BISTECH Data Dissemination System (in Turkish: *BISTECH Veri Paylaşım Sistemi*) as published on the TLREF Relevant Screen.

“*Calculation Agent*” means the Issuer or, if so specified in the applicable Final Terms, a financial institution of international repute appointed by the Issuer at its own expense for these purposes.

“*Interest Accrual Period*” means: (a) each Interest Period and (b) any other Relevant Period.

“*n1*” means the number of calendar days in the relevant Interest Accrual Period.

“*n2*” means the number of calendar days between: (a) the TLREF Business Day preceding the Interest Payment Date (or such date (if any) on which the relevant payment of interest falls due (but that by its definition and the operation of the relevant provisions is excluded from the Interest Accrual Period)) and (b) the TLREF Business Day preceding the previous Interest Payment Date (provided that, in the case of the first Interest Accrual Period, reference to the “the TLREF Business Day preceding the previous Interest Payment Date” shall be replaced with a reference to “the TLREF Business Day preceding the first day of such Interest Accrual Period”).

“*published TLREF Index*” means, in respect of any TLREF Business Day, the rate of return of TLREF on the next TLREF Business Day as determined by reference to the BIST TLREF Index that references the return on overnight repo transactions realised on the Borsa İstanbul Repo-Reverse Repo Normal Orders Market, all as published at the relevant time on such TLREF Business Day on the TLREF Relevant Screen.

“*TLREF*” means the Turkish Lira overnight reference rate.

“*TLREF Business Day*” means a day (other than Saturday or Sunday) on which the BIST Repo-Reverse Repo Market (or the successor or replacement thereof) is open.

“*TLREF Committee*” means the committee consisting of representatives of the Ministry of Treasury and Finance of Türkiye, the Central Bank of Türkiye (the “*Central Bank*”), the Banks Association of Türkiye, the Capital Markets Association of Türkiye (in Turkish: *Türkiye Sermaye Piyasaları Birliği*), the BRSA, the İstanbul Settlement and Custody Bank (in Turkish: *İstanbul Takas ve Saklama Bankası A.Ş.*) and Borsa İstanbul A.Ş. or any successor or replacement thereof.

“*TLREF Interest Determination Date*” means, in respect of any Interest Accrual Period, the second TLREF Business Day prior to the day on which such Interest Accrual Period ends.

“*TLREF Reference Rate*” means, in respect of any TLREF Business Day, a reference rate equal to the published TLREF Index on such TLREF Business Day.

“*TLREF Relevant Screen*” means the “*TLREF Indices*” webpage that is available on the website of Borsa İstanbul A.Ş. (borsaistanbul.com) (or any successor website).

If, on any TLREF Interest Determination Date, the applicable published TLREF Index is not available on the TLREF Relevant Screen or has not otherwise been published by the TLREF Committee, then the Interest Rate in respect of the applicable Interest Accrual Period shall, unless the Calculation Agent has been notified of any Successor Rate or Alternative Rate (and, in either case, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments) in accordance with Condition 6.7(I)(e), be determined as if the published TLREF Index were calculated in the following manner:

- (a) The Interest Rate in respect of such Interest Accrual Period shall be the sum of: (i) the policy rate of the Central Bank prevailing at 5:00 pm (or, if earlier, the close of business in İstanbul) on the applicable TLREF Interest Determination Date and available on the Central Bank’s website at www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Core+Functions/Monetary+Policy/Central+Bank+Interest+Rates/1+Week+Repo (or any successor or replacement website) and (ii) the mean of the spread of the published TLREF Index to the policy rate of the Central Bank over the previous five TLREF Business Days on which a TLREF Reference Rate has been published, excluding the highest spread (or, if there are more than one highest spread, then only one of those highest spreads) and the lowest spread (or, if there are more than one lowest spread, then only one of those lowest spreads).
- (b) Notwithstanding clause (a), if the TLREF Committee has published guidance as to: (i) how the TLREF Reference Rate is to be determined or (ii) any rate that is to replace the TLREF Reference Rate, then the Calculation Agent shall, to the extent that it is reasonably practicable to do so and as set forth in a direction from the Issuer in writing, follow such guidance in order to determine the TLREF Reference Rate for any TLREF Business Day in such Interest Accrual Period and for so long thereafter as the published TLREF Index remains unavailable on the TLREF Relevant Screen or is not otherwise published by the TLREF Committee.

- (c) If, on any TLREF Interest Determination Date, the Interest Rate cannot be determined by reference to clauses (a) and (b), then the Interest Rate for the relevant Interest Accrual Period shall be: (i) the Interest Rate determined as of the last preceding TLREF Interest Determination Date (though substituting, where a different Margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Accrual Period in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding TLREF Interest Determination Date, then the initial Interest Rate that would have been applicable to the applicable Notes for the first Interest Accrual Period of such Notes had such Notes been in issue for a period equal in duration to their first Interest Accrual Period but ending on (and excluding) the applicable Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Interest Rate or Minimum Interest Rate applicable to such first Interest Accrual Period).
- (d) If the Notes become due and payable in accordance with Condition 11, then the final Interest Rate shall be calculated for the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the date on which the Notes become so due and payable, and such Interest Rate shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6.5.

(c) *Minimum Interest Rate and/or Maximum Interest Rate*

If the applicable Final Terms or Pricing Supplement for a Tranche of Floating Rate Notes specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) is less than such Minimum Interest Rate, the Interest Rate for such Interest Period for such Tranche shall be such Minimum Interest Rate.

If the applicable Final Terms or Pricing Supplement for a Tranche of Floating Rate Notes specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period for such Tranche shall be such Maximum Interest Rate.

A Final Terms or a Pricing Supplement may specify both a Minimum Interest Rate and a Maximum Interest Rate for a Tranche. Unless otherwise stated in the applicable Final Terms or Pricing Supplement, the Minimum Interest Rate shall be deemed to be zero.

(d) *Determination of Interest Rate and Calculation of Interest Amounts*

The Fiscal Agent or the Calculation Agent, as applicable, will, at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate for the relevant Interest Period (or any other Relevant Period).

The Fiscal Agent or the Calculation Agent, as applicable, will calculate the Interest Amount payable on the Floating Rate Notes for the relevant Interest Period (or any other Relevant Period) by applying the Interest Rate to:

- (i) in the case of Floating Rate Notes that are represented by a Global Note, the aggregate outstanding principal amount of the Notes represented by such Global Note, or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is an amount other than the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

(e) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms or Pricing Supplement, the Interest Rate for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based upon the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms or Pricing Supplement) or the relevant Floating Rate Option (where “ISDA Determination” is specified as applicable in the applicable Final Terms or Pricing Supplement), one of which shall be determined as if the Designated Maturity (if applicable) were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity (if applicable) were the period of time for which rates are available next longer than the length of the relevant Interest Period; *provided* that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer, in consultation with an independent advisor acting in good faith and in a commercially reasonable manner as an expert appointed by the Issuer in its reasonable discretion, determines appropriate. For the purposes of this Condition 6.2(e) only, “Calculation Agent” shall mean the Issuer or, if so specified in the applicable Final Terms or Pricing Supplement, a financial institution of international repute appointed by the Issuer at its own expense for these purposes.

“*Designated Maturity*” means, in relation to Screen Rate Determination only, the period of time designated in the Reference Rate.

6.3 Notification of Interest Rate and Interest Amounts

In the case of Floating Rate Notes and Modified Fixed Rate Notes in respect of which Interest Periods and Interest Amounts are specified in the applicable Final Terms or Pricing Supplement as being subject to adjustment, the Fiscal Agent or the Calculation Agent, as applicable, will cause: (a) to be notified to the Issuer and any stock exchange on which (at the request of the Issuer) the relevant Notes are for the time being listed: (i) each Interest Amount for each Interest Period and the relevant Interest Payment Date and (ii) in the case of Floating Rate Notes, the Interest Rate, and (b) notice thereof to be published in accordance with Condition 15, in each case, as soon as possible after their determination but in no event later than the fourth London Business Day thereafter (or, in the case of Notes where the applicable Final Terms or Pricing Supplement specify the Reference Rate as being SONIA, SOFR or TLREF, no later than the second London Banking Day, U.S. Government Securities Business Day or TLREF Business Day, respectively, thereafter). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange (if any) on which the relevant Notes are for the time being listed at the request of the Issuer and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “*London Business Day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

6.4 Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 and Condition 7.11, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest or proven error) be binding upon the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the

Noteholders or the Couponholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers and duties pursuant to such provisions.

6.5 Accrual of Interest

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from (and including) the date specified for its redemption unless, upon due presentation thereof, payment of principal on such Note is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due on such Note (or part thereof) have been paid (with such additional accrued interest being due and payable immediately), and
- (b) five days after the date on which the full amount of the moneys payable on such Note has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

6.6 Day Count Fraction and Business Day Convention

(a) *Day Count Fraction*

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest in accordance with this Condition 6:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms or Pricing Supplement:
 - (A) in the case of Notes where the number of days in the Relevant Period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “*Accrual Period*”) is equal to or shorter than the Determination Period during which the Accrual Period ends, then the number of days in such Accrual Period divided by the product of: (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms or Pricing Supplement) that would occur in one calendar year, or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, then the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year, and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year,

“*Determination Period*” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date),

- (ii) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms or Pricing Supplement, then the actual number of days in the Interest Period or other Relevant Period, as the case may be, *divided by* 365 (or, if any portion of such period falls within a leap year, the sum of:
 - (A) the actual number of days in that portion of the period falling in a leap year divided by 366

and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365),

- (iii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms or Pricing Supplement, then the actual number of days in the Interest Period or other Relevant Period, as the case may be, *divided by 365*,
- (iv) if “Actual/365 (Sterling)” is specified in the applicable Final Terms or Pricing Supplement, then the actual number of days in the Interest Period or other Relevant Period, as the case may be, *divided by 365* or, in the case of an Interest Payment Date falling in a leap year, 366,
- (v) if “Actual/360” is specified in the applicable Final Terms or Pricing Supplement, then the actual number of days in the Interest Period or other Relevant Period, as the case may be, *divided by 360*,
- (vi) if “30/360,” “360/360” or “Bond Basis” is specified in the applicable Final Terms or Pricing Supplement, then the number of days in the Interest Period or other Relevant Period, as the case may be, *divided by 360*, calculated on a formula basis as follows:
 - (A) in the case of Fixed Rate Notes, on the basis of a year of 360 days with 12 30-day months, and
 - (B) in the case of Floating Rate Notes, on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of such period falls,

“ Y_2 ” is the year, expressed as a number, in which the day immediately following the last day of such period falls,

“ M_1 ” is the calendar month, expressed as a number, in which the first day of such period falls,

“ M_2 ” is the calendar month, expressed as a number, in which the day immediately following the last day of such period falls,

“ D_1 ” is the first calendar day, expressed as a number, of such period unless such number is 31, in which case D_1 will be 30, and

“ D_2 ” is the calendar day, expressed as a number, immediately following the last day included in such period unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30,

- (vii) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms or Pricing Supplement, then the number of days in the Interest Period or other Relevant Period, as the case may be, *divided by 360*, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of such period falls,

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of such period falls,

“M₁” is the calendar month, expressed as a number, in which the first day of such period falls,

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of such period falls,

“D₁” is the first calendar day, expressed as a number, of such period unless such number would be 31, in which case D₁ will be 30, and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in such period unless such number would be 31, in which case D₂ will be 30, and

- (viii) if “30E/360 (ISDA)” is specified in the applicable Final Terms or Pricing Supplement, then the number of days in the Interest Period or other Relevant Period, as the case may be, *divided by* 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of such period falls,

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of such period falls,

“M₁” is the calendar month, expressed as a number, in which the first day of such period falls,

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of such period falls,

“D₁” is the first calendar day, expressed as a number, of such period unless: (A) that day is the last day of February or (B) such number would be 31, in which case D₁ will be 30, and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in such period unless: (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D₂ will be 30.

(b) *Business Day Convention*

If a Business Day Convention is specified in the applicable Final Terms or Pricing Supplement and: (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

- (i) in the case of Floating Rate Notes where Specified Periods are specified in accordance with Condition 6.2 above, the “Floating Rate Convention,” then such Interest Payment Date: (A) in the case of clause (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of clause (2) below shall apply *mutatis mutandis*, or (B) in the case of clause (y) above, shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event: (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month that falls within the Specified Period after the preceding applicable Interest Payment Date occurred,

- (ii) the “Following Business Day Convention,” then such Interest Payment Date shall be postponed to the next day that is a Business Day,
- (iii) the “Modified Following Business Day Convention,” then such Interest Payment Date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day, or
- (iv) the “Preceding Business Day Convention,” then such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

6.7 Benchmark Discontinuation – Reference Rate Replacement

- I. The following Benchmark Discontinuation and Reference Rate Replacement provisions in this Condition 6.7(I) apply to all Floating Rate Notes other than those for which the Reference Rate is SOFR and Condition 6.7(II) is specified in the applicable Final Terms.

- (a) *Independent Advisor*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Interest Rate (or any component part(s) thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Advisor, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.7(I)(b)), and, in each case, an Adjustment Spread (in accordance with Condition 6.7(I)(c)) and any other required Benchmark Amendments (in accordance with Condition 6.7(I)(d)).

An Independent Advisor appointed pursuant to this Condition 6.7(I) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 6.7(I).

- (b) *Successor Rate or Alternative Rate*

Notwithstanding the provisions of Condition 6.2(b), if the Issuer, following consultation with an Independent Advisor pursuant to Condition 6.7(I)(a) and acting in good faith and in a commercially reasonable manner, determines that a Benchmark Event has occurred and that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6.7(I)(c)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.7(I)), or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6.7(I)(c)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.7(I)).

- (c) *Adjustment Spread*

If any Successor Rate or Alternative Rate is determined in accordance with Condition 6.7(I)(b), then the Issuer, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a specific quantum of, or a formula or methodology for determining, such Adjustment Spread and, for the avoidance of doubt,

may be positive, negative or zero), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with the foregoing provisions of this Condition 6.7(I) and the Issuer, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, determines: (i) that additional amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the “*Benchmark Amendments*”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.7(I)(e), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 6.7(I)(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading.

Notwithstanding the foregoing provisions of this Condition 6.7(I)(d), neither the Calculation Agent nor any other Paying Agent is obliged to concur with the Issuer in respect of any Benchmark Amendments that, in the sole opinion of the Calculation Agent or such other Paying Agent, in each case, acting reasonably and in good faith, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or, as the case may be, such other Paying Agent in the Agency Agreement.

(e) *Notices, etc.*

The occurrence of a Benchmark Event, any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and the specific terms of any Benchmark Amendments, each as determined under this Condition 6.7(I), will be notified promptly by the Issuer to the Calculation Agent and the other Paying Agents (and, in any case, no later than five business days in London prior to the first Interest Determination Date on which the relevant Successor Rate or, as the case may be, Alternative Rate is to be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part(s) thereof)) and, in accordance with Condition 15, to the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Prior to any Benchmark Amendments taking effect and no later than one London Business Day following the date of notifying the Calculation Agent of the same, the Issuer shall deliver to the Calculation Agent a certificate signed by two authorised signatories of the Issuer:

- (i) confirming: (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate and (in either case) the applicable Adjustment Spread and (C) where applicable, the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6.7(I), and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Calculation Agent shall display such certificate at its offices for inspection by the Noteholders at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate, the applicable Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate, the applicable Adjustment Spread and the Benchmark

Amendments (if any)) be binding upon the Issuer, the Calculation Agent, the other Paying Agents, the Noteholders and the Couponholders.

(f) *Survival of Original Reference Rate and Fallback Provisions*

Without prejudice to the obligations of the Issuer under Condition 6.7(I)(a) through Condition 6.7(I)(e), the Original Reference Rate and the fallback provisions provided for in Condition 6.2(b) will continue to apply unless and until a Benchmark Event has occurred in relation to the Original Reference Rate and the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and any Benchmark Amendments, in each case, in accordance with Condition 6.7(I)(e).

If, following the occurrence of a Benchmark Event and in relation to the determination of the Interest Rate on the relevant Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) (and, in either case, the applicable Adjustment Spread) is determined and notified to the Calculation Agent pursuant to this Condition 6.7(I), then the Original Reference Rate will continue to apply for the purposes of determining such Interest Rate on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 6.2(b) will (if applicable) continue to apply to such determination.

For the avoidance of doubt, the preceding paragraph shall apply to the determination of the Interest Rate on the relevant Interest Determination Date only and the Interest Rate applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.7(I).

(g) *Defined Terms*

As used in this Condition 6.7(I):

“*Adjustment Spread*” means either: (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, which, in each case, is to be applied to the Successor Rate or the Alternative Rate (as the case may be) in accordance with Condition 6.7(I)(b) and is the spread, formula or methodology that:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body,
- (B) in the case of a Successor Rate where no such formal recommendation as described in clause (A) has been made or, in the case of an Alternative Rate, the Issuer determines, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets to produce an industry-accepted replacement rate for the Original Reference Rate,
- (C) if the Issuer determines, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, that no such spread, formula or methodology is customarily applied in international debt capital markets as described in clause (B), the Issuer determines, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions that reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), or
- (D) if the Issuer determines that none of clauses (A), (B) or (C) applies, the Issuer, in its discretion, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and for the purposes of this clause (D) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders and, if applicable, Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be),

“*Alternative Rate*” means an alternative to the Original Reference Rate that the Issuer determines in accordance with Condition 6.7(I)(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Notes,

“*Benchmark Amendments*” has the meaning given to it in Condition 6.7(I)(d),

“*Benchmark Event*” means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least five London business days or ceasing to exist or be administered,
- (ii) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances in which no successor administrator has been appointed that will continue publication of the Original Reference Rate),
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued,
- (iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, by a specified date, be prohibited from being used (either generally or in respect of the Notes),
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative of the relevant underlying market or may no longer be used, or
- (vi) it has become unlawful for the Calculation Agent, any other Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate;

provided that, notwithstanding clauses (ii) through (v), each such Benchmark Event shall only be deemed to occur: (A) in the case of clauses (ii) and (iii), on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (B) in the case of clause (iv), on the date of prohibition of use of the Original Reference Rate, and (C) in the case of clause (v), on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market or may no longer be used and that is specified in the public statement, and, in each case, not the date of the relevant public statement,

“*Calculation Agent*” means the Fiscal Agent or, for any Series, such other entity specified in the applicable Final Terms or Pricing Supplement as the Person responsible for the calculation of the Rate(s) of Interest and the Interest Amount(s),

“*Independent Advisor*” means an independent financial institution of international repute or an independent financial advisor with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 6.7(I)(a); *provided* that such shall not be any of the Agents,

“*Original Reference Rate*” means the originally-specified Reference Rate used to determine the Interest Rate (or any component part(s) thereof) in respect of any Interest Period(s) on the Notes, as specified in the applicable Final Terms or Pricing Supplement,

“*Relevant Nominating Body*” means, in respect of an Original Reference Rate:

- (i) the: (A) European Commission, in the case of Notes denominated in euro, (B) central bank, reserve bank, monetary authority or similar institution for the currency to which such Original Reference Rate relates or (C) central bank or other supervisory authority that is responsible for supervising the administrator of such Original Reference Rate, or
- (ii) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank for the currency to which such Original Reference Rate relates, (B) any central bank or other supervisory authority that is responsible for supervising the administrator of such Original Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof, and

“*Successor Rate*” means a successor to or replacement of the Original Reference Rate that is formally recommended by any Relevant Nominating Body (which, for Notes referencing EURIBOR, shall be an €STR-based rate for debt securities based upon the “Recommendations by the working-group on euro risk-free rates on EURIBOR fallback trigger events and €STR-based EURIBOR fallback rates” dated 11 May 2021 (the “*EURIBOR Recommendations*”) unless the Relevant Nominating Body for EURIBOR amends, supplements or otherwise modifies the EURIBOR Recommendations at any time, in which case, such amendment, supplement or other modification to the EURIBOR Recommendations shall be taken into account for the purposes of determining a Successor Rate to EURIBOR for the purposes of the relevant Notes).

II. The following Benchmark Discontinuation and Reference Rate Replacement provisions in this Condition 6.7(II) apply to all Floating Rate Notes for which the Reference Rate is SOFR and Condition 6.7(II) is specified in the applicable Final Terms or Pricing Supplement.

(a) *Effect of a Benchmark Event*

- (i) *Benchmark Replacement.* If the Issuer determines that a Benchmark Event and its related Benchmark Replacement Date have occurred before the Reference Time in respect of any determination of the Benchmark on any date, then the Benchmark Replacement shall replace the then-current Benchmark for all purposes relating to the Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.
- (ii) *Benchmark Replacement Conforming Changes.* In connection with the implementation and administration of a Benchmark Replacement, the Issuer shall have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Issuer exercises its right to make any Benchmark Replacement Conforming Changes, then the Issuer and the Agents shall, without any requirement for the consent or approval of Noteholders, agree to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 6.7(II)(a)(ii), the Issuer shall comply with the rules of any stock exchange on which (at the request of the Issuer) the Notes are for the time being listed or by which they have been admitted to trading.

Notwithstanding the foregoing provisions of this Condition 6.7(II)(a)(ii), none of the Fiscal Agent, any other Paying Agent or the Calculation Agent is obliged to concur with the Issuer in respect of any Benchmark Replacement Conforming Changes that, in the sole opinion of the Fiscal Agent, such other Paying Agent or Calculation Agent, in each case, acting reasonably and in good faith, would impose more onerous obligations upon it or expose it to any additional duties,

responsibilities or liabilities or reduce or amend the protective provisions afforded to the Fiscal Agent, such other Paying Agent or the Calculation Agent in the Agency Agreement.

- (iii) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer pursuant to this Condition 6.7(II), including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (including with respect to any Benchmark Replacement Conforming Changes): (A) will be conclusive and binding upon all parties absent manifest error and subject as provided in this Condition 6.7(II), (B) shall be made in the Issuer's sole discretion and (C) subject as provided in this Condition 6.7(II), shall become effective without consent from any Noteholder, Agent or other Person. None of the Fiscal Agent, the Calculation Agent, the Exchange Agent or the Registrar will have any liability for any determination made by (or on behalf of) the Issuer in connection with a Benchmark Event or a Benchmark Replacement.

In no event shall the Calculation Agent be responsible for determining any Benchmark Replacement or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, the interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark or for confirming any related Benchmark Replacement Conforming Changes. In connection with this Condition 6.7(II), the Calculation Agent will be entitled to conclusively rely upon any determinations made by (or on behalf of) the Issuer and shall have no liability for such actions taken at the direction of the Issuer.

- (iv) *Notice*

Any Benchmark Replacement, and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 6.7(II) shall be notified promptly by the Issuer to the Paying Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement and the Benchmark Replacement Conforming Changes, if any.

- (b) *Defined Terms*

As used in this Condition 6.7(II):

"Benchmark" means, initially, Compounded SOFR, as such term is defined in Conditions 6.2(b)(v) through (viii); *provided* that if a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR or the then-current Benchmark, then *"Benchmark"* means the applicable Benchmark Replacement,

"Benchmark Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by (or on behalf of) the administrator of such Benchmark announcing or stating that such administrator has ceased or will cease on a specified date to provide such Benchmark, permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark,
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark announcing or stating that the administrator of such Benchmark has ceased or will cease on a specified date to provide such Benchmark permanently or indefinitely; *provided* that,

at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark, or

- (c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing or stating that such Benchmark is no longer representative,

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (a) the sum of: (i) an alternate interest rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment,
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment, or
- (c) the sum of: (i) the alternate interest rate that has been selected by the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted interest rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment,

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer as of the applicable Benchmark Replacement Date:

- (a) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement,
- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment, and
- (c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time,

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions or interpretations of Interest Period, the timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period, the rounding of amounts or tenors and other technical, administrative or operational matters) that the Issuer decides are appropriate to make to these Conditions and/or the Agency Agreement to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, then in such other manner as the Issuer determines is reasonably necessary),

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Event,” the later of: (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide such Benchmark, or

- (b) in the case of clause (c) of the definition of “Benchmark Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt: (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, then the Benchmark Replacement Date shall be deemed to have occurred prior to the Reference Time for such determination, and (ii) for purposes of the definitions of Benchmark Replacement Date and Benchmark Event, references to Benchmark also include any reference rate underlying such Benchmark,

“*Corresponding Tenor*” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark,

“*ISDA Fallback Adjustment*” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor,

“*ISDA Fallback Rate*” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment,

“*Reference Time*” with respect to any determination of the Benchmark means: (a) if the Benchmark is SOFR Index Rate with Observation Period Shift, the SOFR Index Determination Time, and (b) otherwise, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes,

“*Relevant Governmental Body*” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto, and

“*Unadjusted Benchmark Replacement*” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

6.8 Defined Terms

In these Conditions:

“*Business Day*” means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Specified Business Centre (other than the real-time gross settlement system operated by the Eurosystem (or any successor or replacement system) (the “*T2 System*”)) specified in the applicable Final Terms or Pricing Supplement,
- (b) if the T2 System is specified as a Specified Business Centre in the applicable Final Terms or Pricing Supplement, then a day on which the T2 System is open, and
- (c) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency, or (ii) in relation to any sum payable in euro, a day on which the T2 System is open,

“*Interest Amount*” means the amount of interest,

“*Interest Commencement Date*” means, with respect to a Tranche of Notes, the date (if any) specified as such in the applicable Final Terms or Pricing Supplement from (and including) which such Notes will accrue interest, which may or may not be their Issue Date,

“*Interest Period*” for a Series means the period from (and including) an Interest Payment Date for such Series (or, in respect of the first Interest Period for such Series, its Interest Commencement Date) to (but excluding) the next (or, in respect of the first Interest Period, first) Interest Payment Date for such Series,

“*Reference Rate*” means, unless otherwise specified in the applicable Final Terms or Pricing Supplement: (a) the Euro-zone interbank offered rate (“*EURIBOR*”), (b) TLREF, (c) the Hong Kong interbank offered rate (“*HIBOR*”), (d) the Romanian interbank offered rate (“*ROBOR*”), (e) the Prague interbank offered rate (“*PRIBOR*”), (f) the Norwegian interbank offered rate (“*NIBOR*”), (g) the Warsaw interbank offered rate (“*WIBOR*”), (h) the CNH Hong Kong interbank offered rate (“*CNH HIBOR*”), (i) SONIA or (j) SOFR, in each case, as specified in the applicable Final Terms or Pricing Supplement,

“*Relevant Period*” means the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date,

“*Specified Time*” means, with respect to a Tranche of Notes, the time specified as such in the applicable Final Terms or Pricing Supplement, and

“*sub-unit*” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

7. PAYMENTS

7.1 Method of Payment

Except as provided in this Condition 7, payments in a Specified Currency will be made by credit or transfer to an account in the relevant Specified Currency (or any account to which such Specified Currency may be credited or transferred) maintained by the payee or, at the option of the payee, by a cheque in such Specified Currency drawn on a bank or other financial institution that processes payments in the Specified Currency.

Payments of principal and interest on the Notes will be subject in all cases to: (a) any fiscal or other laws applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (b) any withholding or deduction required pursuant to FATCA (“*FATCA Withholding Tax*”).

In these Conditions, “*FATCA*” means: (a) an agreement described in Section 1471(b) of the Internal Revenue Code of 1986, as amended (the “*Code*”), of the United States of America, (b) Sections 1471 through 1474 of the Code, (c) any regulations or agreements thereunder or official interpretations thereof, (d) any intergovernmental agreement between the United States and any other governmental authority entered into in connection with the implementation of the foregoing in this definition or (e) any applicable law, rule or official practice implementing such an intergovernmental agreement.

7.2 Presentation of Definitive Bearer Notes and Coupons

Notwithstanding any other provision of these Conditions to the contrary, payments of principal on a Definitive Bearer Note shall (subject as provided below in this Condition 7.2) be made in the manner provided in Condition 7.1 only against surrender (or, in the case of part payment of any sum due, presentation and endorsement) of such Definitive Bearer Note, and payments of interest on a Definitive Bearer Note will (subject as provided below) be made as aforesaid only against surrender (or, in the case of part payment of any sum due, presentation and endorsement) of the applicable Coupon(s), in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon

at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9.2(a)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Definitive Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, then interest (if any) accrued on such Definitive Bearer Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of such Definitive Bearer Note.

A “*Long Maturity Note*” is a Fixed Rate Note (other than a Fixed Rate Note that on issue had a Talon attached) whose principal amount on issue is less than the aggregate interest payable thereon; *provided* that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid thereon after that date is less than the principal amount of such Note.

7.3 Payments on Bearer Global Notes

Payments of principal and interest (if any) on Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified in Condition 7.2 in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note, where applicable against surrender or, as the case may be, presentation and endorsement, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note either by the Paying Agent to which it was presented or in the records of Euroclear or Clearstream, Luxembourg, as applicable.

7.4 Payments on Registered Notes

Payments of principal to redeem a Registered Note (whether a Definitive Note or a Global Note) in full will be made only against surrender of such Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments shall be made by transfer to the Designated Account of the holder (or the first named of joint holders) of such Registered Note appearing in the Register at: (a) where in global form and held under the “new safekeeping structure” for registered global securities that are intended to constitute eligible collateral for Eurosystem monetary policy operations (the “*NSS*”), the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (b) in all other cases, the close of business at the specified office of the Registrar on the 15th day before the relevant due date (or, if such 15th day is not a day on which banks are open for business in the city where the specified office of the Registrar is located, then the first such day prior to such 15th day) (in each case, the “*Record Date*”). Notwithstanding the previous sentence, if: (i) a holder does not have a Designated Account or (ii) the principal amount of such Registered Note is less than US\$250,000 (or its approximate equivalent in any other Specified Currency), then payment may instead be made by a cheque in the Specified Currency drawn on a Designated Bank. For these purposes, “*Designated Account*” means the account maintained by a holder with a Designated Bank and identified as such in the Register and “*Designated Bank*” means any bank or other financial institution that processes payments in such Specified Currency.

Except as set forth in the next and final sentences of this paragraph, payments of interest and (except upon redemption in full) principal on a Registered Note (whether a Definitive Note or a Global Note) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of such Registered Note appearing in the Register at the close of business on the relevant Record Date at the address of such holder shown in the Register on such Record Date and at such holder’s risk. Upon application of such holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or any such payment of principal on a Registered Note, such payment will be made by transfer on the due date in the manner provided in the preceding paragraph for the final payment of principal on the applicable Registered Note. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and principal on such Registered Note that become payable to the holder thereof who has made the initial application

until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due on a Registered Note on redemption in full will be made in the same manner as the final payment of the principal of such Registered Note as described in the preceding paragraph.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due on any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by any Agent in respect of any payments of principal or interest on the Registered Notes, except as provided in Conditions 7.8 and 7.9.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Fiscal Agent to an account of the Exchange Agent in the relevant Specified Currency on behalf of DTC or its nominee for: (x) payment in such Specified Currency or (y) conversion into and payment in U.S. dollars, in each case, in accordance with the provisions of the Agency Agreement and Condition 7.9.

None of the Issuer or any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General Provisions Applicable to Payments

Except as provided in the Deed of Covenant, the registered holder of a Registered Global Note or the holder of a Bearer Global Note shall be the only Person entitled to receive payments on the Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, such holder in respect of each amount so paid. Each of the Persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, as the beneficial owner of a particular principal amount of Notes represented by a Global Note must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer to, or to the order of, the registered holder of a Registered Global Note or the holder of a Bearer Global Note. Except as provided in the Deed of Covenant, no Person other than the registered holder of a Registered Global Note or the holder of a Bearer Global Note shall have any claim against the Issuer in respect of any payments due on such Global Note.

Notwithstanding the provisions of Conditions 7.2 and 7.3, if any amount of principal and/or interest on Bearer Notes is payable in U.S. dollars, then such payments will be made at the specified office of a Paying Agent in the United States only if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due,
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars, and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.6 Payment Business Day

If the date for payment of any amount on any Note or Coupon is not a Payment Business Day, then the holder thereof shall not be entitled to payment of the relevant amount due until the next Payment Business Day in the relevant place (except in the case of Modified Fixed Rate Notes and Modified Floating Rate Notes where a Payment Business Day Convention is specified in the applicable Final Terms or Pricing Supplement, in which case such holder will be entitled to payment on the Payment Business Day in the relevant place as determined in accordance with the Payment

Business Day Convention so specified) and, in any such case, shall not be entitled to further interest or other payment in respect of such delay.

For these purposes:

“*Payment Business Day*” means any day that (subject to Condition 10) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Definitive Notes only, the relevant place of presentation, and
 - (ii) any Specified Financial Centre (other than the T2 System) specified in the applicable Final Terms or Pricing Supplement,
- (b) if the T2 System is specified as a Specified Financial Centre in the applicable Final Terms or Pricing Supplement, a day on which the T2 System is open,
- (c) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency, or (ii) in relation to any sum payable in euro, a day on which the T2 System is open (in each of clauses (i) and (ii), disregarding any elections to receive payment in a different currency pursuant to Conditions 7.8 and 7.9), and
- (d) in the case of any payment on a Global Note, a day on which DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, settle(s) payments in the applicable Specified Currency (or, with respect to DTC, U.S. dollars), and

“*Payment Business Day Convention*” means, if the Payment Business Day Convention is specified in the applicable Final Terms or Pricing Supplement as the:

- (a) Following Business Day Convention, the next following Payment Business Day,
- (b) Modified Following Business Day Convention, the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment at the place of presentation on the immediately preceding Payment Business Day, or
- (c) Preceding Business Day Convention, the immediately preceding Payment Business Day.

7.7 Interpretation of Principal and Interest

Any reference in these Conditions to principal on a Note shall be deemed to include, as applicable:

- (a) any Additional Amounts that may be payable with respect to such principal under Condition 9.1,
- (b) the Final Redemption Amount of such Note,
- (c) the Early Redemption Amount of such Note,
- (d) the Optional Redemption Amount(s) (if any) of such Note,
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5) of such Note, and
- (f) any premium and any other amounts (other than interest) that may be payable by the Issuer on such Note.

Any reference in these Conditions to interest on the Notes shall be deemed to include, as applicable, any Additional Amounts that may be payable with respect to such interest under Condition 9.1.

7.8 U.S. Dollar Exchange and Payments on Turkish Lira-denominated Notes held other than through DTC

- (a) If “USD Payment Election” is specified in the applicable Final Terms or Pricing Supplement as being applicable, the Specified Currency set out in such Final Terms or Pricing Supplement is Turkish Lira and interests in the Notes are not represented by a Registered Global Note registered in the name of DTC (or a nominee thereof) or by a Global Note held under the NSS, then the holder thereof (determined as of the applicable Record Date in the case of Registered Notes) may, no more than 14 days and no less than five Business Days before the due date (the “*Relevant Payment Date*”) for the next payment of interest and/or principal on such Note (such period, the “*USD Election Period*”), give an irrevocable election to any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) to receive such payment in U.S. dollars instead of Turkish Lira (a “*USD Payment Election*”). Upon its receipt of such an election, the relevant Paying Agent or the Registrar (as applicable) shall notify the Fiscal Agent on the Business Day following each USD Election Period of the USD Payment Elections made by the Noteholders during such USD Election Period and, upon its receipt of such notification, the Fiscal Agent shall notify the Exchange Agent of the proportion of such interest and/or principal on the Notes due on the Relevant Payment Date (as defined below) that is payable to Noteholders who have given a USD Payment Election (the “*Lira Amount*”).

Upon receipt of the Lira Amount from the Issuer and by no later than 11:00 a.m. (London time) on such Relevant Payment Date, the Fiscal Agent shall transfer the Lira Amount to the Exchange Agent. Following receipt of the Lira Amount from the Fiscal Agent, the Exchange Agent shall provide for the Lira Amount to be converted into U.S. dollars in the manner provided in Condition 7.8(b) and then to be transferred to the Fiscal Agent for onward payment to the holders of such Notes on such Relevant Payment Date in accordance with the provisions of this Condition 7.8 and Clause 7.10 of the Agency Agreement.

If the Fiscal Agent receives cleared funds from the Issuer in respect of Turkish Lira-denominated Notes held other than through DTC after the time noted in the previous paragraph, then the Fiscal Agent shall transfer the Lira Amount to the Exchange Agent for conversion into U.S. dollars as soon as reasonably practicable and, following such conversion, the Exchange Agent shall transfer such U.S. dollar amounts to the Fiscal Agent and the Fiscal Agent shall use reasonable efforts to pay any U.S. dollar amounts that Noteholders have elected to receive in respect of such funds as soon as reasonably practicable thereafter.

Each USD Payment Election of a Noteholder will be made only in respect of the immediately following payment of interest and/or principal on the Notes the subject of such USD Payment Election and, unless a USD Payment Election is given in respect of each subsequent payment of interest and principal on those Notes, such payments will be made in Turkish Lira.

- (b) Upon receipt of the Lira Amount from the Fiscal Agent pursuant to Condition 7.8(a), the Exchange Agent shall purchase U.S. dollars with the Lira Amount for settlement on the Relevant Payment Date at a purchase price calculated on the basis of its own internal foreign exchange conversion procedures, which conversion shall be conducted in a commercially reasonable manner and on a similar basis to that which the Exchange Agent would use to effect such conversion for its customers (such rate, taking into account any spread, fees, commissions or charges on foreign exchange transactions customarily charged by it in connection with such conversion, the “*Applicable Exchange Rate*”).
- (c) For the purposes of this Condition 7.8, neither the Exchange Agent nor the Issuer shall be liable to any Noteholder, the Issuer or any third party for any losses whatsoever resulting from application by the Exchange Agent of the Applicable Exchange Rate. The Exchange Agent may rely conclusively on the basis on which its internal foreign exchange conversion rate (including, for the avoidance of doubt, any third party indices forming the basis for such conversion rates) for settlement has been determined and shall not be liable for losses associated with the basis for determination of such rate.

Each Agent shall be entitled to rely, without further investigation or enquiry, on any notification or irrevocable elections received by it or provided to it (including, without limitation, any calculation in respect

of the Lira Amount) pursuant to this Condition 7.8 and shall not be liable to any party for any losses whatsoever resulting from acting in accordance with such notifications or irrevocable instructions or calculations even though, subsequent to its acting, it may be found that there was some defect in the notification or irrevocable instruction or the notification or irrevocable instruction was not authentic or an error existed in the calculations.

Any foreign exchange transaction effected by the Exchange Agent will generally be a transaction to buy or sell currency between: (i) on one part, the Issuer (acting through the Fiscal Agent, as an agent of the Issuer) and (ii) on the other part, either the Exchange Agent or its affiliate (acting as principal for its own account). The Fiscal Agent as agent of the Issuer will enter into the foreign exchange transaction with the Exchange Agent or its affiliate acting as a principal for its own account, and not as an agent, fiduciary or broker on behalf of the Issuer. In the sole and absolute discretion of the Exchange Agent, the foreign exchange transaction may be transmitted by the Exchange Agent or any of its affiliates acting as principal for its own account to a sub-custodian. In forwarding certain foreign exchange transactions to the sub-custodian for execution, the Exchange Agent or its affiliate acting as principal for its own account does not, and will, not serve as agent, fiduciary or broker on behalf of the Issuer.

The Issuer's obligation to make payments on Notes the Specified Currency of which is Turkish Lira is limited to the specified Turkish Lira amount of such payments and, in the event that it fails to make any payment on such Notes in full on its due date, its obligation shall remain the payment of the relevant outstanding Turkish Lira amount and it shall have no obligation to pay any greater or other amount as a result of any change in the Applicable Exchange Rate between the due date and the date on which such payment is made in full.

- (d) Following conversion of the Lira Amount into U.S. dollars in accordance with this Condition 7.8 and the Agency Agreement, the Exchange Agent shall promptly notify the Fiscal Agent of: (i) the total amount of U.S. dollars purchased with the relevant Lira Amount (the "*USD Amount*") and (ii) the Applicable Exchange Rate at which such U.S. dollars were purchased by the Exchange Agent.
- (e) On the Relevant Payment Date, the Fiscal Agent shall give notice to the applicable Noteholders in accordance with Condition 15 of the matters set out in Condition 7.8(d)(i) and (ii) in reliance on the information provided to it by the Exchange Agent in accordance with Condition 7.8(d).
- (f) If, for illegality or any other reason, it is not possible for the Exchange Agent to purchase U.S. dollars with the Lira Amount, then the Exchange Agent will promptly so notify the Fiscal Agent, which shall, as soon as practicable after receipt of such notification from the Exchange Agent, notify the applicable Noteholders of such event in accordance with Condition 15 and all payments on the applicable Notes on the Relevant Payment Date will be made in Turkish Lira in accordance with this Condition 7, irrespective of any USD Payment Election made.
- (g) To give a USD Payment Election in respect of this Note:
 - (i) if this Note is a Definitive Note, then the holder hereof must deliver at the specified office of any Paying Agent (with respect to Bearer Notes) or the Registrar (with respect to Registered Notes), on any Business Day falling within the USD Election Period, a duly signed and completed USD Payment Election in the form (for the time being current) obtainable from any specified office of any Paying Agent (the "*USD Payment Election Notice*") and in which such holder must specify a USD bank account to which payment is to be made under this Condition 7.8 accompanied by this Note or evidence satisfactory to the Agent concerned that this Note will, following the delivery of the USD Payment Election, be held to the Fiscal Agent's order or under its control until the applicable U.S. dollar payment is made, and
 - (ii) if this Note is a Global Note, then the holder of an interest in this Global Note must, on any Business Day falling within the USD Election Period, give notice to any Paying Agent (with respect to Bearer Notes) or the Registrar (with respect to Registered Notes) of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable (which may include notice being given on such holder's instruction by Euroclear or Clearstream,

Luxembourg or any depositary for any of them to any Paying Agent or the Registrar, as the case may be, by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

Neither the Issuer nor any of the Agents will be liable for any delay or ultimate failure to pay the relevant Noteholder(s) caused by any delay or failure of Euroclear, Clearstream, Luxembourg (or any of their respective direct or indirect participants) or any depositary for either of them to provide payment instructions with respect to the relevant USD Payment Election.

- (h) Notwithstanding any other provision in these Conditions to the contrary: (i) all costs (including any fees, charges, commissions or spreads) of the purchase of U.S. dollars with the Lira Amount shall be borne *pro rata* by the relevant Noteholders relative to the Notes of such Noteholders the subject of USD Payment Elections, which *pro rata* amount will be deducted from the *pro rata* portion of the USD Amount paid to such Noteholders, (ii) none of the Issuer, any Agent or any other Person shall have any obligation whatsoever to pay any related foreign exchange rate spreads, fees, charges, commissions or expenses or to indemnify any Noteholder against any difference between the *pro rata* portion of the USD Amount received by such Noteholder and the portion of the Lira Amount that would have been payable to the Noteholder if it had not made the relevant USD Payment Election and (iii) neither the Issuer nor any Agent shall have any liability or other obligation to any Noteholder with respect to the conversion into U.S. dollars of any amount paid by it to the Fiscal Agent in Turkish Lira or the payment of any U.S. dollar amount to the applicable Noteholders.
- (i) Notwithstanding any provisions of these Conditions or the applicable Final Terms or Pricing Supplement, in respect of any Notes that are the subject of a USD Payment Election in respect of any payment, the definition of Payment Business Day shall, for the purposes of such payment on the Relevant Payment Date, be deemed to include a day (other than Saturday or Sunday) on which commercial banks are not authorised or required by law to be closed in New York City.

7.9 Payments on Notes held through DTC in a Specified Currency other than U.S. Dollars

For any Registered Global Note registered in the name of DTC or its nominee and denominated in a Specified Currency other than U.S. dollars, the holder of an interest in such Registered Global Note will receive payment in U.S. dollars unless it elects (in accordance with normal DTC practice) to receive such payment in such Specified Currency in the manner specified in the Agency Agreement.

Upon such an election, neither the Issuer nor any of the Agents will be liable for any delay or ultimate failure to pay the relevant Noteholder(s) caused by any delay or failure of DTC (or any of its direct or indirect participants) to provide payment instructions with respect to the relevant Specified Currency.

7.10 RMB Account

All payments on the Notes in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Final Terms or Pricing Supplement as RMB Settlement Centre(s) in accordance with applicable laws, rules and guidelines issued from time to time (including all applicable laws with respect to the settlement of RMB in Hong Kong or any relevant RMB Settlement Centre).

“RMB Settlement Centre(s)” means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, then the RMB Settlement Centre shall be deemed to be in Hong Kong.

7.11 RMB Currency Event

If “RMB Currency Event” is specified in the applicable Final Terms or Pricing Supplement as being applicable and a RMB Currency Event occurs and is continuing on a date for payment of any amount due on any Note or Coupon, the Issuer’s obligation to make payment in RMB under the terms of the Notes may be satisfied by payment of such amount in U.S. dollars converted using the Spot Rate for the Rate Calculation Date.

Upon the occurrence of a RMB Currency Event that is continuing, the Issuer shall give irrevocable notice to the Noteholders in accordance with Condition 15 not less than five nor more than 30 days before the relevant due date for payment or, if this is not practicable due to the time at which the relevant RMB Currency Event occurs, as soon as practicable following such occurrence, stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition and unless stated otherwise in the applicable Final Terms or Pricing Supplement (and subject, in the case of any determination of the Calculation Agent, to the provisions of Condition 6.4):

“*Governmental Authority*” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong,

“*Rate Calculation Business Day*” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City,

“*Rate Calculation Date*” means the day that is two Rate Calculation Business Days before the due date of the relevant payment under the Notes,

“*RMB Currency Event*” means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility,

“*RMB Illiquidity*” means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to make a payment, of any amount, in whole or in part, under the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong,

“*RMB Inconvertibility*” means the occurrence of any event that makes it impossible for the Issuer to convert in the general RMB exchange market in Hong Kong any amount, in whole or in part, due on the Notes into RMB on any payment date, other than where such impossibility is due solely to the failure of the Issuer to comply with any law enacted by a Governmental Authority (unless such law is enacted after the Issue Date of the most recently issued Tranche of Notes of this Series and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law),

“*RMB Non-Transferability*” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law enacted by a Governmental Authority (unless such law is enacted after the Issue Date of the most recently issued Tranche of Notes of this Series and it is impossible for the Issuer due to an event beyond its control, to comply with such law), and

“*Spot Rate*” means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with RMB in the over-the-counter RMB exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11:00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall, acting reasonably and in good faith, determine the rate taking into consideration all available information that the Calculation Agent deems relevant, including, among other things, pricing information obtained from the RMB non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

8. REDEMPTION AND PURCHASE

8.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms or Pricing Supplement in (except as provided in Conditions 7.8 and 7.9) the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms or Pricing Supplement.

8.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws of a Relevant Jurisdiction (as defined in Condition 9.2(b)), or any change in the application or official interpretation of the laws of a Relevant Jurisdiction, which change or amendment becomes effective after the date on which agreement is reached to issue the most recently issued Tranche of Notes of this Series (which shall, for the avoidance of doubt and for the purposes of this Condition 8.2, be the date on which the applicable Final Terms or Pricing Supplement is signed by the Issuer), on the next Interest Payment Date, the Issuer would be required to:
 - (i) pay Additional Amounts as provided or referred to in Condition 9, and
 - (ii) make any withholding or deduction for, or on account of, any Taxes imposed, assessed or levied by (or on behalf of) a Relevant Jurisdiction at a rate in excess of the applicable prevailing rates on the date on which agreement is reached to issue the most recently issued Tranche of Notes of this Series, and
- (b) such requirement cannot be avoided by the Issuer taking reasonable measures available to it,

then the Issuer may, at its option, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or Pricing Supplement to the applicable Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes of this Series on any Payment Business Day at their Early Redemption Amount together (if applicable) with all interest accrued and unpaid to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Fiscal Agent: (i) a certificate signed by two authorised signatories of the Issuer stating that the requirement referred to in clause (a) will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

8.3 Redemption at the Option of the Issuer (Issuer Call)

This Condition 8.3 applies to Notes that are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons pursuant to Condition 8.2), such option being referred to as an “*Issuer Call*.” The applicable Final Terms or Pricing Supplement, as the case may be, contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.3 for full information on any Issuer Call. In particular, the applicable Final Terms or Pricing Supplement identifies any Optional Redemption Date(s), any Optional Redemption Amount, any minimum or maximum amount of Notes that can be redeemed and the applicable notice periods.

If “Issuer Call” is specified as being applicable in the applicable Final Terms or Pricing Supplement, then the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or Pricing Supplement to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or (if a Minimum Redemption Amount and/or Maximum Redemption Amount is specified in the applicable Final Terms or Pricing Supplement as being applicable) some only of the Notes then outstanding on any Optional Redemption Date and at the Optional

Redemption Amount(s) specified in the applicable Final Terms or Pricing Supplement together (if applicable) with all interest accrued and unpaid to (but excluding) the relevant Optional Redemption Date. If a Minimum Redemption Amount and/or Maximum Redemption Amount is specified in the applicable Final Terms or Pricing Supplement as being applicable, then any such redemption must be of a principal amount not less than such Minimum Redemption Amount nor more than such Maximum Redemption Amount.

In the case of a partial redemption of Notes under this Condition 8.3, the Notes to be redeemed (“*Redeemed Notes*”) will: (a) in the case of Redeemed Notes represented by Definitive Notes, be selected individually by lot not more than 30 days prior to the date fixed for redemption, and (b) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion) and/or DTC (such date of selection being hereinafter called the “*Selection Date*”). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption (or, if the Final Terms or Pricing Supplement for the applicable Series provides for a shorter minimum notice period for redemption, such shorter number of days).

No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3.

“*Optional Redemption Date*” has the meaning (if any) given in the applicable Final Terms.

8.4 Redemption at the Option of the Noteholders (Investor Put)

This Condition 8.4 applies to Notes that are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an “*Investor Put*.” The applicable Final Terms or Pricing Supplement, as the case may be, contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 8.4 for full information on any Investor Put. In particular, the applicable Final Terms or Pricing Supplement identifies any Optional Redemption Date(s), any Optional Redemption Amount and the applicable notice periods.

If “Investor Put” is specified as being applicable in the applicable Final Terms or Pricing Supplement, then upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note (or, for Global Notes, the indicated part thereof) on the relevant Optional Redemption Date and at the Optional Redemption Amount together, if applicable, with all interest accrued and unpaid to (but excluding) such Optional Redemption Date. Registered Notes (or, for Global Notes, a nominal amount thereof) may be redeemed under this Condition 8.4 in any Specified Denomination.

To exercise the right to require redemption of this Note (or a portion hereof):

- (a) if this Note is in definitive form and is held outside of a clearing system, then the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or the Registrar, as the case may be, falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Registrar, as the case may be, (a “*Put Notice*”) and in which such holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8.4 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2; if this Note is in definitive bearer form, then the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to such Paying Agent’s order or under its control, and
- (b) if this Note is represented by a Global Note or is held through Euroclear or Clearstream, Luxembourg while in definitive form, then the holder of this Note must, within the notice period, give notice to the Fiscal Agent

of such exercise in accordance with the standard procedures of DTC, Euroclear or Clearstream, Luxembourg, as applicable (which may include notice being given on such holder's instruction by DTC, Euroclear or Clearstream, Luxembourg or any depositary for them to the Fiscal Agent by electronic means) in a form acceptable to DTC, Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of DTC, Euroclear or Clearstream, Luxembourg, as applicable, given by a holder of this Note pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare this Note (or, if a Global Note, a portion hereof) forthwith due and payable pursuant to Condition 11.

8.5 Early Redemption Amounts

For the purpose of Conditions 8.2 and 11.1, each Note will be redeemed at its Early Redemption Amount calculated as follows (the “*Early Redemption Amount*”):

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of Notes of this Series, at the Final Redemption Amount thereof,
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount that is or may be less or greater than the Issue Price of the first Tranche of Notes of this Series, at the amount specified in the applicable Final Terms or Pricing Supplement or, if no such amount or manner is so specified in the applicable Final Terms or Pricing Supplement, at its outstanding principal amount, or
- (c) in the case of a Zero Coupon Note, at an amount (the “*Amortised Face Amount*”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“*RP*” means the Reference Price set forth in the applicable Final Terms or Pricing Supplement,

“*AY*” means the Accrual Yield expressed as a decimal, and

“*y*” is the Day Count Fraction specified in the applicable Final Terms or Pricing Supplement, which shall be any of: (i) 30/360 (in which case the numerator shall be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of Notes of this Series to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360), (ii) Actual/360 (in which case the numerator shall be equal to the actual number of days from (and including) the Issue Date of the first Tranche of Notes of this Series to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator shall be equal to the actual number of days from (and including) the Issue Date of the first Tranche of Notes of this Series to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

8.6 Purchases by the Issuer and/or its Subsidiaries

The Issuer and/or any of its Subsidiaries may at any time purchase, have assigned or otherwise transferred to it or otherwise acquire (or have a third party do so for its benefit) Notes (or beneficial interests therein) (*provided* that, in the case of Definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price in the open market or otherwise, including (without limitation) in its capacity as a broker for a customer. If any such purchases or acquisitions of Notes (or beneficial interests therein) are made by tender, exchange or other process, then such tender, exchange or other process shall not be required to be available

to all Noteholders of the applicable Series, or in the same manner, except to the extent required by law. Such Notes (or beneficial interests therein) (and, in the case of Definitive Bearer Notes, the related Coupons and Talons) may be held, resold or, at the option of the Issuer or (with the Issuer's consent) any such Subsidiary (as the case may be) for those Notes (or beneficial interests therein) held by it, surrendered or notified to any Paying Agent and/or the Registrar for cancellation pursuant to Condition 8.7; *provided* that any such resale or surrender of a Definitive Bearer Note shall include a sale or surrender (as applicable) of all related Coupons and Talons.

8.7 Cancellation

All Notes that are redeemed, all Global Notes that are exchanged in full, all Registered Notes that have been transferred, all Coupons that are paid and all Talons that are exchanged shall be cancelled by the Agent by which they are redeemed, exchanged, transferred or paid. All Notes so cancelled cannot be reissued or resold and (if such cancellation is for the full amount thereof) the applicable Global Note or Definitive Note shall be forwarded to the Fiscal Agent or, as the case may be, the Registrar for cancellation.

In addition, the Issuer or any of its Subsidiaries may, in accordance with Condition 8.6, surrender to any Paying Agent or the Registrar any Notes (in the case of Definitive Bearer Notes, with all unmatured Coupons and Talons (if any) related to them) held by it that it wishes to have cancelled (or notify the Fiscal Agent and, in the case of Registered Notes, the Registrar of any beneficial interests in a Global Note to be so cancelled), which Notes (or beneficial interests therein) (and, if applicable, unmatured Coupons or Talons) shall, to the extent that the Issuer indicates in writing the same to the relevant Paying Agent (or, as applicable, the Registrar), be promptly cancelled by the Agent to which they are surrendered (or, as the case may be, the Agent(s) so notified). All Notes so cancelled cannot be reissued or resold and (if such cancellation is for the full amount thereof) the applicable Global Note or Definitive Note shall be forwarded to the Fiscal Agent or, as the case may be, the Registrar for cancellation.

Each of the other Agents shall deliver all cancelled Notes, Coupons and Talons to the Fiscal Agent or as the Fiscal Agent may specify.

8.8 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 8 or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, then the amount due and repayable on such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date that is the earlier of:

- (a) the date on which all amounts due on such Zero Coupon Note have been paid, and
- (b) five days after the date on which the full amount of the moneys payable on such Zero Coupon Notes has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9. TAXATION

9.1 Payment without Withholding

All payments of principal and interest on the Notes (including with respect to the Coupons, if any) by (or on behalf of) the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, levies, assessments or governmental charges (including related interest and penalties) of whatever nature ("*Taxes*") imposed, assessed or levied by (or on behalf of) any Relevant Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts ("*Additional Amounts*") as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts that would have been receivable on the Notes (including with respect to the Coupons, if any) in the absence of such withholding or deduction; *provided* that no Additional Amounts shall be payable in relation to any payment on any Note or Coupon:

- (a) to a holder who is liable for Taxes in respect of the Note or Coupon by reason of such holder having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon or the receipt of payment in respect thereof,
- (b) presented for payment in Türkiye, or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that a holder of the relevant Note or Coupon would have been entitled to Additional Amounts on presenting the same for payment on the last day of such 30 day period (assuming that day to have been a Payment Business Day).

Notwithstanding any other provision of these Conditions, in no event will the Issuer, any Paying Agent or any other Person be required to pay any Additional Amounts or other amounts in respect of the Notes (including on Coupons) for, or on account of, any FATCA Withholding Tax.

9.2 Defined Terms

For the purposes of these Conditions:

“*Relevant Date*” means, with respect to any payment, the date on which such payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of such money having been so received, notice to that effect has been duly given to the holder of the applicable Note by the Issuer in accordance with Condition 15, and

“*Relevant Jurisdiction*” means: (a) Türkiye or any political subdivision or any authority thereof or therein having power to tax or (b) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes (including with respect to the Coupons, if any).

10. PRESCRIPTION

Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest with respect thereto are made within a period of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 or any Talon that would be void pursuant to Condition 7.2.

11. EVENTS OF DEFAULT

11.1 Events of Default

The holder of any Note may give notice to the Issuer that such Note is, and such Note shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, with all interest accrued and unpaid to (but excluding) the date of repayment, if any of the following events (each an “*Event of Default*”) shall have occurred and be continuing:

- (a) if default is made by the Issuer in the payment of any principal or interest due on the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest,
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied,
- (c) if: (i) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described), (ii) the Issuer or any of its

Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment, subject to any applicable grace period, (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other Person, subject to any applicable grace period; *provided* that the aggregate principal amount of: (A) such Indebtedness for Borrowed Money of the Issuer or such Material Subsidiary in the case of clause(s) (i), (ii) and/or (iii) above and/or (B) the maximum amount payable by the Issuer or such Material Subsidiary under such guarantee and/or indemnity of the Issuer or such Material Subsidiary in the case of clause (iv) above exceeds US\$50,000,000 (or its equivalent in any other currency(ies)),

(d) if:

- (i) any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries,
- (ii) (A) the Issuer ceases or threatens to cease to carry on the whole or a substantial part, or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole, in each case, of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of Noteholders, or (B) the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to (or admits inability to) pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found by a competent authority to be (or becomes) bankrupt or insolvent,
- (iii) the Issuer or any of its Material Subsidiaries commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of all or a substantial part of its indebtedness, or
- (iv) the Issuer or any of its Material Subsidiaries: (A) takes any corporate action or other steps are taken or legal proceedings are started: (1) for its winding-up, dissolution, administration, bankruptcy or reorganisation (other than for the purposes of and followed by a reconstruction while solvent upon terms previously approved by an Extraordinary Resolution of Noteholders) or (2) for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or any substantial part or all of its revenues and assets or (B) shall, or proposes to, make a general assignment for the benefit of its creditors or shall enter into any composition with its creditors,

in each case in clauses (i) to (iv) above, save for the solvent voluntary winding-up, dissolution or reorganisation of any Material Subsidiary in connection with any combination with, or transfer of the whole or substantially the whole of its business and/or assets to, the Issuer or one or more other Subsidiary(ies) of the Issuer, or

- (e) if the banking licence of the Issuer is temporarily or permanently revoked or the management of the Issuer is taken over by the Savings Deposit Insurance Fund under the provisions of the Banking Law (Law No. 5411) of Türkiye.

11.2 Defined Terms

For the purposes of this Condition 11:

“Indebtedness for Borrowed Money” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of:

- (a) any notes, bonds, debentures, debenture stock, loan stock or other securities,
- (b) any borrowed money, or

- (c) any liability under or in respect of any acceptance or acceptance credit.

12. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to: (a) evidence of such loss, theft, mutilation, defacement or destruction and (b) indemnity, in each case as the Issuer and/or the Fiscal Agent or, as applicable, the Registrar may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. AGENTS

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. If any additional Agents are appointed in connection with this Series, then the names of such Agents will be specified in Part B of the applicable Final Terms or Pricing Supplement.

Subject to the terms of the Agency Agreement, the Issuer reserves the right at any time to vary or terminate the appointment of any Agent, appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts; *provided that*:

- (a) there will at all times be a Fiscal Agent and a Registrar,
- (b) there will at all times be: (i) in the case of Bearer Notes, a Paying Agent (which may be the Fiscal Agent), and (ii) in the case of Registered Notes, a Transfer Agent (which may be the Registrar),
- (c) there will at all times be a Paying Agent in a jurisdiction other than the jurisdiction in which the Issuer is incorporated,
- (d) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in the United States, and
- (e) so long as this Series of Notes was listed on a stock exchange by the Issuer and remains so listed, there will at all times be an Agent (which may be the Fiscal Agent) having a specified office in such place as may be required by the rules and regulations of such exchange or any other relevant authority.

In addition, the Issuer shall as promptly as practicable appoint a Paying Agent having a specified office in the United States in the circumstances described in Condition 7.5.

Notice of any variation, termination, appointment or change in Agents and of any changes to the specified office of an Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 15.

Any such variation, termination, appointment or change shall only take effect (other than in the case of the bankruptcy, insolvency or similar event of the applicable Agent, a Paying Agent ceasing to be a FATCA-Compliant Entity, a Paying Agent determining that it is unable to concur with the Issuer in respect of Benchmark Amendments for the reasons outlined in Condition 6.7(I)(d) or as otherwise prescribed by the Agency Agreement, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Couponholder or other Person. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted, with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

For the purposes of this Condition, "*FATCA-Compliant Entity*" means a Person payments to whom are not subject to any FATCA Withholding Tax.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon included in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due on the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15. NOTICES

All notices to Noteholders regarding the Bearer Notes shall be in English and be deemed to be validly given if published in English in a leading English language newspaper of general circulation in London. It is anticipated (but not required) that any such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes (if any) are (at the request of the Issuer) for the time being listed or by which they have been admitted to trading, including publication on the website of such stock exchange and/or other relevant authority if required by those rules. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the first date by which publication has occurred in all required newspapers.

All notices to Noteholders regarding the Registered Notes shall be in English and be deemed to be validly given if sent by messenger, courier, first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) of such Registered Notes at their respective addresses recorded in the Register and shall be deemed to have been given on the date of delivery (if delivered by messenger or courier) or the fourth day after mailing (if sent by mail). In addition, for so long as any Registered Note is (at the request of the Issuer) listed on a stock exchange or admitted to trading by another relevant authority and the rules of such stock exchange or relevant authority so require, such notice shall be published on the website of the relevant stock exchange and/or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

So long as any Global Note is held on behalf of DTC, Euroclear and/or Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) or such website(s) or such delivery or mailing the delivery of the relevant notice to DTC, Euroclear and/or Clearstream, Luxembourg, as applicable, for communication by them to the holders of interests in such Global Note. Any such notice shall be deemed to have been given to the holders of interests in such Note on such day as is specified in the applicable Final Terms or Pricing Supplement after the day on which such notice was given to DTC, Euroclear and/or Clearstream, Luxembourg, as applicable (or, if not so specified, on the second London Business Day after the date on which such notice was given to DTC, Euroclear and/or Clearstream, Luxembourg, as applicable).

In addition, for so long as any Note is (at the request of the Issuer) listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, the notice described in the previous paragraph shall be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Notices to be given by any Noteholder shall be in writing in English and given by lodging the same (together, in the case of any Definitive Bearer Note, with the relevant Definitive Bearer Note) with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Any such Definitive Bearer Note shall be returned to the relevant Noteholder after such notice has been given in the event such Definitive Bearer Note is otherwise due to be returned to such Noteholder. For so long as any of the Notes are represented by a Global Note, such notice may be given by any holder of an interest in such Global Note to the Fiscal Agent or the Registrar through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent, the Registrar and DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Holders of any Coupon appertaining to a Note shall be deemed for all purposes to have notice of the contents of any notice given to the applicable Noteholder.

16. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

16.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of any modification of the Notes (including any of these Conditions), the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer at any time and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10% of the aggregate principal amount of the Notes of this Series for the time being outstanding. A meeting that has been validly convened in accordance with the provisions of the Agency Agreement may be cancelled by the Person(s) who convened (or, if applicable, caused the Issuer to convene) such meeting by giving at least five days' notice (which, in the case of a meeting convened by the Issuer, shall be given to the applicable Noteholders in accordance with Condition 15 and to the Fiscal Agent); *provided* that if the Issuer had convened such meeting after having been required to do so by one or more Noteholder(s) pursuant to Clause 3.1 of Schedule 5 of the Agency Agreement, then the Issuer may not so cancel such meeting absent a request to do so from such Noteholder(s).

The quorum at any such meeting for passing an Extraordinary Resolution is one or more eligible Person(s) present and holding or representing in the aggregate at least a majority of the principal amount of the Notes of this Series for the time being outstanding, or at any adjourned meeting one or more eligible Person(s) present being or representing Noteholders whatever the aggregate principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including these Conditions) or the Coupons (including modifying the Maturity Date of the applicable Series of Notes or any date for the payment of interest thereon, reducing or cancelling the amount of principal or interest payable on the applicable Series of Notes, altering the currency of payment of the applicable Series of Notes or the related Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more eligible Person(s) present and holding or representing in the aggregate not less than two-thirds of the aggregate principal amount of the Notes of this Series for the time being outstanding, or at any adjourned such meeting one or more eligible Person(s) present and holding or representing in the aggregate not less than one-third in principal amount of the Notes of this Series for the time being outstanding. An Extraordinary Resolution duly passed by the Noteholders shall be binding upon all the Noteholders, whether or not they are present or represented at any meeting and whether or not they vote on the resolution, and on all Couponholders.

The Agency Agreement provides that (*inter alia*): (a) a resolution in writing signed by (or on behalf of) the Noteholders of not less than 75% of the aggregate principal amount of the Notes of this Series for the time being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed by (or on behalf of) one or more Noteholders) or (b) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by (or on behalf of) the Noteholders of not less than 75% of the aggregate principal amount of the Notes of this Series for the time being outstanding will, in each case, take effect as if it were an Extraordinary Resolution and shall be binding upon all Noteholders.

16.2 Modification without Noteholder Consent

The Issuer may, without the consent of the Noteholders or Couponholders, effect any modification (except such modifications in respect of which an increased quorum is required as mentioned in Condition 16.1) of any of the Notes (including these Conditions), the Deed of Covenant, the Deed Poll or the Agency Agreement that is, in the opinion of the Issuer, either: (a) for the purpose of curing any ambiguity or of curing or correcting any manifest or proven error or any other defective provision contained herein or therein or (b) following the advice of an independent financial institution of international standing, not materially prejudicial to the interests of the Noteholders. Any such modification shall be binding upon the Noteholders and Couponholders and shall be notified by the Issuer to the applicable Noteholders as soon as reasonably practicable thereafter in accordance with Condition 15.

Notwithstanding any other provision of these Conditions or the Agency Agreement, the consent or approval of the Noteholders or the Couponholders shall not be required in the case of amendments to these Conditions pursuant to Condition 6.7 to vary the method or basis of calculating the rate(s) or amount of interest or the basis for calculating

any Interest Amount on the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 6.7 (with respect to Condition 6.7(I), where the Issuer has delivered to the Calculation Agent a certificate pursuant to Condition 6.7(I)(e)).

17. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue further notes having terms and conditions the same as those of this Series of Notes, or the same in all respects except for the amount and/or date of the first payment of interest thereon, the issue date and/or the date from which interest starts to accrue, so that the same shall be consolidated and form a single Series with such outstanding Notes; *provided* that the Issuer shall ensure that such further notes will be fungible with such outstanding Notes for U.S. federal income tax purposes as a result of their issuance being a “qualified reopening” under U.S. Treasury regulations §1.1275-2(k) unless the original Notes were, and such further Notes are, offered and sold by (or on behalf of) the Issuer solely in reliance upon Regulation S in offshore transactions to Persons other than U.S. persons.

In addition, the Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue separate Series of Notes under the Programme.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No Person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any Person that exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing Law

These Conditions, and any non-contractual obligations arising out of or in connection herewith, are and shall be (and the Notes and Coupons state that they, and any non-contractual obligations arising out of or in connection therewith, are and shall be) governed by, and construed in accordance with, English law.

19.2 Submission to Jurisdiction

The Issuer irrevocably agrees, for the benefit of the Noteholders and the Couponholders, that the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) have exclusive jurisdiction to settle any disputes that arise out of or in connection with the Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or Coupons) and accordingly submits to the exclusive jurisdiction of such courts with respect thereto.

In connection with any suit, action or other proceeding arising out of or in connection with the Notes and the Coupons (including any such suit, action or other proceeding relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) (together referred to as “*Proceedings*”), the Issuer waives any objection to the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) on the grounds that it is an inconvenient or inappropriate forum.

To the extent allowed by law, the Noteholders and the Couponholders may initiate any Proceedings against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

19.3 Consent to Enforcement

The Issuer agrees, without prejudice to the enforcement of a judgment obtained in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) according to the provisions of Article 54 of the International Private and Procedure Law of Türkiye (Law No. 5718), that in the event that any

action is brought in relation to the Issuer in a court in Türkiye in connection with the Notes and/or the Coupons, in addition to other permissible legal evidence pursuant to the Civil Procedure Code of Türkiye (Law No. 6100), any judgment obtained in such courts in connection with such action shall constitute conclusive evidence of the existence and amount of the claim against the Issuer pursuant to the provisions of the first paragraph of Article 193 of the Civil Procedure Code of Türkiye (Law No. 6100) and Articles 58 and 59 of the International Private and Procedure Law of Türkiye (Law No. 5718).

19.4 Service of Process

In connection with any Proceedings in England, service of process may be made upon the Issuer at the offices of Law Debenture Corporate Services Limited (with a current address of Eighth Floor, 100 Bishopsgate, London EC2N 4AG, England) and the Issuer undertakes that, in the event of such process agent ceasing so to act, the Issuer shall promptly appoint another Person as its agent for that purpose. This Condition does not affect the right to serve process in any other manner allowed by law.

19.5 Other Documents

The Issuer has, in the Agency Agreement, the Deed of Covenant and the Deed Poll, submitted to the jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) and agreed to service of process in terms substantially similar to those set out above in this Condition 19.

BOOK-ENTRY CLEARING SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Bank's management believes to be reliable, but neither the Bank nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

As of the date of this Base Prospectus, the Issuer is required to notify Central Registry İstanbul within three İstanbul business days from the applicable Issue Date of a Tranche of Notes of the amount, Issue Date, ISIN (if any), interest commencement date, maturity date, interest rate, name of the custodian and currency of such Notes and the country of issuance.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its direct participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*” and, with Direct Participants, “*Participants*”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “*DTC Rules*”), DTC makes book-entry transfers of securities among Direct Participants on whose behalf it acts with respect to notes accepted into DTC’s book-entry settlement system (“*DTC Notes*”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the SEC. Participants with which beneficial owners of DTC Notes (“*DTC Beneficial Owners*”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective DTC Beneficial Owners. Accordingly, although DTC Beneficial Owners who hold interests in DTC Notes through Participants will not possess the securities, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each DTC Beneficial Owner is in turn to be recorded on the relevant Direct Participant’s and Indirect Participant’s records. DTC Beneficial Owners will not receive written confirmation from DTC of their purchases, but DTC Beneficial Owners are expected to receive written confirmations providing details of each transaction, as well as periodic statements of their holdings, from the Participant through which the DTC Beneficial Owner holds its interest in the DTC Notes. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of DTC Beneficial Owners. DTC Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual DTC Beneficial Owners; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the DTC Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Participants to DTC Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's operational arrangements and the issuing/paying agent general operating procedures for money market instruments. Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the DTC Notes will be made to DTC or its nominee. DTC's practice is to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC, subject to the receipt of funds and corresponding detail information from the Issuer or the relevant Paying Agent. Payments by Participants to DTC Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC or its nominee is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the DTC Beneficial Owners is the responsibility of Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for Definitive Registered Notes, which it will distribute to its Direct Participants in accordance with their requests and proportionate entitlements and that will be legended as described in "Transfer and Selling Restrictions."

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any DTC Beneficial Owner desiring to pledge its interest in DTC Notes to Persons that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to effect such pledge through DTC and its Participants or, if not possible to so effect it, to withdraw its securities from DTC as described below.

The applicable laws in some jurisdictions might require that certain Persons take physical delivery of securities in definitive form. Consequently, the ability to transfer an interest in Notes represented by a Registered Global Note to such Persons might depend upon the ability to exchange such interest for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a Person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such interest to Persons that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such interest for Notes in definitive form. The ability of any holder of an interest in Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such interests might be impaired if the proposed transferee of such interests is not eligible to hold such interests through a Participant.

Clearstream, Luxembourg

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg customers through electronic book-entry changes in accounts of Clearstream, Luxembourg customers, thereby eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream, Luxembourg in any of a number of currencies, including U.S. dollars and Turkish Lira. Clearstream, Luxembourg provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in several countries through established depository and custodial relationships.

Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the *Commission de Surveillance du Secteur Financier* and the *Banque Centrale du Luxembourg*, which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg's customers are recognised financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to

Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a direct participant in Clearstream, Luxembourg. Clearstream, Luxembourg has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream, Luxembourg and Euroclear.

The ability of an owner of a beneficial interest in a Note held through Clearstream, Luxembourg to pledge such interest to Persons that do not participate in the Clearstream, Luxembourg system, or otherwise take action in respect of such interest, might be limited by the lack of a definitive note for such interest because Clearstream, Luxembourg can act only on behalf of Clearstream, Luxembourg's customers, who in turn act on behalf of their own customers. The applicable laws of some jurisdictions might require that certain Persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in the Notes to such Persons might be limited. In addition, beneficial owners of Notes held through the Clearstream, Luxembourg system will receive payments of principal, interest and any other amounts on the Notes only through Clearstream, Luxembourg participants.

Euroclear

Euroclear holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its direct participants. Euroclear provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear also deals with domestic securities markets in several countries through established depository and custodial relationships. Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear is available to other institutions that clear through or maintain a custodial relationship with participants in Euroclear.

The ability of an owner of a beneficial interest in a Note held through Euroclear to pledge such interest to Persons that do not participate in the Euroclear system, or otherwise take action in respect of such interest, might be limited by the lack of a definitive note for such interest because Euroclear can act only on behalf of Euroclear's customers, who in turn act on behalf of their own customers. The applicable laws of some jurisdictions might require that certain Persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in the Notes to such Persons might be limited. In addition, beneficial owners of Notes held through the Euroclear system will receive payments of principal, interest and any other amounts on the Notes only through Euroclear participants.

Book-entry Ownership of and Payments on Global Notes

The Issuer has applied to each of Euroclear and Clearstream, Luxembourg to have Global Note(s) accepted in its book-entry settlement system. Upon the issue of any such Global Note, Euroclear and/or Clearstream, Luxembourg, as applicable, will credit, on its internal book-entry system, the respective nominal amounts of the interests represented by such Global Note to the accounts of Persons who have accounts with Euroclear and/or Clearstream, Luxembourg, as applicable. Such accounts initially will be designated by (or on behalf of) the relevant Dealer(s) or investor(s). Interests in such a Global Note through Euroclear and/or Clearstream, Luxembourg, as applicable, will be limited to participants of Euroclear and/or Clearstream, Luxembourg, as applicable. Interests in such a Global Note will be shown on, and the transfer of such interests will be effected only through, records maintained by Euroclear and/or Clearstream, Luxembourg or its nominee (with respect to the interests of direct Euroclear and/or Clearstream, Luxembourg participants) and the records of direct or indirect Euroclear and/or Clearstream, Luxembourg participants (with respect to interests of indirect Euroclear and/or Clearstream, Luxembourg participants).

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of Persons who have accounts with DTC. Such accounts initially will be designated by (or on behalf of) the relevant Dealer(s) or investor(s). Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants and Indirect Participants, including, in the case of any Regulation S Registered Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants and Indirect Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest on a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Global Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial owners of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

Subject to the preceding paragraph, payments of principal and interest on a Global Note will be made to DTC, Clearstream, Luxembourg, Euroclear or their respective nominee, as the case may be, as the registered holder of such Global Note. The Issuer expects DTC, Clearstream, Luxembourg and Euroclear to credit accounts of their respective direct accountholders on the applicable payment date. The Issuer also expects that payments by direct DTC, Clearstream, Luxembourg or Euroclear accountholders to indirect participants in such Clearing Systems will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers of such Clearing System, and will be the responsibility of such direct participant and not the responsibility of such Clearing System, the Fiscal Agent, any Paying Agent, the Registrar or the Bank. Payments of principal and interest on the Notes to a Clearing System (or its nominee) are the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear or Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. Subject to compliance with the transfer restrictions applicable to the Registered Notes described in "Transfer and Selling Restrictions," cross-market transfers between Participants in DTC, on the one hand, and directly and indirectly through Clearstream, Luxembourg or Euroclear participants, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian ("*Custodian*") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Tranche, transfers of Notes of such Tranche between participants in Clearstream, Luxembourg and Euroclear will generally have a settlement date two business days after the trade date (T+2) and transfers of Notes of such Tranche between Participants in DTC will generally have a settlement date one business day after the trade date (T+1). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between participants in Clearstream, Luxembourg or Euroclear and Participants in DTC will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Fiscal Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg participants and DTC's Participants cannot be made on a delivery-versus-payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

Each Clearing System has published rules and operating procedures designed to facilitate transfers of beneficial interests in global securities among participants of the Clearing Systems; *however*, they are under no obligation to perform or continue to perform such procedures, and such procedures might be discontinued or changed at any time. None of the Issuer, the Agents or any Arranger or Dealer will be responsible for any performance by the Clearing Systems or their respective direct or indirect participants of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

This is a general summary of certain U.S. federal income and Turkish tax laws and other tax considerations in connection with an investment in the Notes. This summary does not address all aspects of U.S. federal income and Turkish tax law and considerations or the laws of other jurisdictions (including the UK or any state or local tax law, including any jurisdiction in which an investor in the Notes is subject to taxes). While this summary is considered to be a correct interpretation of existing laws in force on the date of this Base Prospectus, there can be no assurance that those laws or the interpretation of those laws will not change. This summary does not discuss all of the tax consequences that might be relevant to an investor in light of such investor's particular circumstances or to investors subject to special rules, such as regulated investment companies, certain financial institutions or insurance companies. In addition, each investor should note that the tax laws of such investor's jurisdiction might have an impact on the income received from the Notes.

Prospective investors in the Notes are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership or disposition of the Notes (or the purchase, ownership or disposition by an owner of beneficial interests therein) as well as any tax consequences that might arise under the laws of any state, municipality or other taxing jurisdiction (including of their respective citizenship, residence or domicile), including (but not limited to) the consequences of receipt of payments on the Notes and the disposal of investments in the Notes.

Certain U.S. Federal Income Tax Consequences

The following summary describes certain U.S. federal income tax consequences of the acquisition, ownership and disposition of a Note by a U.S. Holder (as defined below) whose functional currency is the U.S. dollar that acquires the Note from the Dealers for cash at a price equal to the issue price of the Notes (as defined under “-Original Issue Discount - General”) and holds it as a capital asset, except that “- Further Issues” applies to all holders. This summary does not address all aspects of U.S. federal income taxation that might be applicable to particular U.S. Holders subject to special U.S. federal income tax rules, including, among others, tax-exempt organisations, financial institutions, insurance companies, accrual method taxpayers that file applicable financial statements (as described in Section 451(b) of the Code), dealers and traders in securities or currencies, U.S. Holders that elect mark to market accounting for their securities holdings, U.S. Holders that will hold a Note as part of a “straddle,” hedging transaction, “wash sale,” “conversion transaction” or other integrated transaction for U.S. federal income tax purposes, U.S. Holders that enter into “constructive sale” transactions with respect to the Notes, regulated investment companies, real estate investment trusts, a corporation that accumulated earnings to avoid U.S. federal income tax, U.S. Holders that hold the Notes through non U.S. brokers or other non U.S. intermediaries, entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein, U.S. Holders liable for any alternative minimum tax and certain U.S. expatriates and former long-term residents of the United States. In addition, this summary does not address consequences to U.S. Holders of the acquisition, ownership and disposition of a Note under any other U.S. federal tax laws (e.g., estate or gift tax laws) or the tax laws of any state, locality or other political subdivision of the United States or other countries or jurisdictions.

This summary does not discuss Notes that by their terms may be retired for an amount less than their principal amount and Notes subject to special rules. The tax treatment of certain Notes may be specified in the relevant supplement to this Base Prospectus. Moreover, this summary does not discuss Bearer Notes. In general, U.S. federal income tax law imposes significant limitations on U.S. Holders of Bearer Notes. U.S. Holders should consult their tax advisors regarding the restrictions and penalties imposed under U.S. federal income tax law with respect to Bearer Notes and any other tax consequences with respect to the acquisition, ownership and disposition of any of these Notes.

As used herein, the term “*U.S. Holder*” means a beneficial owner of a Note that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the U.S., (b) a corporation or other entity taxable as a corporation created or organised in or under the laws of the U.S., any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust (i) whose administration is subject to the primary supervision of a United States court and one or more United States persons (as defined under the Code) have the authority to control all substantial decisions of the trust or (ii) otherwise if the trust has a valid election to be treated as a United States person (as defined under the Code) in effect under applicable U.S. Treasury regulations. References herein to a U.S. Holder holding a Note shall also refer to the holding of a beneficial interest in a Global Note.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds a Note, then the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and the status and activities of

the partnership. Therefore, a partnership holding a Note and its partners should consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of a Note.

The discussion below is based upon the Code, U.S. Treasury regulations promulgated thereunder and judicial and administrative interpretations thereof, all as in effect as of the date of this Base Prospectus and any of which may at any time be repealed, revoked or modified or subject to differing interpretations, potentially retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. No ruling will be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

THE SUMMARY OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. INVESTORS IN THE NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING INVESTMENTS IN THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Payments of Interest

Payments of interest on the Notes, including Additional Amounts, if any, other than interest on a Discount Note that is not “qualified stated interest” (each as defined under “-Original Issue Discount - General”), generally will be taxable to a U.S. Holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. Holder’s usual method of accounting for U.S. federal income tax purposes. Interest paid on a Note and OID, if any, accrued with respect to the Notes (as described under “-Original Issue Discount”), generally will constitute foreign source income for U.S. federal income tax purposes and generally will be considered “passive” income, which is treated separately from other types of income in computing the foreign tax credit that may be allowable to U.S. Holders under U.S. federal income tax laws. Subject to applicable restrictions and limitations, a U.S. Holder may be entitled to claim a U.S. foreign tax credit in respect of any Turkish withholding taxes imposed upon interest received on the Notes. However, there are significant complex limitations on a U.S. Holder’s ability to claim such a credit or deduction. A U.S. Holder who does not elect to claim a credit for foreign tax may instead claim a deduction in respect of the Turkish withholding taxes provided the U.S. Holder elects to deduct rather than claim a credit for all foreign taxes for such taxable year. U.S. Holders that are eligible for benefits under the double tax treaty between the United States and Türkiye (the “*Double Tax Treaty*”) or are otherwise entitled to a refund for the taxes withheld under Turkish tax law generally will not be entitled to a foreign tax credit or deduction for the amount of any Turkish taxes withheld in excess of the maximum rate under the Double Tax Treaty or for those taxes that have been otherwise refunded to them under Turkish tax law. The rules relating to foreign tax credits or deducting foreign taxes are extremely complex and U.S. Holders are urged to consult their own tax advisors regarding the availability and advisability of claiming a foreign tax credit or a deduction with respect to any Turkish taxes withheld from payment.

Stated interest paid in a currency other than U.S. dollars will be included in a U.S. Holder’s gross income in an amount equal to the U.S. dollar value of such other currency, including any amounts withheld in respect of withholding taxes and any Additional Amounts paid in respect of withholding taxes imposed on payments on the Notes, regardless of whether such other currency is converted into U.S. dollars at that time. Generally, a U.S. Holder that uses the cash method of accounting for U.S. federal income tax purposes (a “*cash method U.S. Holder*”) will determine such U.S. dollar value using the “spot rate” (as defined in U.S. Treasury regulations) of exchange on the date of receipt. A cash method U.S. Holder generally will not recognise foreign currency exchange gain or loss on the receipt of the interest payment but may recognise foreign currency exchange gain or loss when it disposes such other currency received. Generally, a U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes (a “*accrual method U.S. Holder*”) (or a U.S. Holder who otherwise is required to accrue interest prior to receipt) will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within each taxable year). Alternatively, an accrual method U.S. Holder may make an election (which must be applied consistently to all debt instruments held by the U.S. Holder at the beginning of the taxable year to which the election applies or thereafter acquired by the U.S. Holder from year-to-year and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the portion of the accrual period within each taxable year in the case of a partial accrual period). An accrual method U.S. Holder will recognise foreign currency exchange gain or loss on the date of receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale, exchange, retirement or other taxable disposition of a Note) if the spot rate of exchange on the date payment is received differs from the rate used in translating the

accrual of that interest (as determined above). The amount of foreign currency exchange gain or loss to be recognised by such U.S. Holder will be an amount equal to the difference, if any, between the U.S. dollar value of the interest payment received in such other currency (determined on the basis of the spot rate on the date the interest income is received) in respect of an accrual period and the U.S. dollar value of the interest income that has accrued during the accrual period (as determined above) regardless of whether the payment is in fact converted to U.S. dollars. This foreign currency exchange gain or loss will be ordinary income or loss and generally will not be treated as an adjustment to interest income or expense, and generally will be U.S. source provided that the residence of the U.S. Holder is considered to be the United States for purposes of the rules governing foreign currency exchange gain or loss.

Original Issue Discount

General. The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“OID”).

A Note, other than a Note with a term of one year or less (a “*Short-Term Note*”), generally will be treated as issued with OID for U.S. federal income tax purposes (a “*Discount Note*”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is at least a *de minimis* amount (0.25% of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date (or, in the case of a Note that provides for payments of any amount other than qualified stated interest before maturity (e.g., payment of principal in instalments), by its weighted average maturity)). Generally, the “issue price” of a Note is the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to Persons other than bond houses, brokers or similar Persons acting in the capacity of underwriters, placement agents, or wholesalers. The “stated redemption price at maturity” of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A “*qualified stated interest*” payment is generally any one of a series of stated interest payments on a security that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate, applied to the outstanding principal amount of such security. If a Note has *de minimis* OID, a U.S. Holder will include the *de minimis* amount in income as capital gain when stated principal payments are made on the Note, unless the holder makes the election described below under “- Election to Treat All Interest as Original Issue Discount.” A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note’s *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes generally will be required to include OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under on a constant-yield method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. Holder will include any OID in income before the receipt of cash attributable to the income, and will generally have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (“*accrued OID*”). A daily portion is determined by allocating to each day in any accrual period a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Discount Note as long as: (a) no accrual period is longer than one year and (b) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of: (i) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (ii) the sum of the payments of qualified stated interest on the Discount Note allocable to the accrual period. The “*adjusted issue price*” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by: (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments. For the purposes of determining OID accruals and adjusted issue price only, the amounts of stated interest and OID are determined by assuming that the interest rate on the Notes is a fixed rate based on the value of the floating rate applicable to the Notes as of the issue date. The yield to maturity of a Discount Note is the discount rate that, when used in computing the present value of all principal and interest payments to be made under the Discount Note, produces an amount equal to the issue price of the Discount Note.

OID on Discount Notes that are denominated in a currency other than U.S. dollars will be determined for any accrual period in such other currency and then translated into U.S. dollars in accordance with either of the two alternative methods applicable to accrual basis U.S. Holders described above under “- Payments Interest”. A U.S. Holder will recognize foreign currency exchange gain or loss when OID is paid (including, upon the sale, exchange, retirement or other taxable disposition

of the Discount Notes, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference, if any, between the U.S. dollar value of the payment in such other currency received, determined based on the spot rate on the date such payment is received, and the U.S. dollar value of the accrued OID, as determined in the manner described above. For these purposes, all receipts on a Discount Note will be viewed first as payment of stated interest payable on the Discount Note, second as receipt of previously accrued OID (to the extent thereof) with payments considered made for the earliest accrual periods first and third as receipt of principal. The rules governing OID instruments are complex, and prospective investors should consult their tax advisors concerning the application of such rules to the Notes as well as the interplay between the application of the OID rules and the foreign currency exchange gain or loss rules. Foreign currency exchange gain or loss generally will be treated as U.S. source ordinary income or loss and generally will not be treated as an adjustment to interest income or expense.

Variable Rate Debt Instruments. Interest payments on a “variable rate debt instrument” (“VRDI”) may be considered qualified stated interest. For this purpose, a Note is a VRDI if it is an instrument that: (a) has an issue price that does not exceed the total noncontingent principal payments by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total noncontingent principal payments and the number of complete years to maturity of the Note (or, in the case of Notes providing for payments of any amount other than qualified stated interest before maturity (e.g., payment of principal in instalments), the weighted average maturity) and (ii) 15% of the total noncontingent principal payments, (b) provides for stated interest (compounded or paid at least annually) at the current value of: (i) one or more qualified floating rates (as defined below), (ii) a single fixed rate followed by one or more qualified floating rates, (iii) a single objective rate (as defined below) or (iv) a single fixed rate and a single objective rate (as defined below), (c) each qualified floating rate or objective rate in effect at any time during the term of the Note is set at a current value of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first day on which the value is in effect and no later than one year following that first day), and (d) does not provide for any principal payments that are contingent except as provided in clause (a) above.

If a Note that provides for a variable interest rate does not qualify as a VRDI, then such Note would be a “contingent payment debt instrument” (“CPDI”) subject to rules set forth in the U.S. Treasury regulations that address the U.S. federal income tax treatment of such instruments. A description of any material U.S. federal income tax considerations relevant to U.S. Holders of such Notes will be set forth in the applicable supplement to this Base Prospectus.

A “qualified floating rate” is a variable rate if variations in the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated. A multiple of a qualified floating rate is not a qualified floating rate unless the relevant spread multiplier is: (a) fixed at a number that is greater than 0.65 but not more than 1.35 or (b) fixed at a number that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. Notwithstanding the foregoing, stated interest on a Note that is subject to a restriction on the maximum or minimum interest rate (i.e., a cap or floor), a restriction on the amount of increase or decrease in such rate (i.e., a governor) or other similar restrictions generally will not be treated as a qualified floating rate. However, a restriction will not cause a variable rate to fail to be a qualified floating rate if it is a cap, floor or governor that is fixed throughout the term of the Note or is a cap, floor, governor or similar restriction that is not reasonably expected as of the issue date to cause the yield on the Note to be significantly less than (in the case of a cap), significantly more than (in the case of a floor), or significantly different from (in the case of a governor), the expected yield determined without such cap, floor or governor, as the case may be. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Note (e.g., two or more qualified floating rates with values within 25 basis points (i.e., 0.25%) of each other as determined on the Note’s issue date) will be treated as a single qualified floating rate. An “objective rate” is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based upon objective financial or economic information; *provided, however*, that an objective rate does not include a rate based on information that is within the control of the Bank (or a related party within the meaning of the applicable statutory provisions) or that is unique to the circumstances, such as dividends, profits or the value of the stock, of the Bank (or a related party within the meaning of the applicable statutory provisions), other than the Bank’s credit quality. A variable rate is not an objective rate, *however*, if it is reasonably expected that the average value of the rate during the first half of the Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note’s term. A “qualified inverse floating rate” is an objective rate: (i) that is equal to a fixed rate minus a qualified floating rate and (ii) the variations in which can reasonably be expected to inversely reflect contemporaneous variations in such qualified floating rate (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate). If (a) a Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and (b) the variable rate on the Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the

issue date does not differ from the value of the fixed rate by more than 25 basis points (*i.e.*, 0.25%)), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

Under the OID rules, if a Note qualifies as a VRDI that provides for stated interest at a single qualified floating rate or a single objective rate and that rate is payable unconditionally (other than in debt instruments of the Bank) at least annually, then all of the stated interest is treated as qualified stated interest. Therefore, such a Note will not have original issue discount unless its stated principal amount exceeds the price at which it is issued by an amount that is greater than or equal to the *de minimis* amount. If a Note qualifying as a VRDI provides for interest at more than a single qualified floating rate or a single objective rate, the rules for determining the amount and accrual of original issue discount and qualified stated interest on such Note provide for the conversion of such Note into an equivalent fixed rate debt instrument and the application of the general rules regarding original issue discount to such debt instrument. The fixed rate substitute for each qualified floating rate (or each qualified inverse floating rate) provided by the Note is the value of that qualified floating rate (or qualified inverse floating rate) on the issue date. Under such rules, the qualified stated interest allocable to an accrual period based upon such assumed fixed rate is increased (or decreased) if the interest actually paid during such accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period based upon such assumed fixed rate. If a Note qualifying as a VRDI provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, then the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Note provides for a qualified inverse floating rate such that the fair market value of an investment in the Note, so modified, as of the Note's issue date is approximately the same as the fair market value of the unmodified Note. After converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Note is then converted into an equivalent fixed rate debt instrument and subject to the general rules regarding original issue discount, as described above.

Election to Treat All Interest as Original Issue Discount. A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “- Original Issue Discount - General” with certain modifications. For purposes of this election, interest includes stated interest, OID, and *de minimis* OID. If a U.S. Holder makes this election for the Note, then, when the constant-yield method is applied, the issue price of the Note will equal its cost, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest, and the U.S. Holder's tax basis in the Note will be increased by each accrual of the amounts treated as OID under this election. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS.

Short Term Notes. In the case of Short-Term Notes (as defined above), all payments (including all stated interest payments) will be included in the stated redemption price at maturity and any discount will be taxable to a U.S. Holder as interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a Short-Term Note, unless the U.S. Holder elects to compute this discount using tax basis instead of issue price, in which case such election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the taxable year to which such election applies. Such election is irrevocable without the consent of the IRS. In general, individuals and certain other cash method U.S. Holders of a Short-Term Note are not required to include accrued discount in their income currently unless they elect to do so (but may be required to include any stated interest in income as it is received). Accrual method U.S. Holders and certain other U.S. Holders are required to accrue discount on such Short-Term Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant-yield method based on daily compounding. In the case of a U.S. Holder that is not required, and does not elect, to include discount in income currently, any gain realized on the sale, exchange, redemption or other taxable disposition of the Short-Term Note will generally be ordinary income to the extent of the discount accrued through the date of sale, exchange, redemption or other taxable disposition. In addition, a U.S. Holder that is not required, and does not elect, to include currently accrued discount in income may be required to defer deductions for a portion of the U.S. Holder's interest expense with respect to any indebtedness incurred or continued to purchase or carry such Short Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

Further Issues

The Bank may from time to time, without the consent of the Noteholders or Couponholders, issue additional Notes with identical terms and conditions. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Notes with Contingent Payments

The tax consequences to a U.S. Holder of a Note with contingent payments will depend on factors including the specific index or indices used to determine payments on such Note and the amount and time of any noncontingent payments on such Note. A description of the principal U.S. federal income tax considerations relevant to U.S. Holders of such Note will be set forth, if required, in the relevant Final Terms or Pricing Supplement.

Other Notes

A description of the principal U.S. federal income tax considerations relevant to U.S. Holders of any other type of Note that the Bank may issue under the Programme will be set forth, if required, in the relevant Final Terms or Pricing Supplement.

Sale, Exchange, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, redemption, retirement at maturity or other taxable disposition of a Note, a U.S. Holder generally will recognise taxable gain or loss equal to the difference, if any, between (i) the amount realised on the disposition (*i.e.*, the amount of cash and the fair market value of any property received on the disposition) except to the extent the cash or property received is attributable to accrued and unpaid interest and OID not previously included in income, which is taxable as interest income as described above) and (ii) the U.S. Holder's adjusted tax basis in the Note. If a U.S. Holder receives foreign currency on such taxable disposition, the amount realized by a U.S. Holder will be the U.S. dollar value of such foreign currency based on the spot rate of exchange on the date of the disposition (or based on the spot rate on the settlement date of the disposition, in the case of Notes traded on an established securities market and taxably disposed of by a cash method U.S. Holder or an electing accrual method U.S. Holder). A U.S. Holder's adjusted tax basis in a Note will generally equal the "U.S. dollar cost" (as defined herein) of the Note to such holder increased by any previously accrued OID. The "U.S. dollar cost" of a Note will generally be either (i) the purchase price, if such Note is purchased with U.S. dollars or (ii) if such Note is purchased with foreign currency, the U.S. dollar value of the purchase price in foreign currency based on the spot rate of exchange on the date of purchase (or based on the spot rate of exchange on the settlement date of the purchase, in the case of Notes traded on an established securities market that are purchased by a cash method U.S. Holder or an electing accrual method U.S. Holder).

If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, any gain or loss recognised by a U.S. Holder on the sale, exchange or other taxable disposition of a Note will be capital gain or loss and will be long-term capital gain or loss if, at the time of the taxable disposition, the Note was held by the U.S. Holder for more than one year. In the case of an individual U.S. Holder, under current law any long-term capital gain will generally be subject to preferential U.S. federal income tax rates. Gain or loss realised by a U.S. Holder on the sale exchange or other taxable disposition of a Note generally will be U.S. source. The deductibility of capital losses and a U.S. Holder's ability to claim foreign tax credits are subject to significant complex limitations. U.S. Holders should consult their advisors about the availability of U.S. foreign tax credits or deductions with respect to any Turkish taxes imposed upon a disposition of Notes in the U.S. Holders' particular circumstances.

Any gain or loss recognised by a U.S. Holder on the sale, exchange, retirement or other taxable disposition of a Note will generally be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in foreign currency exchange rates during the period in which the U.S. Holder held such Note. Such foreign currency exchange gain or loss generally will equal the difference, if any, between: (a) the U.S. dollar value of the U.S. Holder's purchase price (in the applicable foreign currency) of the Note calculated at the spot rate of exchange on the date of the sale, exchange, retirement or other taxable disposition of the Note and (b) the U.S. dollar value of the U.S. Holder's purchase price (in the applicable foreign currency) of the Note calculated at the spot rate of exchange on the date on which the U.S. Holder acquired the Note. If the Note is traded on an established securities market, with respect to a cash method U.S. Holder (and, if it so elects, an accrual method U.S. Holder), such foreign currency exchange gain or loss will equal the difference between: (i) the U.S. dollar value of the U.S. Holder's purchase price (in the applicable foreign currency) for the Note calculated at the spot rate of exchange on the settlement date of the disposition and (ii) the U.S. dollar value of the U.S. Holder's purchase price (in the applicable foreign currency) for the Note calculated at the spot rate of exchange on the settlement date of the purchase of the Note. In addition, upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Holder may realize foreign currency exchange gain or loss attributable to amounts received with respect to accrued and unpaid stated interest and accrued

OID, if any, which will be treated as discussed above under “- Payments of Interest” or “- Original Issue Discount,” as applicable. The realization of any foreign currency exchange gain or loss (including with respect to amounts attributable to accrued and unpaid stated interest and accrued OID, if any) will be limited to the amount of overall gain or loss realized on the disposition of the Notes. Prospective investors should consult their own tax advisors regarding the proper calculation of foreign currency exchange gain or loss realized in connection with their acquisition and disposition of the Notes.

Floating Rate Amendments

As described in Condition 6.7, the interest rate payable on a Floating Rate Note might be subject to change after a Benchmark Event (such change, a “Benchmark Rate Modification”). U.S. Treasury regulations describe circumstances under which a Benchmark Rate Modification (or related adjustments to the interest rate on the Notes) would be a “covered modification” and not be treated as a deemed exchange and would not affect the calculation of OID, provided certain conditions are met. However, there can be no assurance that a Benchmark Rate Modification will be a “covered modification,” and it is possible that a Benchmark Rate Modification will be treated as a deemed exchange of such Notes for new securities for U.S. federal income tax purposes, which might be a taxable event for U.S. holders and might also affect the calculation of OID. U.S. Holders of Floating Rate Notes should consult with their tax advisors regarding the potential consequences of a Benchmark Rate Modification.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS of the United States of America (unless the U.S. Holder establishes, if requested to do so, that it is an exempt recipient) in connection with payments on the Notes and the proceeds from the sale, exchange or other taxable disposition of Notes. If information reports are required to be made, then a U.S. Holder may be subject to U.S. backup withholding unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required. Backup withholding is not an additional tax. The amount of any backup withholding imposed upon a payment will be allowed as a credit against any U.S. federal income tax liability of a U.S. Holder and may entitle the U.S. Holder to a refund, provided the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisors regarding any filing and reporting obligations they might have as a result of their acquisition, ownership or disposition of Notes.

Reportable Transaction Reporting

Under certain U.S. Treasury regulations, U.S. Holders that participate in “reportable transactions” (as defined in the U.S. Treasury regulations) must attach to their U.S. federal income tax returns a disclosure statement on IRS Form 8886. Under the relevant rules, in certain circumstances, a U.S. Holder may be required to treat a tax loss resulting from foreign currency received in respect of a Note or from a sale, exchange, retirement or other taxable disposition of a Note as a reportable transaction if this loss exceeds the relevant threshold in the regulations. U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the ownership or disposition of the Notes, or any related transaction, including (without limitation) any non-U.S. currency received as interest or as proceeds from the sale, exchange, retirement or other disposition of the Notes.

Medicare Tax

Certain U.S. Holders who are individuals, estates or non-exempt trusts must pay an additional 3.8% tax on, among other things, interest on and capital gains from the sale, retirement or other taxable disposition of Notes. U.S. Holders should consult their tax advisors regarding the effect, if any, of this tax on their investment in the Notes.

Foreign Asset Disclosure

Individuals (which may include certain entities treated as individuals for the purposes of these rules) that own “specified foreign financial assets” with an aggregate value in excess of \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year (or such larger values as specified in the relevant rules) generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions (in which case the accounts may be reportable if maintained by non-U.S. financial institutions). U.S. Holders are urged to

consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for noncompliance.

Certain Turkish Tax Considerations

The following discussion is a summary of certain Turkish tax considerations relating to an investment in the Notes by a Person who is a non-resident of Türkiye. References to “resident” in this section refer to tax residents of Türkiye and references to “non-resident” in this section refer to Persons who are not tax resident in Türkiye.

The discussion is based upon current law and is for general information only. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership or disposition of the Notes that may be relevant to a decision to make an investment in the Notes. Furthermore, the discussion only relates to the investment by a Person in the Notes where the Notes will not be held in connection with the conduct of a trade or business through a permanent establishment in Türkiye. Each investor should consult its own tax advisors concerning the tax considerations applicable to its particular situation. This discussion is based upon laws and relevant interpretations thereof in effect as of the date of this Base Prospectus, all of which are subject to change, possibly with a retroactive effect. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Türkiye or (b) applicable to a resident of Türkiye or a permanent establishment in Türkiye resulting either from the existence of a fixed place of business or appointment of a permanent representative.

For Turkish tax purposes, a legal entity is a resident of Türkiye if its corporate domicile is in Türkiye or its effective place of management is in Türkiye. A resident legal entity is subject to Turkish taxes on its worldwide income, whereas a non-resident legal entity is only liable for Turkish taxes on its trading income made through a permanent establishment or on income otherwise sourced in Türkiye.

An individual is a resident of Türkiye if such individual has established domicile in Türkiye or stays in Türkiye more than six months in a calendar year. On the other hand, foreign individuals who stay in Türkiye for six months or more for a specific job or business or particular purposes that are specified in the Turkish Income Tax Law might not be treated as a resident of Türkiye depending upon the characteristics of their stay. A resident individual is liable for Turkish taxes on his or her worldwide income, whereas a non-resident individual is only liable for Turkish taxes on income sourced in Türkiye.

Income from capital investment is sourced in Türkiye when the principal is invested in Türkiye. Capital gain derived from trading income is considered sourced in Türkiye when the activity or transaction generating such income is performed or accounted for in Türkiye. The term “accounted for” means that a payment is made in Türkiye, or if the payment is made abroad, it is recorded in the books in Türkiye or apportioned from the profits of the payer or the Person on whose behalf the payment is made in Türkiye.

Any withholding tax levied on income derived by a non-resident is the final tax for such non-resident and no further declaration is required. Any other income of a non-resident sourced in Türkiye that has not been subject to withholding tax will be subject to taxation through declaration where treaty relief and exemptions are reserved.

Interest paid on debt instruments (such as the Notes) issued abroad by a resident corporation is subject to withholding tax as regulated through the Tax Decrees. The withholding tax rates are set according to the original maturity of notes issued abroad by resident corporations as follows:

- (a) 7% withholding tax for debt instruments with an original maturity of less than one year,
- (b) 3% withholding tax for debt instruments with an original maturity of at least one year and less than three years, and
- (c) 0% withholding tax for debt instruments with an original maturity of three years or more.

Interest income derived by a resident corporation or resident individual is subject to further declaration and the withholding tax paid can be credited against the income tax calculated on the tax return. For resident individuals, the entire amount is required to be declared as taxable income if the interest income derived exceeds TL 330,000 (for the income derived in 2025) together with the income from other marketable securities, rental income from immovable property and salaries

(except for salaries referred to under Article 86/1 of the Turkish Income Tax Law); provided that they were all subjected to income taxation through withholding. For resident corporations, interest income at any amount is subject to declaration.

In general, capital gains are not taxed through withholding tax and therefore any capital gain sourced in Türkiye with respect to the Notes may be subject to declaration; however, pursuant to Provisional Article 67 (which is effective until 31 December 2025) of the Turkish Income Tax Law, as amended by laws numbered 6111, 6555 and 7256, special or separate tax returns will not be submitted for capital gains from the notes of a resident corporation issued abroad when the income is derived by a non-resident. Therefore, no tax is levied on non-residents in respect of capital gains from the Notes and no declaration is required.

A non-resident holder will not be liable for Turkish estate, inheritance or similar tax with respect to its investment in the Notes, nor will it be liable for any Turkish stamp issue, registration or similar tax or duty relating thereto.

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

Reduced Withholding Tax Rates

Under current laws in Türkiye, interest payments on notes issued abroad by a resident corporation will be subject to a withholding tax at a rate between 7% and 0% (inclusive) in Türkiye, as detailed above.

If a double taxation treaty is in effect between Türkiye and the country of which the holder of the notes is an income tax resident (in some cases, for example, pursuant to the treaties with the UK and the United States, the term "beneficial owner" is used) that provides for the application of a lower withholding tax rate than the local rate to be applied by the issuer corporation, then the lower rate may be applicable. For the application of withholding at a reduced rate that benefits from the provisions of a double tax treaty concluded between Türkiye and the country in which the investor is an income tax resident, an original copy of the certificate of residence signed by the competent authority is required, with a translated copy certified by a notary or the Turkish embassy in the relevant country, to verify that the investor is subject to taxation over its worldwide gains in the relevant country on the basis of resident taxpayer status, as a resident of such country to the related tax office directly or through the banks and intermediary institutions prior to the application of withholding. In the event the certificate of residence is not delivered prior to the application of withholding tax, then upon the subsequent delivery of the certificate of residence, a refund of the excess tax shall be granted pursuant to the provisions of the relevant double taxation treaty and the Turkish tax legislation.

Value Added Tax

Bond issuances and interest payments on bonds are exempt from Türkiye's value added tax pursuant to Article 17/4(g) of the Value Added Tax Law (Law No. 3065), as amended pursuant to the Turkish Tax Bill Regarding Improvement of the Investment Environment (Law No. 6728) published in the Official Gazette dated 9 August 2016 and numbered 29796.

FATCA

Pursuant to FATCA, a "foreign financial institution" (as defined in FATCA) (a "*Foreign Financial Institution*") may be required to withhold on certain payments it makes ("*Foreign Passthru Payments*") to payees who fail to meet certain certification, reporting or related requirements. The Bank likely is a Foreign Financial Institution for these purposes. A number of jurisdictions (including Türkiye) have entered into, or have agreed in substance to, intergovernmental agreements with the

United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final U.S. Treasury regulations defining the term “foreign passthru payment” are published in the U.S. Federal Register. Moreover, Notes characterised as debt (or that are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which such final U.S. Treasury regulations defining the term “foreign passthru payment” are published in the U.S. Federal Register generally will be “grandfathered obligations” for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (see Condition 17) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents might treat all Notes, including Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules might apply to their investment in the Notes. If any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, then, in accordance with Condition 9.1, in no event will the Bank, any Paying Agent or any other Person be required to pay any Additional Amounts or other amounts in respect of the Notes (including on Coupons) for, or on account of, any FATCA Withholding Tax.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the “*Commission’s Proposal*”) for a Directive for a common financial transaction tax (“*FTT*”) that might apply in certain Member States of the EU (the “*Participating Member States*”); *however*, Estonia has since stated that it will not participate. The Commission’s Proposal has very broad scope and might, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to Persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution and at least one party is established in a Participating Member State. A financial institution might be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including: (a) by transacting with a Person established in a Participating Member State or (b) where the financial instrument that is subject to the dealings is issued in a Participating Member State; *however*, the FTT proposal remains subject to negotiation among the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear as of the date of this Base Prospectus. Participating Member States might decide to withdraw and additional Member States of the EU might decide to participate. Separately, certain members of the EU (including France, Italy and Spain) have introduced their own financial transaction taxes. Prospective investors in the Notes are advised to seek their own professional advice in relation to the FTT, other potentially applicable financial transaction taxes and their potential impact on the Notes.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER U.S. EMPLOYEE BENEFIT PLANS

Subject to the following discussion, the Notes (or beneficial interests therein) may be acquired with assets of an “employee benefit plan” (as defined in Section 3(3) of ERISA), that is subject to Title I of ERISA, a “plan” as defined in and subject to Section 4975 of the Code and any entity deemed to hold “plan assets” of any of the foregoing (each a “*Benefit Plan Investor*”), as well as by governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (collectively, with Benefit Plan Investors, referred to as “*Plans*”). Section 406 of ERISA and Section 4975 of the Code prohibit a Benefit Plan Investor from engaging in certain transactions with Persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such Benefit Plan Investor. A violation of these “prohibited transaction” rules might result in an excise tax or other penalties and liabilities under ERISA and the Code for such Persons or the fiduciaries of such Benefit Plan Investor. In addition, Title I of ERISA requires fiduciaries of a Benefit Plan Investor subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents. Governmental plans, certain church plans and non-U.S. plans are not subject to the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code; *however*, such Plans might be subject to any applicable state, local, other federal or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (“*Similar Law*”).

An investment in the Notes by (or on behalf of) a Benefit Plan Investor could give rise to a prohibited transaction if the Bank, an Arranger, a Dealer, an Agent, the Listing Agent or any of their respective affiliates is or becomes a party in interest or a “disqualified person” with respect to such Benefit Plan Investor. Certain exemptions from the prohibited transaction rules could be applicable to the acquisition or holding of an investment in the Notes by a Benefit Plan Investor depending upon the type and circumstances of the plan fiduciary making the decision to acquire such investment and the relationship of the party in interest or “disqualified person” to the Benefit Plan Investor. Included among these exemptions are: Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Benefit Plan Investor and Persons who are parties in interest or “disqualified persons” solely by reason of providing services to the Benefit Plan Investor or being affiliated with such service providers; Prohibited Transaction Class Exemption (“*PTCE*”) 96-23, regarding transactions effected by “in-house asset managers;” PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts that might be construed as prohibited transactions. There can be no assurance that any of these, or any other exemption, will be available with respect to any particular transaction involving the Notes, and prospective investors that are Benefit Plan Investors should consult with their legal advisors regarding the applicability of any such exemption.

Unless otherwise specified in the relevant Financial Terms or Pricing Supplement, the Notes will be eligible for purchase by Plans. By acquiring a Note (or a beneficial interest therein), each purchaser and transferee (and if such purchaser or transferee is a Plan, then its fiduciary) is deemed to represent and warrant to, and agree with, the Issuer that either: (a) it is not, and for so long as it holds the Note (or a beneficial interest therein) will not be, acquiring or holding a Note (or a beneficial interest therein) with the assets of a Benefit Plan Investor or a Plan that is subject to Similar Law, or (b) the acquisition, holding and disposition of the Note (or a beneficial interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law.

Each purchaser and transferee of the Notes (or any interest therein) that is a Benefit Plan Investor (and, if applicable, its fiduciary) will be further deemed to represent and warrant to, and agree with, the Issuer that: (a) none of the Issuer, the Dealers, the Arrangers, the Agents or any of their respective affiliates is a fiduciary of, or has provided or will provide any investment advice within the meaning of Section 3(21) of ERISA to the Plan, or to any fiduciary or other person investing the assets of the Plan (the “*Fiduciary*”), in connection with its acquisition of the Notes (unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited), and (c) such Benefit Plan investor or Fiduciary is exercising its own independent judgment in evaluating such investment in the Notes.

Prospective investors in the Notes are advised to consult their advisors with respect to the matters discussed above and other applicable legal requirements.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 22 May 2025 (such agreement as further amended, supplemented and/or restated from time to time, the “*Programme Agreement*”), agreed (or, when acceding thereto, will agree) with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes (or beneficial interests therein). The Programme Agreement provides that the obligation of any Dealer to subscribe for Notes under any such agreement is subject to certain conditions, and any Dealer is entitled in certain circumstances to be released and discharged from such obligations prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction. In this situation, the issuance of the applicable Notes might not be completed. Investors will have no rights against the Issuer or Dealers in respect of any expense incurred or loss suffered in these circumstances.

Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes.” In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment, this update and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith, including liabilities under the Securities Act, or to contribute to payments that the Dealers may be required to make because of those liabilities. The Programme Agreement provides that the obligation of any Dealer to purchase Notes (or beneficial interests therein) under any agreement for the issue and purchase of such Notes (or beneficial interests therein) is subject to certain conditions. Unless otherwise specified in the relevant Final Terms or Pricing Supplement, any Notes (or beneficial interests therein) sold to one or more Dealer(s) as principal will be purchased by such Dealer(s) at a price as may be set forth in the relevant Final Terms or Pricing Supplement less a percentage of the principal amount equal to a commission as agreed upon by the Issuer and such Dealer(s). After the initial offering of a Tranche of Notes, the offering price may be changed.

Any offers and sales of the Notes (or beneficial interests therein) in the United States may only be made by those Dealers or their respective affiliates that are registered broker-dealers under the Exchange Act or in accordance with Rule 15a-6 thereunder.

One or more Dealer(s) participating in the offering of any Tranche of Notes might engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes (or beneficial interests therein) during and after the offering of the Tranche. Specifically, such Person(s) might overalloc or create a short position in the Notes (or beneficial interests therein) for their own account by selling more Notes (or beneficial interests therein) than have been sold to them by the Issuer. Such Person(s) might also elect to cover any such short position by purchasing Notes (or beneficial interests therein) in the open market. In addition, such Person(s) might stabilise or maintain the market price of an investment in the Notes by bidding for or purchasing Notes (or beneficial interests therein) in the open market and might impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes (or beneficial interests therein) previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions might be to stabilise or maintain the market price of an investment in the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid might also affect the market price of an investment in the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under English law, stabilisation activities may only be carried on by the Stabilisation Manager(s) (or Persons acting on behalf of any Stabilisation Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

Investors in the Notes who wish to trade interests in Notes on their trade date or otherwise before the applicable Issue Date should consult their own advisor.

BBVA, one of the Dealers, is the controlling shareholder of the Bank as described in “-Ownership.” All or certain of the Dealers, the Arrangers and their respective affiliates are full service financial institutions engaged in various activities, which might include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealers, the Arrangers and/or certain of their respective affiliates might have performed investment banking and advisory services for the Issuer and/or the Issuer’s affiliates from time to time for which they might have received fees, expenses, reimbursements and/or other compensation. The Dealers, the Arrangers and/or certain of their respective affiliates might, from time to time, engage in transactions with, and perform advisory and other services for, the Issuer and/or the Issuer’s affiliates in the ordinary course of their business. Certain of the

Dealers, the Arrangers and/or their respective affiliates have acted and expect in the future to act as a lender to the Issuer and/or other members of the Group and/or otherwise participate in transactions with the Group.

In addition, in the ordinary course of their business activities, the Dealers, the Arrangers and their respective affiliates might make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities might involve securities and/or instruments of the Issuer and/or its affiliates. In addition, certain of the Dealers, the Arrangers and/or their respective affiliates that have a credit relationship with the Issuer and/or any other member of the Group might from time to time hedge their credit exposure to the Issuer and/or other members of the Group pursuant to their customary risk management policies. Typically, the Dealers, the Arrangers and their respective affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions might adversely affect the trading price of an investment in the Notes.

The Dealers, the Arrangers and their respective affiliates might also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and might hold, or recommend to clients that they acquire, long and/or short positions in such securities and/or instruments.

TRANSFER AND SELLING RESTRICTIONS

As a result of the following restrictions, investors in the Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale, pledge or other transfer of such Notes (or beneficial interests therein).

Each purchaser and transferee (and if such purchaser or transferee is a Plan, then its fiduciary) of Registered Notes (or a beneficial interest therein) (other than a Person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or a Person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form (or *vice versa*) will be required to acknowledge, represent and warrant to and agree with the Issuer, and each Person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and warranted to and agreed with the Issuer, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that it is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the Bank and is not acting on the Bank’s behalf and it is either: (i) a QIB, purchasing (or holding) the Notes (or beneficial interests therein) for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance upon Rule 144A, (ii) an Institutional Accredited Investor that has delivered a duly executed IAI Investment Letter or (iii) not a U.S. person and is purchasing or acquiring the Notes (or a beneficial interest therein) in a transaction pursuant to an exemption from registration under the Securities Act,

(b) that the Notes (or a beneficial interest therein) are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and that such Notes (or a beneficial interest therein) have not been and will not be registered under the Securities Act or any other applicable U.S. federal or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below,

(c) that, unless it holds an interest in a Regulation S Registered Global Note and is not a U.S. person, if in the future it decides to offer, resell, assign, transfer, pledge, encumber or otherwise dispose of the Notes (or beneficial interests therein), it will do so, prior to the date that is one year (or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereunder) after the later of the last Issue Date for such Notes and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes or beneficial interests, only: (i) to the Issuer or any affiliate thereof, (ii) to a Person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction in compliance with Rule 903 or 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the United States and all other jurisdictions; such investor acknowledges that the Bank reserves the right prior to any offer, sale or other transfer of a Rule 144A Global Note (or a beneficial interest therein) pursuant to clause (iv) or (v) to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Bank,

(d) that it will give to each Person to whom it transfers a Note (or a beneficial interest therein) notice of any restrictions on the transfer of such Note (or a beneficial interest therein) in this section,

(e) that Notes (or beneficial interests therein) initially offered to QIBs pursuant to Rule 144A will be represented by one or more Rule 144A Global Note(s), that Notes (or beneficial interests therein) offered to Institutional Accredited Investors pursuant to Section 4(a)(2) under the Securities Act will be in the form of IAI Definitive Notes or one or more IAI Global Note(s) and that Notes (or beneficial interests therein) offered in offshore transactions to non-U.S. persons in reliance upon Regulation S will be represented by one or more Regulation S Note(s),

(f) that each Note issued pursuant to Rule 144A will bear a legend substantially in the following form (with, if in definitive form, appropriate revisions) unless otherwise agreed by the Issuer:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OF THE UNITED STATES

OF AMERICA OR ANY OTHER APPLICABLE U.S. FEDERAL OR STATE SECURITIES LAWS AND, ACCORDINGLY, THIS NOTE (AND BENEFICIAL INTERESTS HEREIN) MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), EACH HOLDER OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN): (a) REPRESENTS (OR SHALL BE DEEMED TO REPRESENT) THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYER(S), (b) AGREES (OR SHALL BE DEEMED TO AGREE) ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HOLDS THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) THAT IT WILL NOT OFFER, SELL, ASSIGN, TRANSFER, PLEDGE, ENCUMBER OR OTHERWISE DISPOSE OF SUCH SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE THAT IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES OF WHICH THIS NOTE IS A PART AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN: (i) TO THE ISSUER OR ANY AFFILIATE THEREOF, (ii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (iii) FOR SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (iv) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 UNDER THE SECURITIES ACT OR (v) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH THE SECURITIES LAWS OF THE UNITED STATES AND ALL OTHER JURISDICTIONS; *PROVIDED* THAT THE ISSUER SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (iv) OR (v) ABOVE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER, AND (c) AGREES (OR SHALL BE DEEMED TO AGREE) THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY INTEREST IN THIS NOTE IS OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION IS MADE BY THE ISSUER AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN).

[FOR GLOBAL NOTES CLEARING THROUGH DTC: UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL NOTE, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH

THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.]

EACH PURCHASER AND TRANSFEREE (AND IF SUCH PURCHASER OR TRANSFEREE IS A PLAN, THEN ITS FIDUCIARY) OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) WILL BE DEEMED TO REPRESENT AND WARRANT TO, AND AGREE WITH, THE ISSUER THAT EITHER: (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) WILL NOT BE, ACQUIRING OR HOLDING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) WITH THE ASSETS OF: (i) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), OF THE UNITED STATES OF AMERICA THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (ii) A “PLAN” AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OF THE UNITED STATES OF AMERICA, (iii) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” OF ANY OF THE FOREGOING OR (iv) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”), OR (b) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF SIMILAR LAW.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) SENT TO ITS REGISTERED ADDRESS (OR, FOR HOLDERS OF BENEFICIAL INTERESTS, TO THE EXTENT FORWARDED TO THEM BY THE APPLICABLE CLEARING SYSTEM), TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) TO REFLECT ANY CHANGE IN APPLICABLE LAW (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE (OR OF A BENEFICIAL INTEREST HEREIN) SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF (OR OF A BENEFICIAL INTEREST HEREIN), TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING UPON THE HOLDER HEREOF (AND HOLDERS OF A BENEFICIAL INTEREST HEREIN) AND ALL FUTURE HOLDERS OF THIS NOTE (AND HOLDERS OF A BENEFICIAL INTEREST HEREIN) AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”,

(g) that each IAI Note will bear a legend in the following form (with, if an IAI Definitive Note, appropriate revisions) unless otherwise agreed to by the Issuer:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OF THE UNITED STATES OF AMERICA OR ANY OTHER APPLICABLE U.S. FEDERAL OR STATE SECURITIES LAWS AND, ACCORDINGLY, THIS NOTE (AND BENEFICIAL INTERESTS HEREIN) MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), EACH HOLDER OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN): (a) REPRESENTS (OR SHALL BE DEEMED TO REPRESENT) THAT IT IS AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(A)(1), (2), (3), OR (7) UNDER THE SECURITIES ACT) THAT IS AN INSTITUTION, (b) AGREES (OR SHALL BE DEEMED TO AGREE) ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HOLDS THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) THAT IT WILL NOT OFFER, SELL, ASSIGN,

TRANSFER, PLEDGE, ENCUMBER OR OTHERWISE DISPOSE OF SUCH SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT, THE TERMS OF THE IAI INVESTMENT LETTER IT EXECUTED IN CONNECTION WITH ITS PURCHASE OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) AND, PRIOR TO THE DATE THAT IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES OF WHICH THIS NOTE IS A PART AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN: (i) TO THE ISSUER OR ANY AFFILIATE THEREOF, (ii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (iii) FOR SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (iv) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 UNDER THE SECURITIES ACT OR (v) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH THE SECURITIES LAWS OF THE UNITED STATES AND ALL OTHER JURISDICTIONS; *PROVIDED* THAT THE ISSUER SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (iv) OR (v) ABOVE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER, AND (c) AGREES (OR SHALL BE DEEMED TO AGREE) THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY INTEREST IN THIS NOTE IS OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION IS MADE BY THE ISSUER AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN).

[FOR GLOBAL NOTES CLEARING THROUGH DTC: UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL NOTE, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.]

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SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “*CODE*”), OF THE UNITED STATES OF AMERICA, (iii) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” OF ANY OF THE FOREGOING OR (iv) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“*SIMILAR LAW*”), OR (b) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF SIMILAR LAW.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) SENT TO ITS REGISTERED ADDRESS (OR, FOR HOLDERS OF BENEFICIAL INTERESTS, TO THE EXTENT FORWARDED TO THEM BY THE APPLICABLE CLEARING SYSTEM), TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) TO REFLECT ANY CHANGE IN APPLICABLE LAW (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE (OR OF A BENEFICIAL INTEREST HEREIN) SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF (OR OF A BENEFICIAL INTEREST HEREIN), TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING UPON THE HOLDER HEREOF (AND HOLDERS OF A BENEFICIAL INTEREST HEREIN) AND ALL FUTURE HOLDERS OF THIS NOTE (AND HOLDERS OF A BENEFICIAL INTEREST HEREIN) AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”,

(h) if it holds a Definitive Regulation S Registered Note or a beneficial interest in a Regulation S Registered Global Note, then if it should offer, resell, assign, transfer, pledge, encumber or otherwise dispose such Note (or beneficial interest) prior to the expiration of a 40 day period after the later of the commencement of the offering to Persons other than distributors and the applicable Issue Date (the “*Distribution Compliance Period*”), it will do so only: (i)(A) in an offshore transaction in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A, and (ii) in accordance with all applicable U.S. federal and state securities laws; and it acknowledges that such Notes (with appropriate revisions) will bear a legend in the following form unless otherwise agreed to by the Issuer:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*SECURITIES ACT*”), OF THE UNITED STATES OF AMERICA OR ANY OTHER APPLICABLE U.S. FEDERAL OR STATE SECURITIES LAWS AND, ACCORDINGLY, THIS NOTE (AND BENEFICIAL INTERESTS HEREIN) MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF: (a) WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (b) EXCEPT IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ALL OTHER JURISDICTIONS. THE HOLDER OF THIS NOTE (OR OF A BENEFICIAL INTEREST HEREIN), BY ITS ACCEPTANCE HEREOF (OR OF A BENEFICIAL INTEREST HEREIN), AGREES (OR SHALL BE DEEMED TO AGREE) ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT IS HOLDING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) THAT NO OFFER, SALE, ASSIGNMENT, TRANSFER, PLEDGE, ENCUMBRANCE OR OTHER DISPOSITION OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) SHALL BE MADE TO A U.S. PERSON PRIOR TO THE EXPIRATION OF A 40 DAY PERIOD AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING TO PERSONS OTHER THAN DISTRIBUTORS AND THE ISSUE DATE OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.

[FOR GLOBAL NOTES CLEARING THROUGH DTC: UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

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(i) if it holds a Definitive Bearer Note or a beneficial interest in a Bearer Global Note, then if it should offer, resell, assign, transfer, pledge, encumber or otherwise dispose such Note (or beneficial interest) prior to the expiration of the applicable Distribution Compliance Period, it will do so only: (i)(A) in an offshore transaction in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A, and (ii) in accordance with all applicable U.S. federal and state securities laws; and it acknowledges that such Notes (with appropriate revisions) will bear a legend in the following form unless otherwise agreed to by the Issuer:

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THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) SENT TO ITS REGISTERED ADDRESS (OR, FOR HOLDERS OF BENEFICIAL INTERESTS, TO THE EXTENT FORWARDED TO THEM BY THE APPLICABLE CLEARING SYSTEM), TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) TO REFLECT ANY CHANGE IN APPLICABLE LAW (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE (OR OF A BENEFICIAL INTEREST HEREIN) SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF (OR OF A BENEFICIAL INTEREST

HEREIN), TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING UPON THE HOLDER HEREOF (AND HOLDERS OF A BENEFICIAL INTEREST HEREIN) AND ALL FUTURE HOLDERS OF THIS NOTE (AND HOLDERS OF A BENEFICIAL INTEREST HEREIN) AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”,

(j) that the Issuer, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees (or will be deemed to agree) that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Issuer and the applicable Dealer(s); and if it is acquiring any Notes (or beneficial interests therein) as a fiduciary or agent for one or more accounts it represents, that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account,

(k) that: (i) either: (A) it is not, and for so long as it holds a Note (or a beneficial interest therein) will not be, acquiring or holding such Note (or beneficial interest) with the assets of a Benefit Plan Investor or a Plan that is subject to Similar Law or (B) the acquisition, holding and disposition of such Note (or a beneficial interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law and (ii) if the applicable investor is a Benefit Plan Investor, it will be further deemed to represent and warrant to, and agree with, the Issuer that: (A) none of the Issuer, the Dealers, the Arrangers, the Agents or any of their respective affiliates is a fiduciary of, or has provided or will provide any investment advice within the meaning of Section 3(21) of ERISA to the Plan, or to any fiduciary or other person investing the assets of the Plan (the “**Fiduciary**”), in connection with its acquisition of the Notes (unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited), and (C) such Benefit Plan investor or Fiduciary is exercising its own independent judgment in evaluating such investment in the Notes,

(l) if such investor purchases a Registered Note (or any beneficial interest therein), then it will also be deemed to acknowledge that the Registrar will not be required to accept for registration of transfer any Notes acquired by it except upon presentation of evidence satisfactory to the Bank and the Registrar that the restrictions set forth herein have been complied with, and

(m) acknowledges that none of the Bank, the Arrangers or the Dealers, or any Person representing the Bank, the Arrangers or the Dealers, has made any representation to it with respect to the Bank or the offer or sale of any of the Notes (or a beneficial interest therein), other than the information contained in this Base Prospectus or any applicable supplements hereto, which has been delivered to the investor and upon which such investor is relying in making its investment decision with respect to the Notes (or beneficial interests therein); it acknowledges that the Arrangers and the Dealers make no representation or warranty as to the accuracy or completeness of this Base Prospectus; it has had access to such financial and other information concerning the Bank and the applicable Notes as it has deemed necessary in connection with its decision to purchase such Notes (or a beneficial interest therein), including an opportunity to ask questions of and request information from the Bank and the applicable Dealer(s).

Institutional Accredited Investors who invest in IAI Notes offered and sold in the United States as part of their original issuance in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. An IAI Investment Letter will state, among other things, the following:

(a) that the applicable Institutional Accredited Investor has received a copy of this Base Prospectus and such other information as it deems necessary in order to make its investment decision,

(b) that such Institutional Accredited Investor understands that such Notes (or beneficial interests therein) are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that such Notes have not been and will not be registered under the Securities Act or any other applicable U.S. federal or state securities laws and that any subsequent transfer of such Notes (or beneficial interests therein) is subject to certain restrictions and conditions set forth in this Base Prospectus and such Notes (including those set out above) and that it agrees to be bound by, and not to reoffer, resell, pledge or otherwise transfer such

Notes (or beneficial interests therein) except in compliance with, such restrictions and conditions and the Securities Act,

(c) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes,

(d) that it is an Institutional Accredited Investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment in the Notes for an indefinite period of time,

(e) that such Institutional Accredited Investor is acquiring such Notes (or beneficial interests therein) for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of such Notes (or beneficial interests therein), subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control, and

(f) that, in the event that such Institutional Accredited Investor purchases Notes (or beneficial interests therein), it will acquire Notes (or beneficial interests therein) having a minimum purchase price of at least US\$500,000 (or the approximate equivalent in another Specified Currency) (or such other amount set forth in the applicable Final Terms or Pricing Supplement).

Unless set forth in the applicable Final Terms or Pricing Supplement otherwise, no sale of Legended Notes (or a beneficial interest therein) in the United States to any one purchaser will be for less than US\$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors pursuant to Section 4(a)(2) of the Securities Act, US\$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, then each Person for whom it is acting must purchase at least US\$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors pursuant to Section 4(a)(2) of the Securities Act, US\$500,000 (or its foreign currency equivalent) principal amount of Registered Notes (in each case, or such other amount as may be set forth in the applicable Final Terms or Pricing Supplement).

Pursuant to the BRSA decisions dated 6 May 2010 (No. 3665) and 30 September 2010 (No. 3875) and in accordance with Decree 32, residents of Türkiye: (a) may, in the secondary markets only, purchase or sell Notes (or beneficial interests therein) denominated in a currency other than Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis, and (b) may, in both the primary and secondary markets, purchase or sell Notes (or beneficial interests therein) denominated in Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis; *provided* that, for both clauses (a) and (b), such purchase or sale complies with the Turkish Purchase Requirements.

Selling Restrictions

Türkiye

The Issuer has obtained the CMB Approval from the CMB and the BRSA Approval from the BRSA required for the issuance of Notes under the Programme. The maximum debt instrument amount that the Bank may issue under the Programme Approvals is the Approved Issuance Limit. It should be noted that, regardless of the outstanding Note amount, unless the Bank obtains new approvals from the BRSA and the CMB, the aggregate debt instrument amount to be issued under the Programme Approvals may not exceed the Approved Issuance Limit.

Pursuant to the Programme Approvals, the offer, sale and issue of Notes under the Programme has been authorised and approved in accordance with Decree 32, the Banking Law, the Capital Markets Law or their respective related laws and the Debt Instruments Communiqué. In addition, Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye in accordance with the Programme Approvals. The Notes issued under the Programme prior to the date of the CMB Approval were issued under previously existing CMB approvals.

Notwithstanding the foregoing, pursuant to the BRSA decision dated 6 May 2010 No. 3665, the BRSA decision dated 30 September 2010 No. 3875 and in accordance with Decree 32, residents of Türkiye may acquire Notes (or beneficial interests therein) so long as they comply with the Turkish Purchase Requirements.

To the extent (and in the form) required by applicable law, an approval from the CMB in respect of each Tranche of Notes is required to be obtained by the Issuer prior to the Issue Date of such Tranche of Notes.

Monies paid for investments in the Notes are not protected by the insurance coverage provided by the SDIF.

United States

The Notes have not been and will not be registered under the Securities Act, any other federal securities law or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in accordance with all applicable local, state or federal laws. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and U.S. Treasury regulations promulgated thereunder.

In connection with any Regulation S Notes, each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that such Dealer will not offer, sell or deliver such Regulation S Notes (or beneficial interests therein): (a) as part of their distribution at any time or (b) otherwise until the expiration of the applicable Distribution Compliance Period other than in an offshore transaction to, or for the account or benefit of, Persons who are not U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each distributor, dealer or other Person to whom it sells any Regulation S Notes (or beneficial interests therein) during the applicable Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes other than in offshore transactions to, or for the account or benefit of, Persons who are not U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Until the expiration of the applicable Distribution Compliance Period, an offer or sale of such Notes (or beneficial interests therein) other than in an offshore transaction to a Person who is not a U.S. person by any distributor (whether or not participating in the offering) might violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers might arrange for the resale of Registered Notes (or beneficial interests therein) to QIBs pursuant to Rule 144A and each such purchaser of Notes (or beneficial interests therein) is hereby notified that the Dealers may be relying upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer has undertaken in the Deed Poll to furnish, upon the request of a holder of such Notes (or beneficial interests therein), to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes of the applicable Series remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Public Offer Selling Restriction under the Prospectus Regulation and, where applicable, Prohibition of Sales to EEA Retail Investors

Each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that if the Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies the “Prohibition of sales to EEA Retail Investors” as:

1. “Applicable,” then such Dealer has not offered, sold or otherwise made available (and will not offer, sell or otherwise make available) any of such Notes (or beneficial interests therein) to any EEA Retail Investor in the EEA, “EEA Retail Investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”), (ii) a customer within the meaning of Directive (EU) No. 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in Regulation (EU) No. 2017/1129 (as amended, the “Prospectus Regulation”), and

2. “Not Applicable,” then, in relation to each Member State, such Dealer (with respect to such Notes) has not made and will not make an offer of Notes to the public in that Member State, except that it may make an offer of Notes to the public in that Member State at any time:

(a) to any legal entity that is a qualified investor as defined in the Prospectus Regulation,

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer, or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Notes referred to in clauses (a) to (c) shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of part 2, the expression “an offer of Notes to the public” in relation to any Notes (which shall also include beneficial interests therein where applicable) in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes (or beneficial interests therein) to be offered so as to enable an investor to decide to purchase or subscribe for the Notes (or beneficial interests therein).

United Kingdom

Prohibition of Sales to UK Retail Investors. Each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that if the Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies the “Prohibition of sales to UK Retail Investors” as:

1. “Applicable,” then such Dealer has not offered, sold or otherwise made available (and will not offer, sell or otherwise make available) any of such Notes (or beneficial interests therein) to any UK Retail Investor in the UK, UK Retail Investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “EUWA”), (ii) a customer within the meaning of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) of the UK and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA (the “UK Prospectus Regulation”), and

2. “Not Applicable,” then such Dealer (with respect to such Notes) has not made and will not make an offer of Notes to the public in the UK, except that it may make an offer of Notes to the public in the UK at any time:

(a) to any legal entity that is a qualified investor as defined in Article 2 of the UK Prospectus Regulation,

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer, or

(c) in any other circumstances falling within Section 86 of the FSMA;

provided that no such offer of Notes referred to in clauses (a) to (c) shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of part 2, the expression “an offer of Notes to the public” in relation to any Notes (which shall also include beneficial interests therein where applicable) means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes (or beneficial interests therein) to be offered so as to enable an investor to decide to purchase or subscribe for the Notes (or beneficial interests therein).

Other United Kingdom Regulatory Restrictions. Each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that:

(a) in relation to any Notes that have a maturity of less than one year: (i) such Dealer is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes (or beneficial interests therein) other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer,

(b) such Dealer has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes (or beneficial interests therein) in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and

(c) such Dealer has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Belgium

Other than in respect of Notes for which “Prohibition of sales to Belgian consumers” is specified as “Not Applicable” in the applicable Final Terms or Pricing Supplement, as applicable, each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that an offering by such Dealer of Notes (or beneficial interests therein) may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law, as amended (a “*Belgian Consumer*”), and that: (a) it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes (or beneficial interests therein) to any Belgian Consumer and (b) it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

PRC

Each of the Dealers has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that neither such Dealer nor any of its affiliates has offered, sold or delivered or will offer, sell or deliver any of the Notes (or beneficial interests therein) to any Person for reoffering or resale,

or redelivery, in any such case, directly or indirectly, in the PRC (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan) in contravention of any applicable laws and regulations as part of the initial distribution of the Notes (or beneficial interests therein).

Hong Kong

Each of the Dealers has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that such Dealer:

(a) has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (or beneficial interests therein) except for Notes that are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than: (i) to “professional investors” as defined in the SFO and any rules made under the SFO or (ii) in other circumstances that do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or that do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes (or beneficial interests therein) that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes (or beneficial interests therein) or caused the Notes (or beneficial interests therein) to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes (or beneficial interests therein) or cause any Notes (or beneficial interest therein) to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes (or beneficial interests therein), whether directly or indirectly, to any Person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that such Dealer will not offer or sell any Notes (or beneficial interests therein), directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The Notes (and beneficial interests therein) may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors (as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario)) and are permitted clients (as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations). Any resale of the Notes (or beneficial interests

therein) must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada might provide a Canadian investor with remedies for rescission or damages if this Base Prospectus (including any amendment hereto) contains a misrepresentation; *provided* that the remedies for rescission or damages are exercised by the investor within the time limit prescribed by the securities legislation of the investor's province or territory. The investor should refer to any applicable provisions of the securities legislation of its province or territory for particulars of these rights and/or consult with a legal advisor.

Switzerland

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that, in Switzerland, this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in any Notes (or beneficial interests therein). Accordingly, each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that the Notes (and beneficial interests therein) have not been and will not be publicly offered, sold or advertised, directly or indirectly, by such Dealer in, into or from Switzerland within the meaning of the Swiss Financial Services Act, as amended (the "*FinSA*") and no application has been or will be made to admit the Notes (or beneficial interests therein) to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the *FinSA* or has been or will be filed with or approved by a Swiss review body pursuant to Article 52 of the *FinSA*, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Base Prospectus nor any other offering or marketing material relating to the offering of the Notes has been or will be filed by the Issuer or any Dealer with or approved by any Swiss regulatory authority to admit such Notes to trading on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland.

General

Each Dealer has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer that such Dealer will (to the best of its knowledge and belief) comply with all laws in force related to securities in any jurisdiction in which it purchases, offers, sells or delivers Notes (or beneficial interests therein) or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes (or beneficial interests therein) under the laws in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes (or beneficial interests therein) may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

LEGAL MATTERS

Certain matters relating to the issuance of Notes will be passed upon for the Bank by White & Case LLP (or affiliates thereof) as to matters of English and United States law and by GKC Partners as to matters of Turkish law. Certain matters of English and United States law will be passed upon for the Dealers by Allen Overy Shearman Sterling LLP and certain matters of Turkish law will be passed upon for the Dealers by Gedik Eraksoy Avukatlık Ortaklığı.

ENFORCEMENT OF JUDGMENTS AND SERVICE OF PROCESS

The Bank is a joint stock company organised under the laws of Türkiye (specifically, under the Banking Law). Certain of the directors and officers of the Bank named herein reside inside Türkiye and all or a significant portion of the assets of such persons might be, and substantially all of the assets of the Bank are, located in Türkiye. As a result, it might not be possible for investors to effect service of process upon such persons or the Bank outside Türkiye or to enforce against them in the courts of jurisdictions other than Türkiye any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions. In order to enforce such judgments in Türkiye, investors should initiate enforcement proceedings before the competent Turkish courts. In accordance with Articles 50 to 59 of Türkiye's International Private and Procedure Law (Law No. 5718), the courts of Türkiye will not enforce any judgment obtained in a court established in a country other than Türkiye unless:

- (a) there is in effect a treaty between such country and Türkiye providing for reciprocal enforcement of court judgments,
- (b) there is *de facto* enforcement in such country of judgments rendered by Turkish courts, or
- (c) there is a provision in the laws of such country that provides for the enforcement of judgments of Turkish courts.

There is no treaty between Türkiye and either the United States or the UK providing for reciprocal enforcement of judgments. There is no *de facto* reciprocity between Türkiye and the United States or the State of New York, except that the courts of New York have rendered at least one judgment in the past confirming *de facto* reciprocity between Türkiye and the State of New York. Turkish courts have also rendered at least one judgment confirming *de facto* reciprocity between Türkiye and the UK; *however*, since *de facto* reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the United States or the UK by Turkish courts. Moreover, there is uncertainty as to the ability of an investor to bring an original action in Türkiye based upon the U.S. federal or any other non-Turkish securities laws.

In addition, the courts of Türkiye will not enforce any judgment obtained in a court established in a country other than Türkiye if:

- (a) the defendant was not duly summoned or represented or the defendant's fundamental procedural rights were not observed,
- (b) the judgment in question was rendered with respect to a matter within the exclusive jurisdiction of the courts of Türkiye,
- (c) the judgment is incompatible with a judgment of a court in Türkiye between the same parties and relating to the same issues or, as the case may be, with an earlier foreign judgment on the same issue and enforceable in Türkiye,
- (d) the judgment is not of a civil nature,
- (e) the judgment is clearly against public policy rules of Türkiye,
- (f) the court rendering the judgment did not have jurisdiction to render such judgment;
- (g) the judgment is not final and binding with no further recourse for appeal or similar revision process under the laws of the country where the judgment has been rendered, or
- (h) the judgment was rendered by a foreign court that has deemed itself competent even though it has no actual relationship with the parties or the subject matter at hand.

Furthermore, to be enforceable under the laws of Türkiye, the choice of laws of a foreign jurisdiction or submission to the jurisdiction of the courts of such a foreign jurisdiction should indicate the competent courts with sufficient precision.

Therefore, lack of precision whilst determining the competent court of a foreign jurisdiction may render the choice of foreign court unenforceable.

As a result, it may not be possible to effect service of process outside Türkiye upon any of the directors and executive officers named in this Offering Circular, or, enforce, in Türkiye, court judgments obtained in courts of jurisdictions other than Türkiye against the Bank or any of the directors and executive officers named in this Offering Circular in any action.

In addition, it may be difficult or impossible to enforce, in original actions brought in courts in jurisdictions located outside the United States, liabilities predicated upon securities laws of the United States.

Furthermore, as a matter of Turkish law, the choice of jurisdiction requires explicit agreement of the parties as to the exclusive jurisdiction of a particular court, defined with sufficient precision. Non-exclusive jurisdiction clauses or general references to courts of a country may not be honoured by Turkish courts. Therefore, any Turkish court may claim jurisdiction if a lawsuit is filed in Türkiye by the parties in relation to a document regarding matters arising thereunder and may refrain from honouring relevant jurisdiction clauses in the event it is considered that such explicit agreement is lacking as to the jurisdiction of a particular court(s).

In accordance with Article 48 of Türkiye's International Private and Procedure Law (Law No. 5718), in any lawsuit, debt collection proceeding or action against the Bank in the Turkish courts, a foreign plaintiff might be required to deposit security for court costs (*cautio judicatum solvi*); *provided* that the court may in its discretion waive such requirement for security in the event that the plaintiff is considered to be: (a) a national of one of the contracting states of the Convention Relating to Civil Procedures signed at The Hague on 1 March 1954 (ratified by Türkiye by Law No. 1574), except for legal entities incorporated under the laws of such contracting states, or (b) a national of a state that has signed a bilateral treaty with Türkiye that is duly ratified and contains (*inter alia*) a waiver of the *cautio judicatum solvi* requirement on a reciprocal basis. If Turkish nationals do not deposit such a security in the country of the foreign plaintiff, then the relevant Turkish court may waive such requirement for security relying upon the *de facto* reciprocity. If the foreign plaintiff deposits such security and the proceeding ends in favour of such plaintiff, then such security will be returned to such plaintiff.

Furthermore, any claim against the Bank that is denominated in a currency other than Turkish Lira would, in the event of the bankruptcy of the Bank, only be payable in Turkish Lira. The relevant exchange rate for determining the Turkish Lira-equivalent amount of any such claim would be the Central Bank's exchange rate for the purchase of the relevant currency that is effective on the date the relevant court decides on bankruptcy of the Bank in accordance with the laws of Türkiye.

In connection with any Proceedings in England, service of process may be made upon the Bank at the offices of Law Debenture Corporate Services Limited (with a current address of Eighth Floor, 100 Bishopsgate, London EC2N 4AG, England). This does not affect any other method of service allowed by law.

OTHER GENERAL INFORMATION

Authorisation

The most recent update of the Programme and the further issue of Notes thereunder have been duly authorised by a resolution of the Board dated 6 February 2025.

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) of the Issuer is 5493002XSS7K7RHN1V37.

Listing of Notes

This Base Prospectus has been approved by the Central Bank of Ireland as a base prospectus and by Euronext Dublin as listing particulars. Application has been made to Euronext Dublin for Notes issued within one year after the date hereof to be admitted to the Official List and to trading on the Regulated Market or, in relation to Notes having a maturity of less than one year, GEM. The Regulated Market is a regulated market for the purposes of MiFID II. It is expected that each Tranche of Notes that is to be admitted to the Official List and to trading on the Regulated Market or, as the case may be, GEM will be admitted separately as and when issued, subject only to the issue of one or more Notes initially representing the Notes of such Tranche; *however*, no assurance can be given that any such admission will occur. If a Tranche of Notes is to be listed by the Issuer on Euronext Dublin or any other stock exchange, then any information required by such exchange to be in the applicable Final Terms or Pricing Supplement will be included therein.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as Irish listing agent for the Bank in connection with the Programme and is not itself seeking admission of the Notes to the Official List or to trading on the Regulated Market or GEM.

Documents Available

For the period of 12 months following the date of this Base Prospectus (or, if any Notes issued pursuant to this Base Prospectus are listed on the Official List of Euronext Dublin (or any other regulated market in the EEA) and admitted to trading on the regulated market of Euronext Dublin (or any other regulated market in the EEA) or GEM, for such longer period as such Notes remain so listed and admitted), the following documents (or copies thereof) may be inspected at the registered office of the Issuer:

(a) the articles of association (with a certified English translation thereof) of the Issuer,

(b) the BRSA Financial Statements incorporated by reference herein or, when published, copies of the latest audited annual and unaudited interim financial statements of the Bank (in English) delivered by the Bank pursuant to Condition 5.3 (for the purpose of clarification, such financial statements are not, and shall not be deemed to be, included in (or incorporated by reference into) this Base Prospectus except to the extent so incorporated by a supplement hereto),

(c) the Agency Agreement (including the forms of the Deed of Covenant, the Deed Poll, the Global Notes and the Definitive Notes),

(d) a copy of this Base Prospectus, and

(e) any future base prospectus, prospectuses, information memoranda, supplements to this Base Prospectus, Final Terms and Pricing Supplements and any other documents incorporated herein or therein by reference (except that a Final Terms or Pricing Supplement relating to a Note that is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances in which a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity).

In addition, for such period, copies of the documents described in clauses (a) through (e) are (or, as applicable, are expected to be) available in electronic format on the Issuer's website (as of the date hereof, at: <https://www.garantibbvainvestorrelations.com/en/debt-information/year-list/GMTN/48/472/0>); *provided that*: (a) the articles of association of the Issuer can be found at <https://www.garantibbvainvestorrelations.com/en/corporate-governance/detay/Articles-of-Association/103/434/0> and (b) with respect to such documents (or portions thereof) that are incorporated by reference herein, see “—*Documents Incorporated by Reference*” above. Each Final Terms and Pricing Supplement relating to Notes that are admitted to trading on the Regulated Market or GEM will also be available on the Issuer's website. Such website does not, and shall not be deemed to, constitute a part of, nor is incorporated into, this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg, which are the entities in charge of keeping the records. The appropriate Common Code and ISIN (if any) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms or Pricing Supplement. In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. To the extent applicable, the ISIN, Common Code, CUSIP, CINS, CFI Code and/or FISN for each Tranche of Notes will be specified in the applicable Final Terms or Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, then the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

Scheduled payments on each Registered Note will be paid only to the Person in whose name such Registered Note was registered in the Register at the close of business on the applicable Record Date. With respect to Notes represented by a Global Note on a Record Date, this thus means that payment will be made by (on or behalf of) the Issuer to the applicable Clearing System (or its nominee) and, as a result, each holder of a beneficial interest in such Global Note should consider that such Clearing System might credit the account of its applicable direct participant(s) only after receipt of payment from the Issuer (including potentially applying such credits on a later day) and/or might use a different application process (such as a record date that differs from the Record Date), which payment such direct participants might themselves only credit to the account of their own customers as per their own timing and other procedures (and so on through any indirect participant(s) until the ultimate investor's account is credited with funds). Payments by Clearing Systems to their direct participants and then by such direct participants (and indirect participants) to their own customers will be governed by standing instructions and customary practices and will be the responsibility of the Clearing Systems and such participants and not of the Issuer. For example, notwithstanding the Record Date established in the Conditions for any Series of Registered Notes, the Issuer has been advised by DTC that, through DTC's accounting and payment procedures, DTC will, in accordance with its customary procedures, credit payments received by DTC on any payment date based upon DTC's Direct Participants' holdings of beneficial interests in the Notes on the close of business on the New York Business Day immediately preceding each such payment date (and Direct Participants and Indirect Participants are expected to credit such amounts to the accounts of DTC Beneficial Owners, which credits will be made pursuant to such Participants' procedures). A “*New York Business Day*” for these purposes is a day other than a Saturday, a Sunday or any other day on which banking institutions in New York City, New York are authorised or required by law or executive order to close.

As of the date hereof: (a) the address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, (b) the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg and (c) the address of DTC is Depository Trust Company, 55 Water Street, New York City, New York 10041, United States of America.

Conditions for Determining Price

For Notes (or beneficial interests therein) to be issued to one or more Dealer(s), the price and amount of such Notes (or beneficial interests therein) will be determined by the Issuer and such Dealer(s) at the time of issue in accordance with prevailing market conditions. For Notes (or beneficial interests therein) to be issued to one or more investor(s) purchasing such Notes (or beneficial interests therein) directly from the Issuer, the price and amount of such Notes (or beneficial interests therein) will be determined by the Issuer and such investor(s).

No Material Adverse Change or Significant Change

As of the date of this Base Prospectus, the Issuer hereby confirms that, other than to the extent described in “*Risk Factors—Risks Relating to Türkiye*” and “*Risk Factors—Risks Relating to the Group and its Business*,” there has been: (a) no

material adverse change in the prospects of the Issuer since the date of its last published audited BRSA Financial Statements, (b) no significant change in the financial performance of the Group since the end of the last financial period for which BRSA Financial Statements have been published to the date of this Base Prospectus and (c) no significant change in the financial position of the Group since the end of the last financial period for which BRSA Financial Statements have been published. As of the date of this Base Prospectus, such date and period ends are 31 December 2024 for clause (a) and 31 March 2025 for clauses (b) and (c).

Legal and Arbitration Proceedings

Neither the Bank nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Bank is aware) in the 12 months preceding the date of this Base Prospectus that might have or in such period had significant effects on the Bank's and/or the Group's financial position or profitability.

Interests of Natural and Legal Persons Involved in the Issue

Except with respect to the fees to be paid to the Arrangers and Dealers, as far as the Bank is aware, no natural or legal person involved in the issue of the Notes has an interest, including a conflicting interest, that is material to the issue of the Notes. It should be noted that BBVA, one of the Dealers, is the controlling shareholder of the Bank (see "*Ownership*").

Independent Auditors

The BRSA Annual Financial Statements as of and for the years ended 31 December 2022, 2023 and 2024, which are incorporated by reference into this Base Prospectus, have been audited by EY, the Group's independent auditors for such years, in accordance with the Turkish Auditor Regulation and the Standards on Independent Auditing that are part of the Turkish Standards on Auditing published by the POA as stated in the respective audit reports included therein.

The BRSA Interim Financial Statements as of and for the three months ended 31 March 2025, which are incorporated by reference into this Base Prospectus, have been reviewed by independent auditors EY as stated in the respective review report included therein. EY's review report included within each of the BRSA Interim Financial Statements notes that: (a) a review of interim financial information: (i) consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures and (ii) is substantially less in scope than an independent audit performed in accordance with independent auditing standards and (b) it does not express an opinion. Accordingly, the degree of reliance upon their reports on such information should be restricted in light of the limited nature of the review procedures applied.

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

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

Material Contracts

The Bank has not entered into any material contract outside the ordinary course of its business that could result in the Bank being under an obligation or entitlement that is material to its ability to meet its obligations to investors in respect of the Notes.

Dealers and Arrangers Transacting with the Issuer

Certain of the Arrangers, the Dealers and/or their respective affiliates have engaged, and might in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or the Issuer's affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Arrangers, the Dealers and their respective affiliates might make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities might involve securities and/or instruments of the Issuer or its affiliates. The Arrangers, the Dealers and their respective affiliates that have a credit relationship with the Issuer might from time to time hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arrangers, the Dealers and their respective affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions might adversely affect future trading prices of an investment in the Notes. The Arrangers, the Dealers and their respective affiliates might also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and might hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

APPENDIX A

OVERVIEW OF DIFFERENCES BETWEEN IFRS AND THE BRSA PRINCIPLES

The BRSA Financial Statements are prepared in accordance with the BRSA Principles. The BRSA Principles, statements, communiqués and guidance differ from IFRS in some instances that might be material to the financial information herein. Such differences primarily relate to the format of presentation of financial statements, disclosure requirements (e.g., IFRS 7) and accounting policies. BRSA format and disclosure requirements are prescribed by relevant regulations and do not always conform to IFRS or IAS 34 standards. The following paragraphs contain a narrative description of differences between IFRS and the BRSA Principles as adopted by the Issuer in preparing its annual financial statements.

Similar differences with IFRS also exist in the accounting policies and disclosure requirements applied to consolidated subsidiaries, especially those providing life and non-life insurance services, which are subject to policies/requirements of the Turkish Treasury, and factoring and leasing services, which are subject to specific BRSA policies/requirements.

Hyperinflationary Accounting

Pursuant to TAS 29 and IAS 29, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Neither TAS 29 nor IAS 29 establishes an absolute rate when hyperinflation is deemed to arise, but rather each provides a series of non-exclusive guidelines as to when restatement of financial statements becomes necessary. These guidelines include, among other considerations, quantitative criteria based upon if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality, which monitors countries experiencing high inflation, categorised Türkiye as a country with a three-year cumulative inflation rate greater than 100% as of 28 February 2022. Accordingly, Turkish companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after 30 June 2022.

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

Presentation of Financial Statements

There are differences in presentation of financial statements other than measurement differences described above. These differences can be briefly explained by mandatory financial statement line items in accordance with IAS 1, disclosure requirements of IFRS 7 or, where applicable, the disclosure requirements of other standards. BRSA Financial Statements (including the related notes) are presented under a special format determined by the BRSA. Similarly, balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows are presented using this specified format. The BRSA also requires a statement for off balance sheet items. These presentation differences might vary based upon the sector that the related consolidated subsidiary operates in, especially those providing life and non-life insurance services, which are subject to the Turkish Treasury policies/requirements, and factoring and leasing services, which are subject to specific BRSA policies/requirements.

Basis for Consolidation

Consolidation principles under the BRSA Principles and IFRS are based upon the concept of the power to control in determining whether a parent/subsidiary relationship exists and that consolidation is appropriate. Control is typically exhibited where an entity has the majority of the voting rights.

Only financial sector subsidiaries are consolidated under the BRSA Principles, whereas other associates are accounted for using the equity method as defined in TAS 28 (“Investments in Associates and Joint Ventures”). The BRSA Principles provides an exemption for consolidation based upon certain materiality criteria, whereas this is not applicable in the case of IFRS. Under IFRS, all subsidiaries are consolidated.

Modified Financial Assets

Following the implementation of IFRS 9 as of 1 January 2018, the BRSA Principles regarding classification and measurement as well as expected credit loss principles applicable to financial instruments’ portfolios were aligned with IFRS; *however*, the BRSA made some amendments to the application of the relevant BRSA Principles through communiqués and other laws, which amendments resulted in some differences in terms of staging and expected credit loss calculations between the BRSA Principles and the application of IFRS.

In accordance with IFRS 9, at each reporting date, an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognised, then an entity shall assess whether there has been a significant increase in the credit risk of the financial instrument by comparing:

- (a) the risk of a default occurring at the reporting date (based upon the modified contractual terms), and
- (b) the risk of a default occurring at initial recognition (based upon the original, unmodified contractual terms).

In accordance with the BRSA Principles, an entity can measure the loss allowance for the financial instrument of which contractual cash flows have been renegotiated or modified at an amount equal to 12-month expected credit losses without assessing whether there has been a significant increase in the credit risk of the financial instrument.

ISSUER

Türkiye Garanti Bankası A.Ş.

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