INFORMATION MEMORANDUM

TÜRK EKONOMİ BANKASI A.Ş.

(*a banking institution organised as a joint stock company under the laws of the Republic of Türkiye*)

U.S.$2,000,000,000
Euro Medium Term Note Programme

Under this U.S.$2,000,000,000 Euro Medium Term Note Programme (the **Programme**), Türk Ekonomi 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 189356-0 (the **Issuer** or the **Bank**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$2,000,000,000 (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 on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Information Memorandum to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to Wiener Börse AG (the **Vienna Stock Exchange**) for the inclusion of Notes issued under the Programme to trading on Vienna MTF of the Vienna Stock Exchange, a multilateral trading facility (**Vienna MTF**). The Vienna MTF is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). References in this Information Memorandum to Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Pricing Supplement, such Notes have been admitted to listing and trading on Vienna MTF.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined in "*Terms and Conditions of the Notes*") will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes 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. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Application has been made to the Capital Markets Board of Türkiye (the **CMB**), in its capacity as competent authority under Law No. 6362 (the **Capital Markets Law**) of Türkiye relating to capital markets, for the issuance and sale of Notes by the Issuer outside of Türkiye. No Tranche of Notes can be sold before the necessary approvals and an approved issuance certificate in respect of such Tranche are obtained from the CMB. The CMB approval and the issuance certificate (*ihraç belgesi*) relating to the issuance of Notes based upon which any offering of the Notes will be conducted was obtained on 10 March 2026 by the CMB letter dated 11 March 2026 and numbered E-29833736-105.02.02-87829 (the **CMB Approval**), and a written approval (in the form required by the applicable legislation) will be obtained from the CMB before any sale and issuance of the Notes. In order to issue any further tranche of Notes after 10 March 2027, the Issuer will be required to renew its CMB approval which, in line with the relevant regulations, was granted for a one-year period. If and when the aggregate nominal amount of all Notes issued and sold following 10 March 2026 under the Programme exceeds U.S.$2,000,000,000, the Issuer will be required to obtain a new CMB approval prior to the issuance and sale of any further tranche of Notes. The Banking Regulation and Supervision Agency (in Turkish*: Bankacılık Düzenleme ve Denetleme Kurumu*) (**BRSA**) has also approved the issuance of Notes under the Programme.

Under current Turkish tax law, withholding tax may apply to payments of interest on the Notes. See "*Taxation – Certain Turkish Tax Considerations*".

The Issuer has been assigned long-term foreign currency issuer default ratings of BB- by Fitch Ratings Limited (**Fitch**) and Ba2 by Moody's Investors Service Ltd. (**Moody's**).

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

BNP PARIBAS **J.P. Morgan**

Dealers

Abu Dhabi Commercial Bank
Barclays
Citigroup
First Abu Dhabi Bank
HSBC
Morgan Stanley
BBVA
BNP PARIBAS
Emirates NBD Capital
Goldman Sachs International
J.P. Morgan
Standard Chartered Bank

The date of this Information Memorandum is 12 March 2026.

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Information Memorandum and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information under the heading "*Risk Factors*", "*The Group and its Business*", "*Turkish Banking Sector*" and "*Turkish Regulatory Environment*" have been extracted from independent, third party sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Information Memorandum is to be read in conjunction with all information which is deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). Other than in relation to the information which is deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Information Memorandum refers does not form part of this Information Memorandum.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Information Memorandum or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Information Memorandum or any other information provided by the Issuer in connection with the Programme.

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 Information Memorandum or any other information supplied in connection with the Programme or the Notes 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 Dealers.

Neither this Information Memorandum nor any other information supplied 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 or any of the Dealers that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its 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. The 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 in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of sales to EEA Retail Investors", the Notes are not intended to be offered, sold

or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (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 Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) 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 is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor 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 Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the 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 (by either adopting or refining the target market assessment) 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 is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the SFA) – Unless otherwise stated in the applicable Pricing

Supplement in respect of any Notes, all Notes issued or to be issued under the Programme 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 (**MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS INFORMATION MEMORANDUM AND OFFERS OF NOTES GENERALLY

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in the United States, the EEA (including Belgium), the United Kingdom, Japan, Hong Kong, Singapore and Türkiye, see "*Subscription and Sale*".

CERTAIN INFORMATION

The Issuer has obtained the CMB Approval and the approved issuance certificate required for the issuance of Notes under the Programme. In addition to the CMB Approval and issuance certificate, a tranche issuance approval in respect of each Tranche of Notes shall also be obtained by the Issuer prior to the issue date of such Tranche of Notes. In order to issue any further tranche of Notes after 10 March 2027, the Issuer will be required to renew its CMB approval which, in line with the relevant regulations, was granted for a one-year period. Furthermore, until 10 March 2027, if and when the aggregate nominal amount of all Notes issued and sold following 10 March 2026 under the Programme exceeds U.S.$2,000,000,000, the Issuer will be required to obtain a new CMB approval prior to the issuance and sale of any further tranche of Notes The Issuer also obtained the BRSA approval letter (numbered E-32521522-101.02.02-180657) (the **BRSA Approval** and, with the CMB Approval, the **Programme Approvals**) required for the issuance of Notes under the Programme.

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.

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 on the Protection of the Value of the Turkish Currency (as amended from time to time, **Decree 32**), the Banking Act numbered 5411 (the **Banking Law**) and its related legislation, the Capital Markets Law and Communiqué VII-128.8 on Debt Instruments (the **Communiqué on Debt Instruments**) or its related regulation.

In addition, the Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye in accordance with the CMB Approval. Under the CMB Approval, the CMB has authorised the offering, sale and issue of any Notes on the condition that no sale or offering of Notes (or beneficial interests therein) may be made by way of public offering or private placement in Türkiye. For more information, see "*Subscription and Sale – Türkiye*".

Pursuant to the Communiqué on Debt Instruments, the Issuer is required under Turkish law to notify the Central Registry Agency (Merkezi Kayıt Kuruluşu) within three Turkish business days from the issue date of any Notes of the amount, issue date, ISIN, first payment date, maturity date, interest rate, name of the custodian, currency of the Notes and the country of issuance.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information contained or incorporated by reference in this Information Memorandum relating to the Bank and its consolidated subsidiaries (together, the **Group**) has been derived from the audited consolidated financial statements of the Group as of and for the financial years ended 31 December 2025 (the **2025 BRSA Financial Statements**) and 31 December 2024 (the **2024 BRSA Financial Statements**, and together with the 2025 BRSA Financial Statements, the **BRSA Financial Statements**).

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

The Bank's financial year ends on 31 December, and references in this Information Memorandum to any specific year are to the 12-month period ended on 31 December of such year.

The BRSA Financial Statements have been prepared in accordance with 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" 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 BRSA, and circulars and interpretations published by the BRSA) and, for the matters that are not regulated by such laws, the requirements of the "Turkish Accounting Standards" (**TAS**) and "Turkish Financial Reporting Standards" (**TFRS**) issued by the Public Oversight, Accounting and Auditing Standards Authority (**POA**) (in Turkish: *Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu*) (together, the **BRSA Accounting Principles**).

The BRSA Financial Statements were audited by independent auditors Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) (**EY**) in accordance with the "*Regulation on Independent Audit of Banks*" published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and the Standards on Independent Auditing that are part of the Turkish Auditing Standards promulgated by the POA, as stated in the convenience translations in English of EY's independent auditor's reports issued on each of the BRSA Financial Statements.

Each of the independent auditor reports issued on the BRSA Financial Statements as of and for the years ended 31 December 2024 and 31 December 2025 contains a qualification regarding free provisions recognised by the Bank (see "*Risk Factors – Other Group-Related Risks – Audit Qualification – The independent 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*" and "*General Information – Independent Auditors*").

Pursuant to Turkish Accounting Standards 29, Financial Reporting in High Inflation Economies (**TAS 29**) under TFRS and the corresponding International Accounting Standards 29 (**IAS 29**) under International Financial Reporting Standards (**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, a quantitative characteristic verifying whether 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. As such, as indicated in TAS 29, in order to ensure application compatibility within Türkiye, all reporting entities are expected to start to use TAS 29 at the same time following an announcement to do so by the POA. On 23 November 2023, the POA published an announcement requiring entities that apply TFRS to present their financial statements by adjusting for the impact of inflation for the annual period ending on or after 31 December 2023 in accordance with the principles set out in TAS 29; *however*, this announcement also provided that institutions authorised to regulate and supervise Turkish companies (for example, the BRSA as the regulator of Turkish banks) 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, pursuant to Decision No. 11021, that banks and other relevant financial institutions would not be required to apply the inflation accounting requirements of TAS 29 for the 2025 financial year. On 18 December 2025, the BRSA repealed its prior decision regarding the application of inflation accounting and determined that banks and other financial institutions subject to BRSA supervision shall not apply inflation accounting. Accordingly, the BRSA Financial Statements incorporated by reference herein have not applied inflation adjustments.

None of the BRSA Financial Statements have been prepared in accordance with IFRS, including International Accounting Standards (**IAS**) as promulgated by the International Accounting Standards Board. The BRSA Accounting Principles differ in certain respects from IFRS. While BRSA Accounting Principles have been converging with IFRS over recent years, some BRSA Accounting Principles still differ in certain respects from IFRS. The Issuer is not providing in this Information Memorandum any reconciliation between IFRS and the BRSA Accounting Principles or the BRSA Financial Statements. For a discussion of certain key differences between IFRS and BRSA Accounting Principles, see "*Appendix 1 – Overview of Significant Differences between IFRS and BRSA Accounting Principles*". With the exception of the key differences set forth in Appendix 1 hereto, the Issuer directs any investor concerned with the differences between IFRS and BRSA Accounting Principles to consult its own advisors.

Non-GAAP Financial Measures

To supplement the Group's consolidated financial statements presented in accordance with the BRSA Accounting Principles, the Bank uses certain ratios and other financial measures included (including through incorporation by reference) in this Information Memorandum that might be considered to be non-GAAP (or alternative performance measures) (GAAP, for these purposes, referring to a body of generally accepted accounting principles such as the BRSA Accounting Principles). A non-GAAP financial measure is one that measures historical or future financial performance, financial position or cash flows but that excludes or includes amounts that would not be so adjusted in the most comparable GAAP ratios or measures.

Any such non-GAAP financial measures included in this Information Memorandum are not alternatives to measures prepared in accordance with the BRSA Accounting Principles and might be different from similarly titled financial measures reported by other companies. The Bank's management believes that this information, when considered in conjunction with measures reported under the BRSA Accounting 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 Accounting Principles, in measuring the Group's performance and comparing it to the performance of

its competitors. Furthermore, because the Group has historically reported certain non-GAAP financial measures to investors, the Bank's management believes that the inclusion of non-GAAP financial measures in this Information Memorandum provides consistency in the Group's financial reporting and thus improves investors' ability to assess the Group's trends and performance over multiple periods. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with the BRSA Accounting Principles.

For the Group, such non-GAAP financial measures in this Information Memorandum (including pursuant to any supplement hereto) (and that are not defined or specified by the BRSA Accounting Principles or any other law applicable to the Group) include (without limitation) the following (such terms being used in this Information Memorandum as defined below):

cost of risk: For a particular period, this is: (a) the expected credit gain/(loss) for such period as a percentage of (b) the average loans and factoring receivables 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.

cost-to-income ratio: For a particular period, this is: (a) the operating expenses for such period as a percentage of (b) the net operating income for such period.

deposits-to-total assets: As of a particular date, this is: (a) the total deposits as of such date as a percentage of (b) the total assets as of such date.

loans-to-deposits ratio: As of a particular date, this is: (a) the sum of total loans and factoring receivables as of such date as a percentage of (b) the total deposits as of such date.

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 during 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.

NPL ratio: As of a particular date, this is: (a) the NPLs as of such date as a percentage of (b) the gross loans as of such date. Where the NPL ratio is referenced solely with respect to a category of loans (for example, the NPL ratio of corporate loans), then this ratio is calculated solely with respect to such category of loans.

NPL coverage ratio: As of a particular date, this is: (a) the total provision amount for loans as of such date (excluding portfolio reserve) as a percentage of (b) the NPLs as of such date.

Other operating expenses as a percentage of average total assets: For a particular period, this is: (a) the other operating expenses for such period as a percentage of (b) the average total assets for such period.

provisions for loans to total loans: As of a particular date, this is: (a) the provisions for expected credit losses of NPLs (excluding portfolio reserve) as of such date as a percentage of (b) the total loans as of such date.

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.

return on equity: For a particular period, this is: (a) the net profit/loss minus minority shares of net profit for such period as a percentage of (b) the average shareholders' equity excluding minority shares

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-to-performing loans ratio: As of a particular date, this is: (a) the Stage 2 loans as of such date as a percentage of (b) the total performing loans as of such date.

total loans (net of provisions)-to-total assets: As of a particular date, this is: (a) the total loans (net of provisions) as of such date as a percentage of (b) the total assets as of such date.

See "*Summary Financial 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 figures and actual results might vary materially.

The following are definitions of certain terms that are used in the calculations of the terms defined above (such terms being used in this Information Memorandum 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 immediately prior to the commencement of such period (for example, for any calendar year, 31 December of the previous year) and each intervening quarter-end date during such period (for example, 31 March, 30 June, 30 September and 31 December).

average loans and factoring receivables: For a particular period, this is the average of the sum of: (a) the amount of loans and (b) the amount of factoring receivables, in each case as of the balance sheet date immediately prior to the commencement of such period (for example, for any calendar year, 31 December of the previous year) and each intervening quarter-end date during such period (for example, 31 March, 30 June, 30 September and 31 December).

average shareholders' equity: For a particular period, this is the average of the amount of shareholders' equity as of the balance sheet date immediately prior to the commencement of such period (for example, for any calendar year, 31 December of the previous year) and each intervening quarter-end date during such period (for example, 31 March, 30 June, 30 September and 31 December).

average total assets: For a particular period, this is the average of the amount of total assets as of the balance sheet date immediately prior to the commencement of such period (for example, for any calendar year, 31 December of the previous year) and each intervening quarter-end date during such period (for example, 31 March, 30 June, 30 September and 31 December).

interest-earning assets: For a particular date, this is the total amount of the interest-earning portion of cash and balances with central banks, held-to-collect and sale investment securities (net), investment securities held-to-collect (net), financial assets measured at fair value through profit or loss (net),

money market placements, loans and receivables, lease receivables (net) and factoring receivables (net) as of such date.

net interest income: For a particular period, this is: (a) the total interest income from interest-earning assets during such period minus (b) the total interest expense on interest-bearing liabilities during such period.

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

Expected credit losses 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 expected credit losses per each stage is summarised below:

Stage 1: 12-month expected credit loss represents the expected credit losses that result from default events on a financial asset that are possible within the 12 months after the reporting date and are calculated as the portion of lifetime expected credit losses. This 12-month expected credit loss is calculated based upon a probability of default realised within 12 months after the reporting date. This expected 12-month probability of default is applied on an expected exposure at default, multiplied by the loss at a given default rate and discounted with the original effective interest rate.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, an allowance for the lifetime expected credit losses is calculated for such financial asset. It is similar to the description for Stage 1, but the probability of default and the loss at a given default rate are estimated through the life of the financial asset. Estimated cash shortfalls are discounted by using the original effective interest rate.

Stage 3: For financial assets considered to be impaired, the lifetime expected credit losses are calculated. This methodology is similar to Stage 2 and the probability of default is taken into account as 100%.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Information Memorandum will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Information Memorandum.

In this Information Memorandum, all references to:

- ***U.S. dollars, U.S.$*** and ***$*** refer to United States dollars;
- **Turkish Lira** and **TL** refer to the lawful currency of the time being of Türkiye;
- ***Sterling*** and **£** refer to pounds sterling; and
- ***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 European Union, as amended.

References to a **billion** are to a thousand million.

Certain figures and percentages included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly

and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Information Memorandum, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine (including but not limited to) whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may 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, may 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 over-allotment 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.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Türk Ekonomi Bankası A.Ş.
Legal Entity Identifier (LEI):	549300P1SLJZB82YLP69
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Description:	Euro Medium Term Note Programme
Arranger:	BNP PARIBAS J.P. Morgan Securities plc
Dealers:	Abu Dhabi Commercial Bank PJSC Banco Bilbao Vizcaya Argentaria, S.A. Barclays Bank PLC BNP PARIBAS Citigroup Global Markets Limited Emirates NBD Bank PJSC First Abu Dhabi Bank PJSC Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Morgan Stanley & Co. International plc Standard Chartered Bank and any other Dealers appointed in accordance with the Programme Agreement.
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 which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Information Memorandum. **Notes having a maturity of less than one year**

	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 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issuing and Principal Paying Agent:	BNP Paribas, Luxembourg Branch
Programme Size:	Up to U.S.$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. 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 public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, 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 or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Pricing Supplement. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Benchmark discontinuation:	On the occurrence of a Benchmark Event or SOFR Benchmark Transition Event, as applicable, for a Series of Floating Rate Notes, subject to certain conditions the Issuer (following consultation with an Independent Adviser) or, in the case of SOFR, the Issuer or the SOFR Benchmark Replacement Agent, may determine a Successor Rate, failing which an Alternative Rate or, in the case of SOFR, the SOFR Benchmark Replacement together, in the case of a Successor Rate or an Alternative Rate, with the applicable Adjustment Spread and any Benchmark Amendments in accordance with Condition 6.4 or, in the case of a SOFR Benchmark Replacement, a SOFR Benchmark Replacement Adjustment and related amendments in accordance with Condition 6.2(b)(ii)(B).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the 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. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9 (*Taxation*). In the

	event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).
Cross Acceleration:	The terms of the Notes will contain a cross acceleration provision as further described in Condition 11 (*Events of Default*).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Rating:	Where a Series of Notes issued under the Programme is rated, such rating will be disclosed in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing:	Application has been made for Notes issued under the Programme to be included in trading on the Vienna MTF. The Vienna MTF is not a regulated market for the purpose of MiFID II. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium), the United Kingdom, Japan, Hong Kong, Singapore, Türkiye and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Information Memorandum a number of factors which could materially adversely affect its and the Group's business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

As a large 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 risks 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 categories of risk factors entitled "*Risks related to the structure of a particular issue of Notes*", "*Risks related to the Notes generally*", and "*Risks related to the market generally*" 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 counterparties 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 counterparties. As such, the risks identified in this Information Memorandum 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.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

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. For example, as of 31 December 2025: (a) the Group's loans (net amount includes factoring receivables) constituted 57.5% of its total assets, substantially all of which loans were made to borrowers located in Türkiye, (b) the Bank's deposits from customers (excluding interbank customers) constituted 63.1% of its total liabilities, almost all of which deposits were located in Türkiye, and (c) 12.1% of the Bank's total assets were invested in securities issued by the Turkish Treasury.

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 Turkish counterparties 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.

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*), 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 the President of Türkiye thus 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 the Turkish Treasury (President Erdoğan's son-in-law) resigned from his position and was promptly replaced. Following the depreciation of the Turkish Lira to its weakest value to that date (exceeding TL 8.5 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 replacement 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 9.9% against the U.S. dollar (from TL 7.3 per U.S. dollar before the replacement of the governor to TL 8.0 per U.S. dollar) during the same period. The Central Bank policy rate increased throughout 2020 and into 2021 (topping at 19.0% 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 rate was reduced by 100 basis points (to 18.0%) in September 2021, creating increased uncertainty in the monetary policy framework in Türkiye.

On 13 October 2021, three members of the Central Bank's monetary policy committee were replaced, and the Central Bank further reduced its policy rate by a larger-than-expected 200 basis points (to 16.0%) on 21 October 2021. On 18 November 2021, the rate was reduced by a further 100 basis points to 15.0%. On 2 December 2021, during a period of depreciation of the Turkish Lira, the Minister of the Turkish Treasury resigned and was replaced. On 16 December 2021, the Central Bank reduced its policy rate by another 100 basis points to 14.0%, following which the Turkish Lira reached a then all-time low of TL 17.5/US$1 on 20 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 31.1% against the U.S. dollar (to TL 13.3/US$1) from 20 December to 31 December 2021. In 2022, the Central Bank initially held the rate notwithstanding rapidly increasing inflation and then, contrary to the expectations of many market participants, reduced the rate to 13.0% on 18 August 2022 and again to 12.0% on 22 September 2022, both of which reductions resulted in the Turkish Lira declining to a new all-time low, and then further reduced the rate in various steps to 8.5% on 23 February 2023. As of 31 December 2022, the exchange rate had fallen further to TL 18.6985/US$1. After the presidential elections in May 2023, a new governor of the Central Bank and a new Minister of the Turkish Treasury were appointed, after which the first meeting of the Central Bank's Monetary Policy Committee increased the rate to 15.0% and then raised it again in multiple steps to 45.0% as of 25 January 2024. On 3 February 2024, Mr. Fatih Karahan, the former Vice-Chair of the Central Bank, was appointed as the new governor of the Central Bank after the previous governor resigned. The Central Bank's new administration increased the rate to 50.0% on 21 March 2024, before decreasing the rate in various steps. On 22 January 2026 the rate decreased to 37.0%. As of 27 February 2026, the exchange rate had fallen further to TL 43.8/US$1. The Central Bank has actively employed other tools to seek to support the Turkish Lira's exchange rate even while maintaining the policy rate below the inflation 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 took place throughout Türkiye, the results of which indicated a shift in municipal leadership, with the main opposition party securing a majority of votes in numerous districts (including maintaining the mayoralty of İstanbul, İzmir, Ankara and Antalya). Following the elections, President Erdoğan delivered a speech affirming the continuation of the government's established economic policies enacted after the 2023 general election.

In March 2025, the mayor of İstanbul, Ekrem İmamoğlu, certain other members of the opposition party, and certain civilians, were detained for, among other allegations, alleged corruption and supporting terrorism. Appointments to municipal political positions following certain detentions has prompted concerns over political interference in local governance. In July 2025, in a separate proceeding, a court convicted Ekrem İmamoğlu of "insulting" a public prosecutor and sentenced him to a total of one year and eight months in prison. Ekrem İmamoğlu has announced his intention to appeal this verdict which is currently pending. In October 2025, prosecutors opened a new case alleging political espionage, arrest warrants and charges against Ekrem İmamoğlu and certain associates in connection with alleged unlawful data transfer and campaign-related information gathering. While the proceedings involving Ekrem İmamoğlu are ongoing, it is uncertain how these proceedings might be resolved and what, if any, impact they will have on the Turkish economy and political environment.

In addition to domestic events, there has from time to time been political tension between Türkiye and the European Union (**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 respect to 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, the temporary suspension of visa services to Turkish nationals (which suspension has ended) and delays in Türkiye's ability to obtain military hardware from the U.S. Any such events or future events might materially alter the relationship between Türkiye and the United States.

In December 2017, Türkiye entered into a contract with Russia for the purchase of S-400 missile defence systems and, as a result, Türkiye was excluded from NATO's F-35 stealth fighter jet programme on 17 July 2019. 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 current U.S. administration has threatened, imposed, and in some cases, reduced tariffs on certain countries with significant trade surpluses with the U.S. These measures have escalated global trade tensions, leading to retaliatory actions from affected countries and contributing to increased volatility in global financial markets. In April 2025, a 10% baseline tariff was announced on all imports to the U.S., including imports from Türkiye, which were increased to 15% in August 2025. The introduction of higher tariffs or other economic measures by the current U.S. 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.

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, 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, there have been military and civilian hostilities in both directions across the Syrian-Turkish border followed by the commencement by the Turkish military to establish a "safe zone" in northern Syria, which might have political repercussions both within Türkiye and in its relationship with the United States, Russia, Syria, Iran and/or other countries and/or have an adverse impact on the Turkish economy. See "*Political Developments*" above.

The Turkish military commenced military operations in northern Syria in October 2019. This engagement expanded, including in particular around Idlib, and resulted in many Turkish casualties and increased direct conflicts between the Turkish military and forces loyal to the Syrian government. Although Türkiye and Russia reached a ceasefire agreement in March 2020, a permanent diplomatic solution to the conflict has not yet been reached and it is possible that this conflict might escalate further.

In December 2024, an Islamist military and political party opposed to the Syrian government, Hayat Tahrir al-Sham, seized control of Syria. As a result of the civil war in Syria, approximately four million Syrian refugees fled to Türkiye, and it remains unclear whether they will return to Syria or if conditions in Syria will deteriorate. Relevant international parties and representatives of the new Syrian government continue to hold talks regarding the stabilisation of Syria. Any failure related to the joint international efforts and/or any continuation or escalation of political instability or international military intervention in Syria may act as a destabilising factor for Türkiye. The high number of refugees within Türkiye's borders and foreign intelligence agents infiltrating both refugee camps and local communities remain current threats.

Russia invaded Ukraine on 24 February 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 have frozen 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. 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 Information Memorandum, the Turkish government has indicated that it seeks to maintain functioning relationships with all parties to the extent not directly impacting Türkiye's territory, 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 2025, Türkiye received 6.8 million and 0.8 million tourists from Russia and Ukraine, respectively, representing 11.9% of all international tourists during the year. The total exports to these two countries were US$10.7 billion in 2025 whereas imports were US$45.0 billion, representing 3.9% and 12.3% of Türkiye's exports and imports, respectively, during the year. Any negative impacts on these results relating to the war in Ukraine might have a significant adverse effect on the Turkish economy, including the balance of payments and inflation. In addition, as Türkiye is a net energy importer, higher global oil and natural gas prices might result in higher energy costs for consumers and companies. These increases in the current account deficit, particularly when combined with monetary tightening in developed economies, might contribute to the depreciation pressure on the Turkish Lira, which might result in even higher inflation in Türkiye.

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 significantly impacted civilian areas of the Gaza Strip, leading to

a refugee and humanitarian crisis in the region. On 13 April 2024, in retaliation for an Israeli military strike on Iran's consulate in Damascus, Iran launched hundreds of projectiles at Israel, representing the first such direct attack from Iran on Israel. On 3 May 2024, Türkiye imposed a ban on trade with Israel. Military activity has since expanded to other regions in and around Israel. In 2025, Israel also carried out an airstrike in Qatar aimed at Hamas leadership in Doha. On 13 October 2025, Israel and Hamas reached a ceasefire agreement brokered by Egypt, Qatar, Türkiye and the United States. While the ceasefire has temporarily halted active hostilities, its long-term sustainability remains uncertain amid concerns regarding governance, humanitarian conditions and security in Gaza. Türkiye's trade embargo on Israel and the additional port and airspace restrictions announced on 29 August 2025 remain in effect, and any reversal or further tightening of such measures could influence regional trade flows and financial conditions.

In 2024, Houthi attacks against shipping in the Red Sea have, in addition to increased tension, resulted in delays and additional costs for shipping, which might lead to increases in import prices for Türkiye and thus might contribute to inflation and/or the current account deficit.

On May 12, 2025, the PKK, an organisation that is listed as a terrorist organisation internationally by numerous countries, including the members of the European Union and others such as United States, Canada and Australia and which was declared a terrorist entity by the European Union in 2004, announced that it had decided to lay down its arms and disband. The disarmament process is ongoing and there can be no assurance of a peaceful resolution of the conflict. On October 26, 2025, the PKK declared that its armed elements within Türkiye's borders are in the process of withdrawing to Iraq.

The current geopolitical situation in relation to Iran poses a risk to the region. On 28 February 2026, the United States and Israel initiated military operations in Iran. Iran has subsequently conducted retaliatory drone and missile strikes across the region, with strikes reported by Bahrain, Cyprus, Jordan, Kuwait, Iraq, Israel, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The instability and risks have caused delays and increased shipping costs in the Red Sea. Any escalation or prolongation of the conflict could have substantial impacts on energy prices, energy supply and economic activity in the region.

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 Iran 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.

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. 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. In October 2020, both France and Greece asked the EU to consider suspending the bloc's customs union agreement with Türkiye and, on 26 November 2020, the European Parliament passed a non-binding resolution calling for sanctions on Türkiye. Any decision by the EU to abolish or limit the customs union with Türkiye, end Türkiye's EU accession bid or impose additional sanctions on Türkiye might result in (or contribute to) a deterioration of the relationship between Türkiye and the EU and have material negative impacts on Türkiye's economy. The EU is Türkiye's largest export market with an over 40.0% share in Türkiye's total exports. On average, two thirds of foreign direct investments directed to Türkiye in the last 10 years were from the EU.

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. There can be no assurance that the EU or Türkiye will continue to maintain an open approach to Türkiye's EU membership or that Türkiye will be able to meet all the criteria applicable to becoming an EU member state. In the event of a loss of market confidence as a result of 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), the Turkish economy might be adversely affected, 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 affected by the general 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 European Central Bank (**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/or equity markets, including adversely affecting the cost and availability of funding for the Group.

In recent years, Türkiye's gross domestic product (**GDP**) growth rates have fluctuated. In 2023, GDP growth increased by 5.0%, then slowed in 2024 to 3.3%. In 2025, GDP growth remained moderate at 3.6% according to Turkstat. It should be noted that these GDP results are in inflation-adjusted Turkish Lira terms and, as the exchange rate of the Turkish Lira against the U.S. dollar varies (in some years, significantly), these reported changes in GDP would have been different (in some years, significantly) were they determined in U.S. dollar terms.

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. The full impact on Türkiye's economy is uncertain but is expected to be substantial and material, with (as of the date of this Information Memorandum) forecasts being for over US$104 billion of damages (over 10% of 2023's GDP).

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 counterparties' 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 Turkish counterparties 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 (for example, 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 continue to 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.

Domestic macroeconomic factors, including the current account deficit, high levels of inflation (see "*Inflation*" below) and interest rate and currency volatility, remain of concern, particularly considering 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 because of their impact on the Group's customers and other counterparties. The Turkish government has sought to improve economic growth and, in September 2025, the Turkish Treasury published a new three-year economic growth programme (referred to as the "Medium Term Program 2026-2028") under which GDP growth was anticipated to be 3.8%, 4.3%, and 5.0% for 2026, 2027, 2028, respectively, and the CPI inflation rate for such years was forecast to be 16.0%, 9.0%, and 8.0%, respectively. On 12 February 2026, the Central Bank published its first inflation report of 2026, which report suggested that the predicted CPI inflation rate for 2026 would be between 15% and 21%, and between 6% and 12% in 2027; *however*, many market participants expect higher inflation rates, including in the near term.

In particular, the general macroeconomic conditions in Türkiye might have a material adverse effect on the Group's retail and small and medium enterprise (**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.

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 (for example, the Turkish Lira depreciated against the U.S. dollar by 43.3% in 2023, 38.1% in 2024 and 20.4% in 2025, with significant volatility driven in part by regulatory changes and changes in Central Bank policy, including the maintenance by the Central Bank of a policy rate above the rate of inflation). The Central Bank has from time to time used its interest rate policy, reserve requirements and other tools to try to lower inflationary pressures arising from exchange rate volatility, including large decreases in 2019 and early 2020 as inflation moderated and then, notwithstanding the disinflationary impact of COVID-19 pandemic-related shutdowns, significant increases starting in August 2020 to address a significant depreciation in the value of the Turkish Lira. Seeking normalisation after the presidential elections in May 2023, the Central Bank's new administration increased the rate to 15.0% and then raised it again in multiple steps to 50.0% on 21 March 2024, then decreased it in various steps. On 22 January 2026, the rate was reduced to 37.0%.

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 impacted with (as of 31 December 2025 and calculated without regard to the BRSA's current permission for Turkish banks to use an historical Central Bank rate as described elsewhere herein) a 10% decrease in the value of the Turkish Lira when compared to the U.S. dollar resulting in about minus one (-1) and one (1) basis points impact on the Group's and the Bank's total capital adequacy ratios respectively. With respect to the impact of inflation, see also "*Risks Relating to the Group and its Business – Market Risks – Reduction in Earnings on Investment Securities*."

As described elsewhere, the BRSA announced rules allowing banks to: (a) use the Central Bank's foreign exchange buying rates as of 28 June 2024 starting from 1 January 2025 (replacing earlier rules allowing the use of the Central Bank's foreign exchange buying rates as of 31 December 2023 and then 31 December 2024) 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 2023 by 183 and 183 basis points, respectively, as of 31 December 2024, by 161 and 167 basis points, respectively and as of 31 December 2025 by 164 and 159 basis points, respectively. These accommodations have had a material positive impact on the capital adequacy ratios of the Group and the Bank and starting from 1 January 2026, BRSA finished the forbearance measures and banks started to report with current central bank foreign exchange buying rates, and to include mark-to-market losses on securities booked in the "financial assets at fair value through other comprehensive income" portfolio.

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. There have been recent periods of decline in the Central Bank's net foreign exchange reserves (including being negative when swaps are excluded), which level of reserves could potentially impact the Central Bank's policies, such as imposing limits on foreign exchange liquidity in Türkiye.

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. In 2023, Türkiye's current account deficit was at US$41.5 billion (3.7% of GDP), which declined to US$10.4 billion (0.8% of GDP) in 2024 as a result of the tight monetary stance of the central bank. In 2025, the current account deficit increased to US$25.2 billion (1.6% of GDP) due to strong domestic demand and gold imports, yet it stands at a manageable level compared to previous years.

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 of central banks, might have an adverse impact on Türkiye's balance of trade and adversely affect Türkiye's economic growth. 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 exports, 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 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 if such impact outweighs any related benefits to the competitive cost of Türkiye's exports. 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$48.0 billion of net energy imports in 2025, a decrease from US$49.0 billion of net energy imports in 2024, itself a decrease from US$52.7 billion of net energy imports in 2023. 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 and/or other oil-exporting nations to cut output or any geopolitical development concerning energy security and prices, such as Russia's invasion of Ukraine, the United States' withdrawal from the Joint Comprehensive Plan of Action and re-imposing previously suspended secondary sanctions on Iran or the current tensions in the Middle East as a result of the conflict in and around the Gaza Strip), together with the Turkish Lira's depreciation against the U.S. dollar (in which most of Türkiye's energy imports are priced), might have a negative impact on Türkiye's current account deficit.

If the current account deficit widens, then it might have an adverse effect on the performance of the Turkish economy 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 inflation in recent years, which might continue (including at elevated levels). In 2023, the effects of monetary tightening on financial conditions and on domestic demand had some positive impacts on inflation expectations and price-setting behaviour in the second half of 2023; *however*, even though the annual consumer price index (**CPI**) data in the last quarter of 2023 signalled a slowdown in monthly inflation, year-on-year CPI and domestic producer price inflation rates rose to 64.8% and 44.2%, respectively for 2023 due to the ongoing reverse base effect, reflecting significant increases in the prices of food, energy and imported products as well as increases in interest rates as well as VAT and other consumption taxes. In 2024, such CPI and domestic producer price inflation rates had changed to 44.4% and 28.5%, respectively. In 2025, the CPI inflation rate was 30.9% and the domestic producer price inflation rate was 27.7%. It should be noted that this is the official inflation rate, according to Turkstat, whereas other analysts have published different rates, in some cases significantly higher than the official rates.

On 28 December 2025, the Central Bank released its 2026 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. On 12 February 2026, the Central Bank published its first inflation report of 2026, which report suggested that the predicted CPI inflation rate for 2026 would be between 15% and 21%, and between 6% and 12% in 2027; *however*, many market participants expect higher inflation rates, including in the near term.

High inflation rates have distorted and might continue to distort the Group's results of operations, with nominal growth rates of the balance sheet and profitability in the Group'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/or 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 (for example, 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, pursuant to Decision No. 11021, that banks and other relevant financial institutions would not be required to apply the inflation accounting requirements of TAS 29 for the 2025 financial year. On 18 December 2025, the BRSA repealed its prior decision regarding the application of inflation accounting and determined that banks and other financial institutions subject to BRSA supervision shall not apply inflation accounting. Accordingly, the BRSA Financial Statements incorporated by reference herein have not applied inflation adjustments. If and when the Group is required to apply inflation adjustments, the Group's and the Bank's subsequent financial statements will not be comparable to financial statements from earlier periods prepared without such inflation adjustment.

Significant global price increases in major commodities such as oil, cotton, corn and wheat would be likely to 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 tighten 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 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 Information Memorandum, the Bank has not 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,

(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 POS systems) introduced further limits, which limitations might negatively impact the fees and commissions earned by the Group,

(g) on 10 June 2022, the Central Bank issued the Communiqué on the Maintenance of Turkish Lira Securities for Foreign Currency Liabilities (the name of which was later changed to Communiqué on the Maintenance of Securities) (as amended, the "*Communiqué on the Maintenance of Securities*") to require Turkish banks to maintain Turkish Lira-denominated securities for their foreign currency deposit and participation funds, funds from foreign exchange-denominated repo transactions, precious metal deposit accounts, securities issued by entities (other than financial institutions) held by such banks, and 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; pursuant to this regulation, Turkish banks are required to (subject to certain calculations and exceptions): (A) use long-term Turkish Lira-denominated securities issued by the Turkish government (including lease certificates issued by Undersecretariat of Treasury Asset Leasing Company) as reserves equal to 10% of the amount of the foreign currency deposits,

participation funds, funds from foreign exchange-denominated repo transactions, and precious metals accounts and 30% of the amount of such Turkish Lira-denominated commercial cash loans, and securities issued by entities (other than financial institutions) held by such banks and (B) provide a small amount of additional reserves for foreign exchange deposits and participation funds held by natural and legal persons based upon the conversation rate of such persons' foreign currency accounts to Turkish Lira accounts (this regulation was repealed as of 9 May 2024 and thus is only applicable to BRSA financial statements as of and for the year ended 31 December 2023) (see also "*Turkish Regulatory Environment - Liquidity and Reserve Requirements*" with respect to certain other actions taken since August 2022),

(h) the Communiqué Regarding Reserve Requirements (the **Communiqué Regarding Reserve Requirements**), which was amended on 7 March 2024 so that, if the growth rate for certain categories of cash loans (i.e., general purpose loans, vehicle loans and certain types of commercial loans) extended by a bank or financing company for any four-week calculation period (beginning with the first such period ending 29 March 2024 through the four-week calculation period ending 3 January 2025) exceeds 2% (which itself was amended to 1.5% on 20 July 2024 with respect to foreign currency loans) (each category of loans being considered separately) when compared to the amount of such category of cash loans as of the end of the previous four-week calculation period, then such bank or financing company is required to maintain additional blocked Turkish Lira reserves in an amount equal to such excess (on 9 May 2024, the Central Bank further amended the Communiqué Regarding Reserve Requirements so that this reserve requirement does not apply to banks and financing companies that are below a benchmark ratio (to be determined by the Central Bank) of loans to the total size of the balance sheet) (see "*Turkish Regulatory Environment - Liquidity and Reserve Requirements*" for more information regarding the Communiqué Regarding Reserve Requirements), and

(i) on 27 June 2024, in announcing that it is implementing the "Basel III: Finalising Post Crisis Reforms" published by the Basel Committee on Banking Supervision (the **Basel Committee**), which is conducted by the Bank for International Settlements (the **BIS**), the BRSA published the: (i) Draft Communiqué on the Calculation of the Amounts Subject to Operational Risk, (ii) Draft Regulation on the Measurement and Evaluation of the Interest Rate Risk Originated from Banking Accounts in Accordance with the Standard Approach and (iii) Draft Guide on Management of the Interest Rate Risk Originated from Banking Accounts.

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. According to the Bank for International Settlements' report dated 2 April 2025, Türkiye has been found compliant with the Basel regulations in relation to risk-based capital, liquidity coverage ratio, net-stable funding ratio, and large exposures framework.

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.

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 counterparties are unable to meet their obligations to the Group when due, then this would increase the Group's past due loan portfolio, require the Group to reserve additional provisions and reduce its net profit/(loss) and capital levels, which might have a material adverse effect on the Group's business, financial condition and/or results of operations.

For example, if the Turkish Lira were to further depreciate materially against foreign currencies (such as the 21.7% depreciation against the U.S. dollar in 2025), 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 (for example, in part due to the significant depreciation of the Turkish Lira over recent years and declining economic growth in Türkiye, some corporate borrowers (including some large corporate borrowers) have restructured their loans; *however*, such borrowers might continue to have difficulties supporting their debt obligations, particularly if the Turkish Lira depreciates further, which might result in additional NPLs).

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

The Group's financial results can be significantly affected by the amount of provisions for expected credit losses. Determining the amount of such provisions involves the use of numerous estimates and assumptions. As a result, the level of provisions and other reserves that the Group has set aside might prove insufficient and the Group might be required to create significant additional provisions and other reserves in future periods. The Group's NPL ratio changed from 1.1% as of 31 December 2023 to 1.3% as of 31 December 2024 and 2.5% as of 31 December 2025 and the Stage 2 loans-to-performing loans ratio was 7.3%, 7.9% and 10.3%, respectively, as of such dates. The Group's provisions for loans increased to TL 12.5 billion as of 31 December 2025 from TL 6.5 billion as of 31 December 2024, itself a decrease from TL 6.8 billion as of 31 December 2023. See "*Turkish Regulatory Environment - Expected Credit Losses*"

In addition to its transactions with the BNP PARIBAS Group, the Group has exposure to other financial institutions, 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. A banking sector crisis might have materially adverse impacts on the Group's business, financial condition and/or results of operations.

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

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

Loans to and receivables from the Group's 100 largest customers as of 31 December 2024 and 2025 represented 26.0% and 24.3%, respectively, of its total cash loans and receivables (69.5% and 64.7%, respectively, of total non-cash loans). In terms of sector concentration, the: (a) metal products, (b) construction, (c) chemical products and (d) motor vehicle sectors represented the largest concentrations as of 31 December 2025 (11.0%, 9.2%, 6.6% and 8.2%, respectively, of the Group's total loans and receivables).

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

The Turkish government announced in December 2016 that the Turkish Treasury would provide a guarantee for SME loans up to an aggregate amount of TL 250 billion under the KGF programme, which aimed to boost economic growth, support high potential companies that have difficulty accessing funding due to collateralisation constraints and help Turkish banks to grow by allowing 0% risk weight to be applied to the guaranteed portion of these loans. The available amount under this facility was increased by TL 55 billion in February 2018, TL 35 billion in May 2018 (to replace KGF-guaranteed loans that had already been repaid), TL 20 billion in January 2019 (for SMEs with 2017 annual turnover of TL 25 million or less), TL 25 billion in March 2019 (for SMEs with a yearly turnover of TL 125 million or less without any industry-specific limitations) and TL 25 billion in June 2019 (for SMEs and non-SMEs). On 30 March 2020, in order to address the economic impact of the COVID-19 pandemic, the amount available under the KGF programme was increased from TL 25 billion to TL 50 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. Banks are assigned certain limits to grant these loans and the amount up to 100% of such limit (for both SMEs and non-SMEs) is guaranteed by the Turkish Treasury; *however*, with respect to each such scheme, to the extent that the non-performing loans (calculated in a specific manner applicable to the KGF programme resulting in a "compensation upper-limit ratio") from the loans made under such scheme exceed 7% (8%-10% for certain sub-sectors), the relevant bank will bear the risk for the amount of such non-performing loans in excess of such level. The Bank started granting loans under the KGF programme in January 2017 and, as of 31 December 2025, such loans amounted to TL 30.7 billion. To the extent that the "compensation upper-limit ratio" of the KGF loans of any scheme exceeds the applicable limit, the Bank would lose the advantages of the KGF programme in terms of collections and risk weights.

Although the Group has put in place policies and procedures to monitor and assess credit risk, taking into account the payment ability and cash generating ability of a borrower in extending credit, the Group might not correctly assess the creditworthiness of its credit applicants. In addition, as the Group's loan portfolio has grown substantially, the Group has extended credit to new customers, many of whom may have more limited credit histories. In particular, the Group has relatively high levels of exposure to retail customers, whose loans generally yield higher interest income but also tend to have higher levels of default than loans to corporate customers (as of 31 December 2025, 37% of the Group's total cash loans were retail loans (including micro SMEs), including mortgage, credit card and consumer loans). Although such new loans are subject to the Group's credit review and monitoring practices, they might be subject to higher credit risks compared to borrowers with whom the Group has greater experience. Furthermore, the Group's exposures to certain borrowers (particularly for loans for infrastructure and energy projects) are large and the Group is likely to continue making such large loans where such an investment is determined by the Group to be a credit-worthy transaction. Also, should any large Turkish borrower experience financial difficulties, then that might have a

negative impact on the Bank, including indirectly through having a negative impact on the Turkish banking sector.

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

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

The Group has exposure to Turkish governmental and state-controlled entities, including the Central Bank. As of 31 December 2025, 100.0% of the Group's investment securities (12.1% of its total assets and equal to 149.8% of its total shareholders' equity) was invested in Turkish government debt securities (100.0%, 15.8% and 209.8%, respectively, as of 31 December 2024) (the Group did not have any material loans to Turkish government or state-controlled entities as of any of such dates). In addition, the Group has exposure to the Turkish government through the Group's participation in financing state-sponsored infrastructure projects and the KGF-guaranteed loan programme, which might be susceptible to increased credit risk in the event of weakness in Türkiye's macroeconomic condition or deterioration of the Turkish government's creditworthiness. In early 2020, the KGF-guaranteed loan programme was expanded to include retail loans as part of the government's efforts to address the economic impact of the COVID-19 pandemic. The programme was expanded in 2021, 2022 and 2023 and continued in 2024 and 2025, 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.

Türkiye's sovereign debt ratings have been subject to downgrades in the past five years and might be further downgraded. For example, on 3 December 2021, Moody's affirmed Türkiye's sovereign rating at "B2" (with a negative outlook). On 11 February 2022, Fitch downgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a negative outlook), which was followed on 8 July 2022 by a further downgrade to "B" (with a negative outlook). On 12 August 2022, Moody's downgraded Türkiye's sovereign rating to "B3" (with a stable outlook). On 17 March 2023, Fitch affirmed Türkiye's long-term foreign currency issuer default rating at "B" (with a negative outlook). On 8 September 2023, Fitch revised the outlook on Türkiye's sovereign ratings from negative to stable. On 12 January 2024, Moody's revised the outlook on Türkiye's sovereign rating to positive from stable. On 8 March 2024, Fitch upgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a positive outlook). On 19 July 2024, Moody's upgraded Türkiye's sovereign rating to "B1" (with a positive outlook). On 6 September 2024, Fitch upgraded Türkiye's long-term foreign currency issuer default credit rating to "BB-" (with a stable outlook). In July 2025, Moody's upgraded Türkiye's sovereign rating to "Ba3" (with a stable outlook). In January 2026, Fitch revised the outlook on Türkiye's long-term foreign currency issuer default credit rating from "stable" to "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 and/or liquidity of the collateral securing the Group's loans (and/or the ability of borrowers to post additional collateral), increasing the risk that the Group would not be able to recover the full amount of any such loans in a default. If the Group seeks to realise on any such collateral, then it might be difficult to find a buyer and/or the collateral might be sold for significantly less than its appraised or actual value.

Market Risks

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

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

As a significant portion of the Group's assets and liabilities (including off-balance sheet commitments such as letters of credit) is denominated in, or indexed to, foreign currencies (primarily U.S. dollars and euro), the Group is exposed to the effects of fluctuation in foreign currency exchange rates, which can have a material impact on its business, financial condition (including capitalisation) and/or results of operations. These risks are both systemic (for example the impact of exchange rate volatility on the markets generally, including on the Group's borrowers) and specific to the Group (for example 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 43.3% in 2023, 38.1% in 2024 and 20.4% in 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. On the other hand, persistent stability of local currency in real terms in the last couple of years enabled the Bank to match its FX lending via FX deposits, which elevated the FX Customer Loan to Deposit Ratio from a level of 50% to levels of 90-100%. After customer deposits transitioning more to Turkish Lira from foreign exchange after the local elections in March 2024, the Bank progressively reduced its foreign currency swaps from US$1.1 million as of 31 December 2024 to US$444.0 million as of 31 December 2025.

In preparing its BRSA Financial Statements, transactions in currencies other than Turkish Lira are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on such balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. As a result, the Group's balance sheet and net profit/(loss) are affected by changes in the value of the Turkish Lira with respect to foreign currencies. The overall effect of exchange rate movements on the Group's balance sheet and results of operations primarily depends upon the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies. For example, as a result of the depreciation of the Turkish Lira by 21.7% against the U.S. dollar in 2025, the Turkish Lira-equivalent value of the Group's foreign currency-denominated assets, liabilities and capital increased significantly in 2025.

The share of Turkish Lira-denominated assets and liabilities in the Group's balance sheet changed from 67.9% and 65.4%, respectively, as of 31 December 2024 to 66.5% and 62.3%, respectively, as of 31 December 2025, in each case largely due to the depreciation of the Turkish Lira (foreign exchange-denominated deposits changed by 6.8% and 44.5%, respectively, in Turkish Lira terms in 2024 and 2025 while foreign exchange-denominated loans increased by 83.9% and 38.2%, respectively, in Turkish Lira terms during such periods). As the depreciation of the Turkish Lira leads to an increase in the Turkish Lira-equivalent of the Group's foreign currency-denominated risk-weighted assets, this might adversely affect the Group's capital adequacy ratios absent a corresponding increase in capital or additional risk mitigation measures.

From a systemic perspective, if the Turkish Lira were to depreciate materially against the U.S. dollar or the euro (which represent a significant portion of the foreign currency debt of the Group's corporate customers), then it would be more difficult for the Group's customers with income primarily or entirely denominated in Turkish Lira to repay their foreign currency-denominated debt (including to the Group) and this reduced repayment capacity of such customers might have a material negative impact on the Group's financial condition (including its capitalisation). A number of Turkish banks and other entities have significant amounts of debt denominated in foreign currency and thus are susceptible to this risk and certain foreign currency-denominated loans in the Turkish market have been (or are in the process of being) restructured. As of 31 December 2025, foreign currency-denominated loans (including applicable lease receivables and factoring receivables) comprised 32.4% of the Group's loan portfolio (31.5% as of 31 December 2024), of which 32.1% was in U.S. dollars and 62.0% 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 69.3% of the Group's operating profit for 2025 (53.5% and 74.9%, respectively, for 2023 and 2024) and the net interest

margin was 8.3%, 5.9% and 7.3%, respectively, for 2023, 2024 and 2025. As a result, the differential between the average interest rates that the Group charges on interest-earning assets and the average interest rates that it accrues on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have the most significant impact on the Bank's results of operations.

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

For example, an increase in interest rates (such as the large increases that the Central Bank implemented in the last half of 2023 and first quarter of 2024 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 – Management of Specific Risks – Interest Rate Risk*" and "*Risk Management – Derivatives*"), these instruments and measures might not protect the Group from the risks of changing interest rates. Customers might also alter their preferences for one product over another or alter their demand for loans and other credit products if interest rates change.

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

The Group has historically generated a portion of its interest income from its investment securities[1], with interest income derived from the Group's investment securities in 2023, 2024 and 2025 accounting for 21.0%, 13.8% and 13.5%, respectively, of its total interest income and 17.9%, 11.9% and 11.4%, respectively, of its gross operating income (i.e., total interest income and fees and commission income before deducting interest expense and fee and commission expense). The Group also has obtained large realised gains from the sale of securities in its held-to-collect and sale investment securities portfolio. The CPI-linked securities in the Group's portfolio of investment securities provided high real yields compared to other government securities in each of such years, benefitting from the high inflation environment, but their impact on the Group's earnings might vary as inflation rates change.

While the contribution of income from the Group's portfolio of investment securities 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 portfolio of investment securities. If the Group is unable to sustain its

[1] Investment securities are instruments in which the Bank invests its excess liquidity for investment purposes, as well as for liquidity management and interest gap position management. The scope is limited to Turkish government bonds, denominated both in TL and in foreign currency. No other types of securities are included in the Group's investment portfolio.

level of earnings from its portfolio of investment securities, 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 30 days or less) as its source of funding and has a mix of short-, medium- and long-term assets in the form (*inter alia*) of consumer loans and loans to corporations (including mortgages and credit cards) and investment securities, which might result in asset-liability maturity gaps and liquidity problems. In addition, depositors might withdraw their funds at a rate faster than the rate at which borrowers repay. The Group's loans-to-deposits ratio was 77.7%, 86.2% and 90.3%, respectively, as of 31 December 2023, 2024 and 2025. If the Group's consumer customers become or remain unemployed or earn declining amounts, then they might save less or consume more of their money deposited with the Group, which might negatively affect the Group's access to deposit-based funding. Similarly, if the Group's corporate customers face liquidity problems, then they might draw down their deposits with the Group. An inability on the Group's part to access such funds might put the Group's liquidity at risk and lead the Group to be unable to finance its operations and growth plans adequately or within required regulatory limits.

While the Bank's principal source of funding comes from deposits, these funds are short-term by nature and thus do not enable the Bank to match fund its medium- and long-term assets. In addition, price competition for wholesale deposits has made such deposits less attractive. As a result, the Bank seeks to extend the average maturity of its liabilities in order to manage the maturity mismatch between assets and liabilities, to manage its liquidity coverage ratio requirements and to provide diversity in its funding. The Bank has raised (and likely will seek to continue to raise) longer-term funds from syndicated and bilateral loans, "future flow" transactions, bond issuances and other transactions, many of which are denominated in foreign currencies. The Group's non-deposit funding (including, but not limited to, repos and money market funds, funds borrowed, subordinated loans and marketable securities issued) was equivalent to 21.4% and 20.5%, respectively, of its assets as of 31 December 2024 and 2025. If growth in the Group's deposit portfolio does not keep pace with growth in its loan portfolio, then the Group might need to become more reliant upon non-deposit funding sources such as securities offerings, some of which might create additional risks of their own such as increased liquidity and/or interest rate gaps and exposure to volatility in international capital markets. If conditions in the international capital markets or interbank lending market, or the Group's and/or Türkiye's credit ratings, were to deteriorate, then the Group might be unable to secure funding through international sources.

As noted above, a portion of the Group's wholesale fundraising is denominated in foreign currencies. The Group's total foreign currency-denominated borrowings (i.e., the sum of foreign currency-denominated funds borrowed, money market funds, marketable securities issued and subordinated debt) equalled 17.3% and

18.1%, respectively, of its assets as of 31 December 2024 and 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 December 2025, the Group had free foreign currency liquidity (including unencumbered foreign currency securities) amounting to US$724 million while having US$869 million in foreign currency-denominated external debt to be paid within one year. 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 might occur at a time of increasing inflation and resultant tightening by central banks) might compound the risk of the Group not being able to access funds at favourable rates or at all. Moreover, regulatory changes (such as the BRSA's regulation requiring Turkish banks to hold a certain percentage of Turkish Lira deposits) might increase competition among banks for deposits, resulting in increased costs of funding. These and other factors might lead creditors to form a negative view of the Group's liquidity, which might result in lower credit ratings, higher borrowing costs and/or decreased access to funds.

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

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

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

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

Operational Risks

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

The Group faces significant competition from other participants in the Turkish banking sector, including both state-controlled and non-governmental banks in Türkiye as well as many subsidiaries and branches of foreign banks and joint ventures between Turkish and foreign shareholders. A small number of these banks dominate the banking industry in Türkiye. As of 31 December 2025 (according to the Banks Association of Türkiye),

the top 10 banking groups in Türkiye, three of which were state-controlled, held 95.7% of the Turkish banking sector's total loan portfolio in Türkiye, 94.3% of the total bank assets in Türkiye and 94.7% 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, particularly when combined with ongoing competitive pressures from private financial institutions, might put downward pressure on net interest margins.

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

In August 2021, the BRSA published the Regulation on Operation Principles of Digital Banks and Banking as a Service, which became effective on 1 January 2022 and established 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 (for example, 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 consolidated financial statements, which might result in unexpected reductions in profitability

Pursuant to accounting rules and interpretations, the Group uses certain estimates in preparing its consolidated 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, the war in Ukraine 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 (including due to any negative effect on its reputation). If circumstances arise that the Group has not identified or anticipated adequately, if the security of its risk management systems is compromised or if its risk policies or procedures have material deficiencies, including any of the above relating to the environment (including as a result of the operations of its customers and other counterparties), then the Group's losses from such risks might be greater than expected, which might have a material adverse effect on the Group's business, financial condition and/or results of operations.

In addition, some of the Group's methods of managing risk consider (*inter alia*) historical data, which might not accurately predict future risk exposures. For example, if the Group's credit risk policies underestimate the negative impact of a recession on the value of Turkish real property, then loans secured by Turkish real property might be undercollateralised and result in material unexpected losses to the Group. See "*Risk Management*".

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

The Group employs substantial resources to develop and operate its risk management processes and procedures; *however*, similar to other financial institutions, the Group is susceptible to, among other things,

fraud by employees, customers or other third parties, failure of internal processes and systems (including to detect fraud or unlawful transactions), unauthorised transactions by employees and other operational errors (including clerical or record-keeping errors and errors resulting from faulty computer or telecommunications systems). The Group's risk management and expanded control capabilities are also limited by the information tools and techniques available to the Group. The Group is also subject to service interruptions from time to time caused by third party service providers (such as telecommunications operators) or other service interruptions resulting from events such as natural disasters. Such events might result in interruptions to services to the Group's branches and/or impact customer service. In addition, given the Group's high volume of transactions, fraud or errors might be repeated or compounded before they are discovered and rectified. Furthermore, a number of banking transactions are not fully automated, which might further increase the risk that human error or employee tampering will result in losses that might be difficult for the Group to detect quickly or at all. For example, if the Group's operational risk control systems do not identify a weakness in the Group's mortgage loan application processing system, then fraud might occur that results in material unexpected losses to the Group. If the Group is unable to successfully monitor and control these or any other operational risks, then this might have a material adverse effect on the Group's reputation, business, financial condition and/or results of operations. See "*Risk Management – Management of Specific Risks – Operational Risk*".

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

The Group's business, financial performance and ability to meet its strategic objectives (including rapid credit decisions, product rollout and growth) depend to a significant extent upon the functionality of its information technology (**IT**) systems and its ability to increase systems capacity (for example, to support the increased digitisation of banking services). The proper functioning of the Group's internal 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 (including in coordination with BNP PARIBAS' global standards) has adopted various policies and procedures, and has put in place systems (including internal controls, "know your customer" rules and transaction monitoring), aimed at preventing money laundering and terrorist financing, and seeks to adhere to all requirements under Turkish law and international standards aimed at preventing it from being used as a

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

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

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

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

Other Group-Related Risks

Audit Qualification – The independent 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 reports issued on the BRSA Financial Statements were qualified with respect to free provisions that were allocated by the Group. See also the independent auditor's reports issued on such BRSA Financial Statements. Similar qualifications might be included in the corresponding audit or review report for future fiscal periods.

The Group provided free provisions of TL 1,500,000 thousand in 2024 which was reduced by TL 270,000 thousand to TL 1,230,000 thousand in 2025. The free provisions were provided for the possible effects of negative circumstances that might arise in the economy or market conditions.

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

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 its Shareholders – The Group intends to continue its dealings with the BNP PARIBAS Group and the Çolakoğlu Group 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 the BNP PARIBAS Group and the Çolakoğlu Group. With respect to the Bank, all credits with respect to, and services provided to, its related parties (including members of the BNP PARIBAS Group and the Çolakoğlu 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 at least 10 of the 12 members 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 members of the BNP PARIBAS Group and the Çolakoğlu Group 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 BNP PARIBAS Group and the Çolakoğlu Group 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.

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

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which 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, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks" (including the euro interbank offered rate (**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 consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (as amended) (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of in-scope benchmarks, the contribution of input data to an in-scope benchmark and the use of an in-scope benchmark within the EU. Among other things, it (i) 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 (ii) prevents certain uses by EU supervised entities of in-scope benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark which is in-scope of one or both regulations, in particular if the methodology or other terms of the benchmark are changed in order to comply with the

requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) 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, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

The occurrence of a Benchmark Event or SOFR Benchmark Transition Event, as applicable, may adversely affect the return on and the market value of Floating Rate Notes.

Investors should be aware that in the case of certain Floating Rate Notes, the Conditions of the Notes provide for certain fallback arrangements in the event that a relevant benchmark including an inter-bank offered rate (such as EURIBOR) or the secured overnight financing rate (**SOFR**) is discontinued or no longer published or another Benchmark Event or SOFR Benchmark Transition Event (each as defined in the "*Terms and Conditions of the Notes*") as applicable otherwise occurs.

Such fallback arrangements include the possibility that the Rate of Interest (as defined in the Conditions of the Notes) on the applicable Notes could be set by reference to a Successor Rate or an Alternative Rate or a SOFR Benchmark Replacement (each as defined in the Conditions of the Notes), as applicable, and that such Successor Rate or Alternative Rate or SOFR Benchmark Replacement, as the case may be, may be adjusted (if required) as a result of the replacement of the relevant benchmark with the Successor Rate or Alternative Rate or SOFR Benchmark Replacement, as the case may be, and amendments could also be made to the Conditions of the Notes and/or the Agency Agreement without the consent or approval of holders of the relevant Floating Rate Notes to ensure the proper operation of the Successor Rate or Alternative Rate or SOFR Benchmark Replacement, as the case may be. In the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments, and any SOFR Benchmark Replacement, SOFR Benchmark Replacement Adjustment and related amendments, the relevant replacement and adjustment (if any) and any such amendments shall be determined by (i) the Issuer following consultation with an Independent Adviser (as defined in the Conditions of the Notes) or (ii) in the case of SOFR, by the Issuer or the SOFR Benchmark Replacement Agent, if any, in each case acting in good faith and in a commercially reasonably manner. Any Adjustment Spread or SOFR Benchmark Replacement Adjustment (each as defined in the Conditions of the Notes) that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) or SOFR Benchmark Replacement (including with the application of a SOFR Benchmark Replacement Adjustment) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant benchmark were to continue to apply in its current form.

In certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was

last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate or SOFR Benchmark Replacement, the involvement of an Independent Adviser and the potential for further regulatory development, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value, market price or liquidity of and return on any such Notes. Any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes and could also have a material adverse effect on the value, market price or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

The market continues to develop in relation to SOFR as a reference rate and SOFR may be more volatile than other benchmarks or market rates.

Where the applicable Pricing Supplement for a series of Floating Rate Notes specifies that the interest rate for such Floating Rate Notes will be determined by reference to SOFR (**SOFR-Linked Notes**), interest will be determined on the basis of Compounded Daily SOFR (as defined in the Conditions of the Notes). Compounded Daily SOFR differs from interbank offered rates, such as U.S. dollar LIBOR, in a number of material respects, including (without limitation) that Compounded Daily SOFR is a backwards-looking, compounded, risk-free or secured overnight rate, whereas an interbank offered rate is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that there may be a material difference in the behaviour of interbank offered rates, such as U.S. dollar LIBOR, and overnight rates, such as SOFR, as interest reference rates for Floating Rate Notes.

The Federal Reserve Bank of New York (**FRBNY**) publishes certain historical indicative secured overnight financing rates, although such historical indicative data inherently involves assumptions, estimates and approximations. Potential investors in SOFR-Linked Notes should not rely on such historical indicative data or on any historical changes or trends in SOFR as an indicator of the future performance of SOFR. For example, since the initial publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a result, the return on and value and market price of Floating Rate Notes which reference Compounded Daily SOFR may fluctuate more than floating rate securities that are linked to less volatile rates. In addition, the volatility of SOFR has reflected the underlying volatility of the overnight U.S. Treasury repo market. The FRBNY has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the FRBNY will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain and could be materially adverse to investors in SOFR-Linked Notes. Accordingly, SOFR over the term of any SOFR-Linked Notes may bear little or no relation to the historical actual or indicative data. There can further be no assurance that SOFR will be positive.

Prospective investors in any Floating Rate Notes referencing Compounded Daily SOFR should be aware that the market continues to develop in relation to SOFR as a reference rate in the capital markets and its adoption as an alternative to interbank offered rates, such as U.S. dollar LIBOR. For example, 'term' SOFR reference rates, which seek to measure the market's forward expectation of an average SOFR rate over a designated term, was adopted by the relevant working group in 2021.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions of the Notes in the case of Floating Rate Notes for which Compounded Daily SOFR is specified as being applicable in the applicable Pricing Supplement. Furthermore, the Issuer may in the future issue Floating Rate Notes referencing SOFR that differ materially in terms of the interest determination provisions when compared with the provisions for such determination as set out in Condition 6.2(b)(iii). The continued development of SOFR-based rates for the Eurobond markets and the market infrastructure for

adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SOFR-Linked Notes issued under the Programme from time to time.

In addition, the manner of adoption or application of SOFR as a reference rate in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should consider how any mismatch between the applicable conventions for the use of SOFR as a reference rate across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes referencing Compounded Daily SOFR.

There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in such Notes. If the manner in which SOFR is calculated is changed, that change may result in a reduction in the amount of interest payable on Floating Rate Notes referencing Compounded Daily SOFR and the trading prices of such Notes.

Investors should carefully consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The amount of interest payable with respect to each Interest Period will only be determined near the end of the Interest Period for SOFR-Linked Notes.

The Rate of Interest on Floating Rate Notes referencing Compounded Daily SOFR is only capable of being determined at the end of the relevant SOFR Observation Period (as defined in Condition 6.2(b)(ii)(C)) and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in any such Floating Rate Notes to estimate reliably the amount of interest which will be payable on such Floating Rate Notes on each Interest Payment Date, and some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their information technology systems, both of which factors could adversely impact the liquidity of such Floating Rate Notes. Further, if Floating Rate Notes referencing Compounded Daily SOFR become due and payable as a result of an event of default under Condition 11 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final rate of interest payable in respect of such Floating Rate Notes shall only be determined by reference to a shortened period ending immediately prior to the date on which the Floating Rate Notes become due and payable.

The interest rate on SOFR-Linked Notes will be based on Compounded Daily SOFR or by reference to the SOFR Index, and may differ from rates referencing SOFR that use an alternative basis to determine the applicable rate.

For each Interest Period, the interest rate on any Floating Rate Notes referencing Compounded Daily SOFR is based on Compounded SOFR, which is calculated on a daily compounded basis (or, where Index Determination is specified as being applicable in the applicable Pricing Supplement, by reference to the relevant index) and not the SOFR rate published on or in respect of a particular date during such Interest Period or an arithmetic average of SOFR rates during such Interest Period. The SOFR Index measures the cumulative impact of compounding SOFR on a unit of investment over time. The value of the SOFR Index on a particular business day reflects the effect of compounding SOFR on such business day and allows the calculation of Compounded Daily SOFR averages over custom time periods. For this and other reasons, the interest rate on Floating Rate Notes referencing Compounded Daily SOFR during any Interest Period will not be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Period is negative, its contribution to the relevant compounded rate will be less than one, resulting in a reduction to such compounded rate used to calculate the interest payable on any Floating Rate Notes referencing Compounded Daily SOFR on the interest payment date for such Interest Period.

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 holders of SOFR-Linked Notes.

SOFR is published by the FRBNY as the administrator of SOFR. The Issuer has no control over the determination, calculation or publication of SOFR. The administrator of SOFR may make changes that could change the value of SOFR, or discontinue SOFR, and it has no obligation to consider the interests of holders of SOFR-Linked Notes in doing so. The FRBNY (or any successor) as the administrator of SOFR may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrator of SOFR may alter, discontinue or suspend calculation or dissemination of SOFR (in which case a fallback method of determining the interest rate on any SOFR-Linked Notes will apply, as further described in Condition 6.2(b)(ii)).

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 holders of SOFR-Linked Notes. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on any SOFR-Linked Notes, which may adversely affect the trading prices of such Notes. If the rate at which interest accrues on any SOFR-Linked Notes for any Interest Period declines to zero or becomes negative, no interest will be payable on such Notes on the Interest Payment Date for such Interest Period. The administrator of SOFR has no obligation to consider the interests of holders of SOFR-Linked Notes in calculating, adjusting, converting, revising or discontinuing SOFR. In addition, the administrator of SOFR may withdraw, modify or amend the published SOFR rate or other SOFR data in its sole discretion and without notice.

The SOFR Index may be modified or discontinued, which could adversely affect the value and market price of any Floating Rate Notes referencing Compounded Daily SOFR where Index Determination is specified as being applicable in the applicable Pricing Supplement.

The SOFR Index is published by the FRBNY and the Issuer has no control over their methods of calculation, publication schedule, rate revision practices or the availability of the SOFR Index at any time. There can be no guarantee, 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 Floating Rate Notes referencing Compounded Daily SOFR where Index Determination is applicable. If the manner in which the SOFR Index is calculated, including the manner in which SOFR is calculated, is changed, that change may result in a reduction in the amount of interest payable on any Floating Rate Notes referencing Compounded Daily SOFR where Index Determination is applicable and the trading prices of such Notes. In addition, the FRBNY may withdraw, modify or amend the published SOFR Index or other 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 other SOFR data that the FRBNY may publish after the interest rate for that Interest Period has been determined.

The market continues to develop in relation to TLREF.

Where the applicable Pricing Supplement for a series of Floating Rate Notes specifies that the interest rate for such Notes (**TLREF-Referenced Notes**) will be determined by reference to the Turkish Lira Overnight Reference Rate (**TLREF**), interest will be determined on the relevant TLREF Interest Determination Date in respect of the relevant Interest Period by reference to the BIST TLREF Index and the relevant published TLREF Index (each as defined in the Conditions of the Notes). 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 TLREF-Referenced Notes 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)(iii). In addition, the Issuer may in the future issue Notes referencing TLREF that differ materially compared with any previous TLREF-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 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.

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 TLREF-Referenced 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-referenced securities might be lower than those of later-issued debt securities that also reference 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-referenced Floating Rate Notes might be lower than that of debt securities that are referenced to rates that are more widely used. An investor in TLREF-Referenced Notes might not be able to sell their investment in such Notes at all or at a price that will provide that investor with a yield comparable to similar investments that have a developed secondary market and, as a result, that investor might suffer from increased pricing volatility and market risk with respect to its investment in such TLREF-Referenced 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 the risks related to such terms 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 an investment in Notes that reference TLREF and the suitability of investing in such Notes in light of its particular circumstances.

The amount of interest payable with respect to each Interest Period will only be determined near the end of the Interest Period for TLREF-Referenced Notes. Interest on TLREF-Referenced Notes 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 TLREF-Referenced 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 TLREF-Referenced Notes become due and payable as a result of an Event of Default under Condition 11 (*Events of Default*), or are otherwise redeemed early on a date other than an Interest Payment Date, then the Rate of Interest (as defined in the Conditions of the Notes) payable for the final Interest Period in respect of such TLREF-Referenced Notes shall only be determined immediately or shortly prior to the date on which such TLREF-Referenced Notes become due and payable.

TLREF may be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of TLREF-Referenced Notes. 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 Rate of Interest on Floating Rate Notes that reference TLREF 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 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 Rate of Interest being applied to the relevant Notes.

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

In the case of Turkish Lira-denominated Notes, unless an election to receive payments in U.S. dollars as provided in Condition 7.8 is made, holders of such Notes may need to open and maintain a Turkish Lira-denominated bank account, and no assurance can be given that Noteholders will be able to do so either in 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 Euroclear or Clearstream, Luxembourg to which any such payment is made.

Under Condition 7.8, if the Principal Paying Agent receives cleared funds in respect of Turkish Lira-denominated Notes from the Issuer after the relevant time on the Relevant Payment Date, then the Principal Paying Agent will use reasonable efforts to pay any U.S. dollar amounts Noteholders have elected to receive in respect of such funds as soon as reasonably practicable thereafter. If it is not possible for the Principal Paying Agent to purchase U.S. dollars with any Turkish Lira funds received, the relevant payments in respect of the 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 may (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 Principal Paying Agent cannot, for any reason, effect the conversion of the amount paid by the Issuer in Turkish Lira, Noteholders will receive the relevant amount in Turkish Lira.

Noteholders will have no recourse to the Issuer, 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 may 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.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may 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 a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system 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. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Notes held through Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has 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 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 and its participants to appoint appropriate proxies.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their 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, are being issued to a single investor or a limited number of investors 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 investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This 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 may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes in the EEA, unless such ratings are

issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

ENFORCEMENT OF JUDGMENTS AND SERVICE OF PROCESS

The Bank is a joint stock company under the Turkish Commercial Code. Substantially all of the assets of the Bank are located in Türkiye. 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 may 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 - 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 the United Kingdom providing for reciprocal enforcement of judgments. Turkish courts have rendered at least one judgment confirming *de facto* reciprocity between Türkiye and the United Kingdom; *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 Kingdom by Turkish courts. Moreover, there is uncertainty as to the ability of an investor to bring an original action in Türkiye based upon 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 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

(g) 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.

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 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 (as of the date of this Information Memorandum, with an address on the date of this Information Memorandum at 8th Floor, 100 Bishopsgate, London, EC2N 4AG). This does not affect any other method of service allowed by law.

DOCUMENTS INCORPORATED BY REFERENCE

The following information which has previously been published or is published simultaneously with this Information Memorandum shall be incorporated in, and form part of, this Information Memorandum:

(a) the convenience translation into English of the 2024 BRSA Financial Statements together with EY's independent auditor's report dated 4 February 2025 issued thereon, published at https://www.teb.com.tr/UPLOAD/PDF/2025/Q4-TEB-Solo-Rapor-ENG-31.12.2024--.pdf; and

(b) the convenience translation into English of the 2025 BRSA Financial Statements together with EY's independent auditor's report dated 5 February 2026 issued thereon, published at https://www.teb.com.tr/UPLOAD/PDF/consolidated05032026.pdf.

In addition to the above, the convenience translation into English of any annual or interim consolidated financial statements of the Issuer published after the date of this Information Memorandum, together with (in the case of annual consolidated financial statements only) the independent auditor's report issued thereon, shall be incorporated in, and form part of, this Information Memorandum as and when it is published on https://www.teb.com.tr/about-teb/independent-audit-report-and-financial-statements/. Information incorporated by reference pursuant to this paragraph shall, to the extent applicable, be deemed to modify or supersede statements contained in this Information Memorandum. Following the publication of this Information Memorandum a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any information 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 Information Memorandum or in information which is incorporated by reference in this Information Memorandum.

Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Any documents themselves incorporated by reference in the information incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

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 the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the 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 given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Bearer Global Note of the same Series against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note is improperly withheld or refused.

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) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, 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 (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable 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 referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons 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 Bearer Notes or interest coupons.

Notes which 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.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable 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.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4 (*Payments - Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or 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 or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4 (*Payments - Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

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 Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 12 March 2026 and executed by the Issuer.

APPLICABLE PRICING SUPPLEMENT

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) or a customer within the meaning of Directive (EU) 2016/97 (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[[3]**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (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 (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[[4]**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target

[1] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Legend to be included on the front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[3] Legend to be included on front of the Pricing Supplement if following the ICMA 1 "all bonds to all professionals" target market approach.

[4] Legend to be included on front of the Pricing Supplement if following the ICMA 1 "all bonds to all professionals" target market approach.

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 (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore** (as modified or amended from time to time, the **SFA)** - [*To insert notice if classification of the Notes is not "prescribed capital markets products" pursuant to Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore or Excluded Investment Products (as defined in Monetary Authority of Singapore (**MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]".][5]

[*Date*]

TÜRK EKONOMI BANKASI A.Ş.

Legal entity identifier (LEI): 549300P1SLJZB82YLP69

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$2,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation in relation to such offer.][6]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Information Memorandum dated 12 March 2026 [as supplemented by the supplement[s] dated [*date[s]*]] (the **Information Memorandum**). 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 Information Memorandum. The Information Memorandum is available for viewing in electronic form on the Issuer's website (https://www.teb.com.tr/about-teb/investor-relations-debt-capital-instruments/).

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Information Memorandum [dated [*original date*] [and the supplement dated [*date*]] which are incorporated by reference in the Information Memorandum].[7]

[*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 or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

[5] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[6] Include relevant legend wording here for the EEA if the "Prohibition of Sales" legend and related selling restriction for that regime are not included/not specified to be "Applicable" (because the Notes do not constitute "packaged" products, or a key information document will be prepared, under that regime).

[7] Only include this language where it is a fungible issue and the original Tranche was issued under an Information Memorandum with a different date.

1.	Issuer:		Türk Ekonomi 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/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	(a)	USD Payment Election:	[Applicable/Not Applicable]
	(b)	Exchange Agent:	[ ] (the **Exchange Agent**) (*N.B. paragraph 4 is only applicable for Turkish Lira-denominated Notes*)
5.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
6.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
7.	(a)	Specified Denominations:	[ ]
	(b)	Calculation Amount (in relation to calculation of interest in global form or Registered definitive form see Conditions):	[ ] (*If only one Specified Denomination, 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*.)
8.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)

9.	Maturity Date:		[*Specify date or for Floating Rate Notes* - Interest Payment Date falling in or nearest to [*specify month and year*]]
10.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] month [*currency*][EURIBOR] [Compounded Daily SOFR] [TLREF] +/- [ ] per cent. Floating Rate] [Zero Coupon] [*specify other*] (further particulars specified below)
11.	Redemption/Payment Basis:		[Redemption at par] [*specify other*]
12.	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
13.	Put/Call Options:		[Investor Put] [Issuer Call] [Issuer Maturity Call] [(further particulars specified below)]
14.	(a)	Status of the Notes:	Senior
	(b)	Date Board approval for issuance of Notes obtained:	[ ] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s) (and in relation to Notes in global or Registered definitive form see Conditions):	[ ] per Calculation Amount
	(d)	Broken Amount(s) (and in relation to Notes in global or Registered definitive form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]

	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/*specify other*]
	(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)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/*Give details*]
16.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]] [Not Applicable]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined if different from the Conditions:	[*Specify*] (*Where different interest provisions are specified, consider adjusting or disapplying the Screen Rate Determination provisions in Condition 6.2(b) and including replacement provisions describing the manner in which the Rate of Interest and Interest Amount is to be determined*)
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ] (the **Calculation Agent**)
	(f)	Screen Rate Determination:	
		(i) Reference Rate:	[ ] month [*currency*][EURIBOR] [Compounded Daily SOFR] [TLREF]
		(ii) Specified Time:	[[ ]/Not Applicable] (*11.00 a.m. in the case of EURIBOR. Where the Reference Rate is "Compounded Daily SOFR" only*

relevant if "Index Determination" is specified as being "Applicable")

(iii) Relevant Financial Centre: [Brussels] [Not Applicable]

(*Where the Reference Rate is "Compounded Daily SOFR", "Relevant Financial Centre" will be "Not Applicable"*)

(iv) Interest Determination Date(s): [ ]
(Second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the second U.S. Government Securities Business Day prior to the day on which the relevant Interest Period ends (but which by its definition is excluded from the Interest Period), if Compounded Daily SOFR and the second TLREF Business Day prior to the day on which the relevant Interest Period ends, if TLREF)

(v) Relevant Screen Page: [ ] [Not Applicable]
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which 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 Daily SOFR*)

(vi) Observation Look-Back Period: [[__] U.S. Government Securities Business Day[s]]/[Not Applicable][8]

(*N.B. When setting the Observation Look-Back Period (p), the practicalities of this period should be agreed with the Principal Paying Agent or the Calculation Agent, as applicable*)

(vii) Index Determination: [Applicable/Not Applicable][9]

(g) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(h) Margin(s): [+/-] [ ] per cent. per annum

(i) Minimum Rate of Interest: [ ] per cent. per annum

(j) Maximum Rate of Interest: [ ] per cent. per annum

(k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]

[8] Only relevant for Floating Rate Notes which specify the Reference Rate as being "Compounded Daily SOFR".
[9] Only relevant for Floating Rate Notes which specify the Reference Rate as being "Compounded Daily SOFR".

			Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) [*Other*]
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
17.	Zero Coupon Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 8.2 (*Redemption and Purchase – Redemption for taxation reasons*):		Minimum period: [15] days Maximum period: [30] days
19.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]

	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
20.	Issuer Maturity Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	First Issuer Maturity Call Date:	[ ]
	(b)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(c)	Notice periods:	Minimum period: [10] days Maximum period: [60] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
21.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15*)

		clearing system business days' notice for a put) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
22.	Final Redemption Amount:	[[ ] per Calculation Amount/*specify other*/see Appendix]
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):	[[ ] per Calculation Amount/*specify other*/see Appendix] (*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event] [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event] [Notes shall not be physically delivered 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[10]] [Registered Notes: Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]
25.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 16(c) relates*)
26.	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]
27.	Other terms or special conditions:	[Not Applicable/*give details*]

[10] Include for Notes that are to be offered in Belgium.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Türk Ekonomi Bankası A.Ş.**:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1.	**LISTING**	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on Vienna MTF of the Vienna Stock Exchange with effect from [ ].] [Not Applicable]
2.	**RATINGS**	
	Ratings:	[The Notes to be issued [have been]/[are expected to be] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].] (*The above disclosure is only required if the ratings of the Notes are different to those stated in the Information Memorandum*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their 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*]

4.	**[REASONS FOR THE OFFER**	
	(i) Reasons for the offer:	See ["Use of Proceeds"] in the Information Memorandum/*Give details*] (*See* [*"Use of Proceeds"*] *wording in the Information Memorandum – if reasons for offer different from what is disclosed in the Information Memorandum, give details*)]

5. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[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]
(iv)	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]
(v)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]

6. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
(vi)	Additional selling restrictions:	[Not Applicable/*give details*]
(vii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(viii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.*)
(ix)	[Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable]

(*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, 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 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 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 "Applicable Pricing Supplement" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes.

This Note is one of a Series (as defined below) of Notes issued by Türk Ekonomi Bankası A.Ş. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 12 March 2026 and made between the Issuer, BNP Paribas, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Pricing Supplement), the Exchange Agent (if any is specified in the applicable Pricing Supplement), the Registrar, the Paying Agents, and other Transfer Agents together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are, unless otherwise stated, to Part A**.** of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 12 March 2026 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). The applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes 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 of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the 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 Pricing Supplement shall have the same meanings where used in the 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 Pricing Supplement, the applicable Pricing Supplement will prevail.

In the Conditions, **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.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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 shown in the applicable 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 the Conditions are not applicable.

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 transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent 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 overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit 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 making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer

period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer 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.

3. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remain 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 (as defined below), 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:

(i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness;

(ii) such Security Interest is terminated; or

(iii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

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 per cent. 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 Accounting Principles).

4.2 Definitions

In these Conditions:

BRSA means the Banking Regulation and Supervision Agency (in Turkish*: Bankacılık Düzenleme ve Denetleme Kurumu*) of Türkiye or such other governmental authority in Türkiye having primary bank supervisory authority with respect to the Issuer;

BRSA Accounting 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" 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 BRSA, and circulars and interpretations published by the BRSA) and, for the matters that are not regulated by such laws, the requirements of the "Turkish Accounting Standards" (including Turkish Accounting Standards 34 on "Interim Financial Reporting") and "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 (i) 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 which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, where such securities have a maturity in excess of 365 days, and (ii) any guarantee or indemnity in respect of any such indebtedness.

5. COVENANTS

5.1 Maintenance of Authorisations

So long as any of the Notes remain outstanding (as defined in the Agency Agreement), 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 and the Notes or for the validity or enforceability thereof or (b) except to the extent any failure to do so does not have a Material Adverse Effect, the conduct by it of the Permitted Business.

5.2 Financial Reporting

So long as any of the Notes remain outstanding (as defined in the Agency Agreement), the Issuer shall make available to the Noteholders and Couponholders through its website (as of the date of this Information Memorandum, https://www.teb.com.tr/about-teb/independent-audit-report-and-financial-statements/ or any replacement or successor page or website):

(a) not later than 120 days after the end of each financial year of the Issuer, English language copies of the Issuer's audited consolidated financial statements for such financial year, prepared (except to the extent noted therein) in accordance with the BRSA Accounting Principles, with the corresponding financial statements for the preceding financial year, and all such financial statements shall be accompanied by the report of the auditors thereon; and

(b) not later than 120 days after the end of each of the first three quarters of each financial year of the Issuer, English language copies of the Issuer's unaudited (or, if published, audited) consolidated financial statements for such three month period, prepared (except to the extent noted therein) in accordance with the BRSA Accounting Principles, with the corresponding financial statements for the corresponding period of the previous financial year, and all such interim financial statements shall be accompanied by the report of the auditors thereon.

5.3 Definitions

In these Conditions:

CMB means the Turkish Capital Markets Board (in Turkish: *Sermaye Piyasası Kurulu*);

Group means the Issuer and its Subsidiaries;

Material Adverse Effect means a material adverse effect on: (a) the business, financial condition or results of operations of the Issuer or the Group or (b) the Issuer's ability to perform its obligations under any Notes;

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 a 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;

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 Person that is a Subsidiary of a Subsidiary of any 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; and

Türkiye means the Republic of Türkiye.

6. INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded 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 Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of 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.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 6.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable 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, 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 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, 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; and

(ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in 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 (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

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); 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.

6.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable 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 will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable 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 which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2 (*Interest - Interest on Floating Rate Notes – Interest Payment Dates – (ii)*) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which 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

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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 Luxembourg and each Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and

(c) either (1) 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 (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified below.

(i) ***Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SOFR or TLREF***

The Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) 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 which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page of that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page (or such replacement page of that service which displays the information), the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 6.2(b)(i)(A), no offered quotation appears or, in the case of Condition 6.2(b)(i)(B), fewer than three offered quotations appear, in each case as at the Specified Time (as indicated in the applicable Pricing Supplement), the Issuer shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the

Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 6.2(b)(i),

Reference Banks means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market as selected by the Issuer;

Reference Rate means, unless otherwise specified in the Pricing Supplement, the Euro-zone inter-bank offered rate (**EURIBOR**);

Relevant Financial Centre means the financial centre specified as such in the Pricing Supplement or if none is so specified in the case of a determination of EURIBOR, Brussels; and

Specified Time means the time specified as such in the Pricing Supplement or if none is so specified in the case of a determination of EURIBOR, 11.00 a.m., in each case in the Relevant Financial Centre.

(ii) ***Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR***

(A) The Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR for such Interest Period plus or minus (as specified in the applicable Pricing Supplement) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded Daily SOFR means, with respect to an Interest Period,

(I) if Index Determination is specified as being applicable in the applicable Pricing Supplement, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d}\right)$$

where:

SOFR Index$_{Start}$ is the SOFR Index value for the day falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Period;

SOFR Index$_{End}$ is the SOFR Index value for the day falling "p" U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

d is the number of calendar days in the relevant SOFR Observation Period;

provided that, if the SOFR Index value required to determine SOFR Index$_{Start}$ or SOFR Index$_{End}$ does not appear on the SOFR Administrator's Website at the Specified Time on the relevant U.S. Government Securities Business Day (or by 3:00 pm New York City time on the immediately following US Government Securities Business Day or

such later time falling one hour after the customary or scheduled time for publication of the SOFR Index value in accordance with the then-prevailing operational procedures of the administrator of SOFR Index), "Compounded Daily SOFR" for such Interest Period and each Interest Period thereafter will be determined in accordance with Condition 6.2(b)(ii)(A)(II) below; or

(II) if either (x) Index Determination is specified as being not applicable in the applicable Pricing Supplement, or (y) this Condition 6.2(b)(ii)(A)(II) applies to such Interest Period pursuant to the proviso in Condition 6.2(b)(ii)(A)(I) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \, x \, n_i}{360}\right)-1\right] x \frac{360}{d}$$

where:

d is the number of calendar days in the relevant SOFR Observation Period;

d_0 is the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

i is a series of whole numbers from one to "d_0", each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Observation Period;

n_i, for any U.S. Government Securities Business Day "i", in the relevant SOFR Observation Period, is the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day ("i+1"); and

$SOFR_i$ means, in respect of any U.S. Government Securities Business Day "i" falling in the relevant SOFR Observation Period, the SOFR Reference Rate for such U.S. Government Securities Business Day.

(B) If the SOFR Benchmark Replacement is at any time required to be used pursuant to paragraph (3) of the definition of SOFR Reference Rate, then the Issuer or the SOFR Benchmark Replacement Agent, if any, will determine the SOFR Benchmark Replacement in accordance with the definition thereof with respect to the then-current SOFR Benchmark and, if the Issuer or the SOFR Benchmark Replacement Agent has so determined the SOFR Benchmark Replacement:

(I) the SOFR Benchmark Replacement Agent shall also determine the method for determining the rate described in sub-paragraph (a) of paragraph (1), (2) or (3) of the definition of SOFR Benchmark Replacement, as applicable (including (i) the page, section or other part of a particular information service on or source from which such rate appears or is obtained (the **Alternative Relevant Source**), (ii) the time at which such rate appears on, or is obtained from, the Alternative Relevant Source (the **Alternative Specified Time**), (iii) the day on which such rate will appear on, or is obtained from, the Relevant Source in respect of each U.S. Government Securities

Business Day (the **Alternative Relevant Date**), and (iv) any alternative method for determining such rate if is unavailable at the Alternative Specified Time on the applicable Alternative Relevant Date), which method shall be consistent with industry-accepted practices for such rate;

(II) from (and including) the Affected Day, references to the Specified Time herein shall be deemed to be references to the Alternative Specified Time;

(III) if the SOFR Benchmark Replacement Agent determines that (i) changes to the definitions of Business Day, Business Day Convention, Compounded Daily SOFR, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Period, SOFR Observation Period, Observation Look-Back Period, SOFR Reference Rate or U.S. Government Securities Business Day and/or (ii) any other technical changes to any other provision described in this Condition 6.2(b)(ii), are necessary in order to implement the SOFR Benchmark Replacement (including any alternative method described in sub-paragraph (iv) of paragraph (B)(I) above) as the SOFR Benchmark in a manner substantially consistent with market practice (or, if the SOFR Benchmark Replacement Agent decides that adoption of any portion of such market practice is not administratively feasible or if the SOFR Benchmark Replacement Agent determines that no market practice for use of the SOFR Benchmark Replacement exists, in such other manner as the SOFR Benchmark Replacement Agent, as the case may be, determines is reasonably necessary), the Issuer and the Principal Paying Agent and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement in order to provide for the amendment of such definitions or other provisions to reflect such changes; and

(IV) the Issuer will give notice or will procure that notice is given as soon as practicable to the Principal Paying Agent and the Calculation Agent, as applicable, and to the Noteholders in accordance with Condition 15 (*Notices*), specifying the SOFR Benchmark Replacement, as well as the details described in paragraph (A) above and the amendments implemented pursuant to paragraph (B)(III) above.

(C) For the purposes of this Condition 6.2(b)(ii):

Corresponding Tenor means, with respect to a SOFR Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any applicable Business Day Convention) as the applicable tenor for the then-current SOFR Benchmark;

ISDA Fallback Adjustment means, with respect to any ISDA Fallback Rate, the spread adjustment, which may be a positive or negative value or zero, that would be applied to such ISDA Fallback Rate in the case of derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation event with respect to the then-current SOFR Benchmark for the applicable tenor;

ISDA Fallback Rate means, with respect to the then-current SOFR Benchmark, the rate that would apply for derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation date with respect to the then-current SOFR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Observation Look-Back Period means the period specified as such in the applicable Pricing Supplement;

p means the number of U.S. Government Securities Business Days included in the Observation Look-Back Period, as specified in the applicable Pricing Supplement;

Relevant Governmental Body means the Board of Governors of the Federal Reserve System and/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 and/or the Federal Reserve Bank of New York or any successor thereto;

SOFR means, in respect of any U.S. Government Securities Business Day, the daily secured overnight financing rate for such U.S. Government Securities Business Day as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate);

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) or the SOFR Index, as applicable;

SOFR Administrator's Website means the website of the Federal Reserve Bank of New York, or any successor source;

SOFR Benchmark means SOFR, provided that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR or such other then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable SOFR Benchmark Replacement;

SOFR Benchmark Replacement means, with respect to the then-current SOFR Benchmark, the first alternative set forth in the order presented below that can be determined by the SOFR Benchmark Replacement Agent as of the SOFR Benchmark Replacement Date with respect to the then-current SOFR Benchmark:

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment; or

(2) the sum of (a) the ISDA Fallback Rate and (b) the SOFR Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate rate of interest that has been selected by the SOFR Benchmark Replacement Agent as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment, provided that, (i) if the SOFR Benchmark Replacement Agent determines that there is an industry-accepted replacement rate of interest for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time, it shall select such industry-accepted rate, and (ii) otherwise, it shall select such rate of interest that it has determined is most comparable to the then-current Benchmark, and the Benchmark Replacement Adjustment;

SOFR Benchmark Replacement Adjustment means, with respect to any Benchmark Replacement, the first alternative set forth in the order below that can be determined by the SOFR Benchmark Replacement Agent, if any, as of the Benchmark Replacement Date with respect to the then-current Benchmark:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, which may be a positive or negative value or zero, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment;

(3) the spread adjustment, which may be a positive or negative value or zero, that has been selected by the SOFR Benchmark Replacement Agent to be applied to the applicable Unadjusted SOFR Benchmark Replacement in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the then-current SOFR Benchmark with such Unadjusted SOFR Benchmark Replacement for the purposes of determining the SOFR Reference Rate, which spread adjustment shall be consistent with any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, applied to such Unadjusted SOFR Benchmark Replacement where it has replaced the then-current SOFR Benchmark for U.S. dollar denominated floating rate notes at such time;

SOFR Benchmark Replacement Agent means any person that has been appointed by the Issuer to make the calculations and determinations to be made by the SOFR Benchmark Replacement Agent described herein that may be made by either the SOFR Benchmark Replacement Agent or the Issuer, so long as such person is a leading bank or other financial institution or a person with appropriate expertise, in each case that is experienced in such calculations and determinations;

SOFR Benchmark Replacement Date means, with respect to the then-current SOFR Benchmark, the earliest to occur of the following events with respect thereto:

(1) in the case of sub-paragraph (1) or (2) of the definition of SOFR Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark; or

(2) in the case of sub-paragraph (3) of the definition of SOFR Benchmark Transition Event, the date of the public statement or publication of information referenced therein.

If the event giving rise to the SOFR Benchmark Replacement Date occurs on the same day as, but earlier than, the Specified Time in respect of any determination, the SOFR Benchmark Replacement Date will be deemed to have occurred prior to the Specified Time for such determination;

SOFR Benchmark Transition Event means, with respect to the then-current SOFR Benchmark, the occurrence of one or more of the following events with respect thereto:

(1) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark announcing that such administrator has ceased or will cease to provide the SOFR Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark, the central bank for the currency of the SOFR Benchmark, an insolvency official with jurisdiction over the administrator for the SOFR Benchmark, a resolution authority with jurisdiction over the administrator for the SOFR Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark, which states that the administrator of the SOFR Benchmark has ceased or will cease to provide the SOFR Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark announcing that the SOFR Benchmark is no longer representative;

SOFR Index means, in respect of any U.S. Government Securities Business Day, the compounded daily SOFR rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate), as such rate appears on the by the SOFR Administrator's Website at the Specified Time on such U.S. Government Securities Business Day;

SOFR Observation Period means, in respect of any Interest Period, the period from (and including) the date falling "p" U.S. Government Securities Business Days prior to the first day of such Interest Period to (but excluding) the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

SOFR Reference Rate means, in respect of any U.S. Government Securities Business Day:

(1) a rate equal to SOFR for such U.S. Government Securities Business Day appearing on the SOFR Administrator's Website on or about the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; or

(2) if SOFR in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (1) above, unless the SOFR Benchmark Replacement Agent determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR on or prior to the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day, SOFR in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Administrator's Website; or

(3) if the SOFR Benchmark Replacement Agent determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark on or prior to the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or, if the then-current SOFR Benchmark is not SOFR, on or prior to the Specified Time on the Alternative Relevant Date), then (subject to the subsequent operation of this paragraph (3)) from (and including) the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or the Alternative Relevant Date, as applicable) (the **Affected Day**), SOFR Reference Rate shall mean, in respect of any U.S.

Government Securities Business Day, the applicable SOFR Benchmark Replacement for such U.S. Government Securities Business Day appearing on, or obtained from, the Alternative Relevant Source at the Alternative Specified Time on the Alternative Relevant Date.

Specified Time means 3:00p.m., New York City time or such other time as is specified in the applicable Pricing Supplement;

Unadjusted SOFR Benchmark Replacement means the SOFR Benchmark Replacement excluding the SOFR Benchmark Replacement Adjustment; and

U.S. Government Securities Business Day means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association or any successor organisation recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(D) Notwithstanding the other provisions of this Condition 6.2(b)(ii), In the event the SOFR Benchmark Replacement Agent determines it appropriate, in its sole discretion, to consult with an Independent Adviser in connection with any determination to be made by the SOFR Benchmark Replacement Agent pursuant to this Condition 6.2(b)(ii), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 6.2(b)(iii) shall act in good faith in a commercially reasonable manner but shall have no relationship of agency or trust with the Noteholders and (in the absence of fraud) shall have no liability whatsoever to the SOFR Benchmark Replacement Agent or the Noteholders or the Couponholders for any determination made by it or for any advice given to the SOFR Benchmark Replacement Agent in connection with any determination made by the SOFR Benchmark Replacement Agent pursuant to this Condition 6.2(b)(ii) or otherwise in connection with the Notes.

If the SOFR Benchmark Replacement Agent consults with an Independent Adviser as to the occurrence of any SOFR Benchmark Transition Event and/or the related SOFR Benchmark Replacement Date, a written determination of that Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud) the SOFR Benchmark Replacement Agent shall have no liability whatsoever to any Noteholders or Couponholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination or otherwise in connection with the Notes.

(E) Any determination, decision or election that may be made by the SOFR Benchmark Replacement Agent pursuant to this Condition 6.2(b)(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event (including any determination that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark), circumstance or date and any decision to take or refrain from taking any action or any selection, will be made in the sole discretion of the SOFR Benchmark Replacement Agent, acting in good faith and in a commercially reasonable manner.

(iii) ***Screen Rate Determination for Floating Rate Notes referencing TLREF***

(A) The Rate of Interest for each Interest Period will, subject as provided below, be TLREF for such Interest Period plus or minus (as specified in the applicable Pricing Supplement) the Margin (if any), all as determined and calculated 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 Period) in accordance with the following formula (and the resulting percentage shall be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards).

TLREF means, with respect to an Interest Period:

$$\left\{\left(\frac{\begin{array}{c}\textit{The published TLREF Index on the second TLREF Business Day}\\ \textit{preceding the applicable Interest Payment Date}\end{array}}{\begin{array}{c}\textit{The published TLREF Index on the second TLREF Business Day}\\ \textit{preceding the previous Interest Payment Date}\end{array}}\right)^{\frac{n1}{n2}} - 1\right\} * 100$$

(provided that, in the case of the first Interest 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 Period");

where:

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 Pricing Supplement, a financial institution of international repute appointed by the Issuer at its own expense for these purposes;

n1 means the number of calendar days in the relevant Interest 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 Period)) and (b) the TLREF Business Day preceding the previous Interest Payment Date (provided that, in the case of the first Interest 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 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 Istanbul 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 Period, the second TLREF Business Day prior to the day on which such Interest 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; and

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).

(B) 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 Rate of Interest in respect of the applicable Interest 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 6.46.4(e), be determined as if the published TLREF Index were calculated in the following manner:

(I) The Rate of Interest in respect of such Interest 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 https://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).

(II) Notwithstanding clause (I), 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 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.

(III) If, on any TLREF Interest Determination Date, the Rate of Interest cannot be determined by reference to clauses (I) and (II), then the Rate of Interest for the relevant Interest Period shall be: (i) the Rate of Interest determined as of the last preceding TLREF Interest Determination Date (though substituting, where a different Margin or Maximum Interest Rate or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding TLREF Interest Determination Date, then the initial Rate of Interest that would have been applicable to the applicable Notes for the first Interest Period of such Notes had such Notes been in issue for a period equal in duration to their first Interest Period but ending on (and excluding) the applicable Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest or Minimum Rate of Interest applicable to such first Interest Period).

(IV) If the Notes become due and payable in accordance with Condition 11, then the final Rate of Interest 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 Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6.3.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or

(ii) in the case of Floating Rate Notes which are Bearer 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 which is a Bearer Note in definitive form is a multiple of 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.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity 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 were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable (in consultation with the Issuer), shall determine such rate at such time and by reference to such sources as provided by the Issuer.

Designated Maturity means the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter,

and the Issuer will cause any stock exchange on which the relevant Floating Rate Notes are for the time being listed to be notified. 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 promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*) . 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.

(g) 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 6.2 (*Interest - Interest on Floating Rate Notes*) by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, 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 Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 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 the date for its redemption unless payment of principal 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 in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying 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 (*Notices*).

6.4 Benchmark discontinuation

Notwithstanding the provisions of Condition 6.2(b) above (other than in the case of Floating Rate Notes where the Reference Rate is specified in the applicable Pricing Supplement as being Compounded Daily SOFR, in which case the provisions of this Condition 6.4 shall not apply), if the Issuer, following consultation with an Independent Adviser pursuant to Condition 6.4(a) below and acting in good faith and in a commercially reasonable manner, determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Rate of Interest (or component part thereof) remains to be determined by reference to that Original Reference Rate, the following provisions of this Condition 6.4 shall apply.

(a) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (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 Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.4(b)) and, in each case, an Adjustment Spread (in accordance with Condition 6.4(c)) and any other required Benchmark Amendments (in accordance with Condition 6.4(d)).

An Independent Adviser appointed pursuant to this Condition 6.4 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 Paying Agents, the Calculation Agent, 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 6.4.

(b) Successor Rate or Alternative Rate

If the Issuer, following consultation with an Independent Adviser pursuant to Condition 6.4(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 (as adjusted by the applicable Adjustment Spread as provided in Condition 6.4(c)) shall subsequently be used in place of the Original Reference Rate to determine the Rate(s) of Interest (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 6.4); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 6.4(c)) shall subsequently be used in place of the Original Reference Rate to determine the Rate(s) of Interest (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 6.4).

(c) Adjustment Spread

If a Successor Rate or Alternative Rate is determined in accordance with Condition 6.4(b), the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread and which Adjustment Spread may be positive, negative or zero and shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of the Rate(s) of Interest (or the relevant component(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 each case, the applicable Adjustment Spread is determined in accordance with the foregoing provisions of this Condition 6.4 and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines: (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or, in each case, 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 6.4(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 6.4(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.

(e) Notices, *etc.*

Any Successor Rate or Alternative Rate and, in each case, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments, each as determined under this Condition 6.4, will be notified promptly by the Issuer to the Calculation Agent and the Paying Agents and, in accordance with Condition 15 (*Notices*), 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 notifying the Calculation Agent of the same, the Issuer shall deliver to the Calculation Agent a certificate signed by two Directors 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, (C) the applicable Adjustment Spread, and (D) where applicable, the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6.4; and

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and, in each 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 and, in each case, 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 and, in each case, the applicable the Adjustment Spread and the Benchmark Amendments (if any)) be binding upon the Issuer, the Calculation Agent, the 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 the provisions of this Condition 6.4, the Original Reference Rate and the fallback provisions provided for in Condition 6.2(b)(i) will continue to apply unless and until a Benchmark Event has occurred 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 6.4(e).

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the relevant Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) and, in each case, the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 6.4, then the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 6.2(b)(i) will (if applicable) continue to apply to such determination.

The preceding paragraph shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.4.

(g) Definitions

In this Condition 6.4:

Adjustment Spread means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in each case, to be applied to the Successor Rate or the Alternative Rate (as the case may be) and which is the spread, formula or methodology that:

(i) 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;

(ii) in the case of a Successor Rate where no such formal recommendation as described in clause (i) above has been made, or in the case of an Alternative Rate the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being in customary market usage in international debt capital market 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

(iii) if the Issuer determines that neither (i) nor (ii) above applies, the Issuer, in its discretion, following consultation with the Independent Adviser 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, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders 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 6.4(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 a commensurate interest period and in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 6.4(d);

Benchmark Event means, with respect to an Original Reference Rate:

(a) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

(b) the later of: (i) the date 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) and (ii) the date falling six months prior to the specified date referred to in (b)(i);

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(d) the later of: (i) the date 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 and (ii) the date falling six months prior to the specified date referred to in (d)(i);

(e) the later of: (i) the date of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used (either generally or in respect of the Notes) or that its use will be subject to restrictions

or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i);

(f) it has, or will prior to the next Interest Determination Date, 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 (including, without limitation, under Regulation (EU) No. 2016/1011 as that Regulation applies in the European Union and/or as it applies in the United Kingdom in the form retained as domestic law in the United Kingdom under the European Union (Withdrawal) Act 2018 as amended, if applicable);

(g) 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 or may no longer be used, in each case in circumstances where the same shall be applicable to the Notes; or

(h) the later of: (i) the date of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will no longer be representative or may no longer be used, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (h)(i);

Calculation Agent means the Principal Paying Agent or, for any Series, such other entity specified in the applicable Pricing Supplement as the person responsible for the calculation of the Rate(s) of Interest and the Interest Amount(s);

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 6.4(a);

Original Reference Rate means the originally-specified Reference Rate used to determine the Rate of Interest (or any component part(s) thereof) in respect of any Interest Period(s) on the Notes, as specified in the applicable Pricing Supplement (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

Relevant Nominating Body means, in respect of an Original Reference Rate:

(i) the central bank for the currency to which such Original Reference Rate relates, or any 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: (i) the central bank for the currency to which such Original Reference Rate relates, (ii) any central bank or other supervisory authority that is responsible for supervising the administrator of such Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) 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.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

7.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, 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 (as defined below)) 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 (*Taxation*) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, 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. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate

Note which on issue had a Talon attached) whose nominal 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 after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such 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 the relevant definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

7.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at 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 (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at 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 (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or 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

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States 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 Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10 (*Prescription*) 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):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open; and

(c) either (1) 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 (which if the

Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes; and

(e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*).

7.8 U.S. dollar exchange and payments on Turkish Lira-denominated Notes

(a) If "USD Payment Election" is specified in the applicable Pricing Supplement and the Specified Currency is Turkish Lira, a Noteholder (determined as of the applicable Record Date in the case of Registered Notes) may, not more than 10 and not less than five Business Days before the due date (the **Relevant Payment Date**) for the next payment of interest and/or principal on a Note (such period, the **USD Election Period**), give an irrevocable election to any Paying Agent or Registrar to receive such payment in U.S. dollars instead of Turkish Lira (each, a **USD Payment Election**). Each Paying Agent or Registrar, as the case may be, to which such an election is given shall notify the Principal Paying 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 Principal Paying Agent shall notify the Issuer and the Exchange Agent of the total amount of Turkish Lira (the **Lira Amount**) to be paid by the Issuer in respect of the Notes the subject of such USD Payment Elections and which is to be converted into U.S. dollars and paid to the holders of such Notes on the Relevant Payment Date in accordance with the provisions of this Condition 7.8, Clauses 6.10 and/or 6.11 of the Agency Agreement and the Exchange Agency Agreement.

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 (i) being notified of the Lira Amount by the Principal Paying Agent and (ii) receipt of the Lira Amount from the Issuer in accordance with the Exchange Agency Agreement by no later than 11.00 a.m. (London time) on the Relevant Payment Date, 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, commission or

charges on foreign exchange transactions customarily charged by it in connection with such conversions, the **Applicable Exchange Rate**) and shall promptly transfer such U.S. dollar amount to the Principal Paying Agent. In no event shall any Agent be liable to any Noteholder, the Issuer or any third party for the conversion rate so used.

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 the 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.

(c) Following conversion of the Lira Amount into U.S. dollars in accordance with this Condition 7.8 and the Exchange Agency Agreement, the Exchange Agent shall notify the Principal Paying Agent of: (i) the total amount of U.S. dollars purchased by the Exchange Agent with the relevant Lira Amount, and (ii) the Applicable Exchange Rate at which such U.S. dollars were purchased by the Exchange Agent. On each Relevant Payment Date, the Principal Paying Agent shall give notice to the Noteholders of such U.S. dollar amount and Applicable Exchange Rate in accordance with Condition 15 (*Notices*) as so notified to it by the Exchange Agent.

Under the terms of the Exchange Agency Agreement, the Exchange Agent will need to have received cleared funds from the Issuer on the Relevant Payment Date by no later than 11.00 a.m. (London time) in the case of a payment of interest or principal becoming due in order to make any payments to the Principal Paying Agent for onward payments to the Noteholders on such Relevant Payment Date, including any such payments in U.S. dollars. If the Exchange Agent receives cleared funds from the Issuer after such time, then the Exchange Agent will use reasonable efforts to pay the funds (including any so converted U.S. dollar amounts) as soon as reasonably practicable thereafter.

(d) 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 notify the Principal Paying Agent, which shall, as soon as practicable upon receipt of such notification from the Exchange Agent, promptly notify the Noteholders of such event in accordance with Condition 15 (*Notices*) and all payments on the 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.

(e) To give a USD Payment Election:

(i) in the case of Notes in definitive form, a Noteholder must deliver at the specified office of any Paying Agent or Registrar, 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 or Registrar and in which the holder must specify a USD bank account to which payment is to be made under this Condition 7.8 accompanied by the relevant Notes or evidence satisfactory to the relevant Paying Agent or Registrar that such Notes will, following the delivery of the USD Payment Election, be held to such Paying Agent's or Registrar's order or under its control until the applicable U.S. dollar payment is made; and

(ii) in the case of Notes in global form, a Noteholder must, on any Business Day falling within the USD Election Period, give notice to the Principal Paying Agent 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, Clearstream, Luxembourg or any depositary for any of them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

(f) Notwithstanding any other provision in the Conditions to the contrary: (i) all costs 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 U.S. dollar payment made 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, commissions or expenses or to indemnify any Noteholder against any difference between the U.S. dollar 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) the Issuer shall not 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 Principal Paying Agent in Turkish Lira or the payment of any U.S. dollar amount to the applicable Noteholders.

(g) In this Condition 7.8, **Exchange Agent** means a financial institution of international repute appointed pursuant to an exchange agency agreement (the **Exchange Agency Agreement**) by the Issuer, by no later than the Issue Date of any Series of Notes where the Specified Currency is Turkish Lira and where "USD Payment Election" is specified as being applicable in the applicable Pricing Supplement, at its own expense and specified in the applicable Pricing Supplement for the purposes of effecting the conversion of non-U.S. dollar payments into U.S. dollars.

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 Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

8.2 Redemption for tax reasons

Subject to Condition 8.6 (*Redemption and Purchase - Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of

independent legal or tax advisers 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.

Notes redeemed pursuant to this Condition 8.2 (*Redemption and Purchase - Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 8.6 (*Redemption and Purchase - Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders in accordance with Condition 15 (*Notices*) (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 Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) 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 (ii) 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 nominal amount, at their discretion). 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 (*Notices*) not less than 15 days prior to the date fixed for redemption.

8.4 Redemption at the option of the Issuer (Issuer Maturity Call)

If Issuer Maturity Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding at any time during the period commencing on (and including) the First Issuer Maturity Call Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the date of redemption. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by Definitive Notes, be selected individually by drawing of lots, not more than 30 days prior to the date fixed for redemption and (ii) 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 nominal amount, at their discretion). 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 (*Notices*) not less than 15 days prior to the date fixed for redemption.

8.5 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, 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, as the case may be, the Registrar 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, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 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 (*Transfers of Registered Notes - Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, 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 its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear, Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 8.5 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 8.5 and instead to declare such Note forthwith due and payable pursuant to Condition 11 (*Events of Default*).

8.6 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11 (*Events of Default*):

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will 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 the Notes 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 (ii) Actual/360 (in which case the numerator will be equal to the -actual number of days from (and including) the Issue Date of the first Tranche of the Notes 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 will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes 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).

8.7 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

8.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.7 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.9 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 Condition 8.1, 8.2, 8.3, 8.4 or 8.5 above or upon its becoming due and repayable as provided in Condition 11 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.6(b) above 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 which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

9. TAXATION

All payments of principal and interest in respect of the Notes and Coupons 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 of whatever nature imposed, assessed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such 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 of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in Türkiye; or

(b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6 (*Payments - Payment Day*).

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means Türkiye or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*).

10. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*) 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 (*Payments - Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 7.2 (*Payments - Presentation of definitive Bearer Notes and Coupons*).

11. EVENTS OF DEFAULT

11.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(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 such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) 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 as extended by any originally applicable grace period; (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and any step is taken to enforce it; 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 originally applicable grace period; *provided that* the aggregate principal amount of any such (A) Indebtedness for Borrowed Money of the Issuer or such Material Subsidiary in the case of (i), (ii) and/or (iii) above, and/or (B) Indebtedness for Borrowed Money in relation to which such guarantee and/or indemnity of the Issuer or such Material Subsidiary has been given in the case of (iv) above, exceeds U.S.$50,000,000 (or its equivalent in any other currency or currencies; or

(d) if:

(i) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries; or

(ii) if 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 previously approved by an Extraordinary Resolution of Noteholders, or 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; or

(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 (I) takes any corporate action or other steps are taken or legal proceedings are started (x) for its winding-up, dissolution, administration, bankruptcy or re-organisation (other than for the purposes of and

followed by a reconstruction whilst solvent upon terms previously approved by an Extraordinary Resolution of Noteholders), or (y) 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 (II) 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 (i) to (iv) above, save for the solvent voluntary winding-up, dissolution or re-organisation of any Material Subsidiary in connection with any combination with, or transfer of all or substantially all of its business and/or assets to, the Issuer or another Subsidiary of the Issuer; or

(e) if the banking licence of the Issuer is temporarily or permanently revoked or the Issuer is transferred to the Savings and Deposit Insurance Fund under the provisions of the Banking Law (Law No. 5411) of Türkiye,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11.2 Definitions

For the purposes of the Conditions:

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; or

(b) any borrowed money; or

(c) any liability under or in respect of any acceptance or acceptance credit; and

Material Subsidiary means at any time a Subsidiary of the Issuer:

(a) whose total assets (consolidated in the case of a Subsidiary which 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 and its Subsidiaries prepared in accordance with BRSA Accounting Principles relate, are equal to) not less than 15 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, 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 Accounting Principles and the then latest audited consolidated financial statements of the Issuer and its Subsidiaries prepared in accordance with BRSA Accounting Principles, provided that:

(i) if the then latest audited consolidated financial statements of the Issuer and its Subsidiaries show negative assets at the end of the relevant financial period then there shall be substituted for the words “net assets” the words “total assets” for the purposes of this definition;

(ii) 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 and its

Subsidiaries prepared in accordance with BRSA Accounting Principles relate, the reference to the then latest audited consolidated financial statements of the Issuer and its Subsidiaries 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 as aforesaid, be deemed to be a reference to such first-mentioned financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant audited financial statements, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary pursuant to this subparagraph (b) but shall cease to be a Material Subsidiary on the date of publication of the next audited consolidated financial statements of the Issuer and its Subsidiaries prepared in accordance with BRSA Accounting Principles unless it would then be a Material Subsidiary under any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together 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 and its Subsidiaries prepared in accordance with BRSA Accounting Principles relate, are equal to) not less than 15 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith 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 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated financial statements of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so 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 subparagraph (a) above 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.

A report by two authorised signatories of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties.

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 Principal Paying Agent (in the case of Bearer Notes or Coupons) 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 evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or 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 Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5 (*Payments - General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 15 (*Notices*).

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 or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised 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 in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will 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 date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will 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.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will 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. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal 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 or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than two-thirds of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than two-thirds in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than two-thirds in

nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is, following the advice of an independent financial institution of international standing, not materially prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

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 which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

19.2 Submission to jurisdiction

(a) Subject to Condition 19.2(b) below, the Issuer irrevocably agrees, for the benefit of the Noteholders and 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 in London) have exclusive jurisdiction to settle any disputes that arise out of or in connection with the Notes and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the

Notes and/or the 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/or 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 in London) on the grounds that it is an inconvenient or inappropriate forum.

(b) To the extent allowed by law, the Noteholders and the Couponholders may initiate: (a) any Proceedings against the Issuer in any other court of competent jurisdiction and (b) 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 in London) 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 Appointment of Process Agent

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 an address of 8th Floor, 100 Bishopsgate, London, EC2N 4AG) as its agent for service of process and agrees that, in the event of such process agent (or its successor) being unwilling or unable for any reason to act in such capacity, the Issuer shall promptly appoint another Person as its agent for that purpose. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. 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 and the Deed of Covenant 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 in London) and agreed to service of process in terms substantially similar to those set out above in this Condition.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

SUMMARY FINANCIAL AND OTHER INFORMATION

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

	2023	2024	2025
Consolidated Statement of Profit or Loss Data:		*(TL thousands)*	
Interest income	58,670,877	133,992,586	183,946,581
Interest expense (-)	39,859,453	103,197,782	137,264,499
Net interest income/(expense)	**18,811,424**	**30,794,804**	**46,682,082**
Fees and commissions received	10,073,602	21,273,347	32,811,807
Fees and commissions paid (-)	4,500,013	10,479,200	15,789,373
Net fees and commissions income/(expense)	**5,573,589**	**10,794,147**	**17,022,434**
Dividend income	12,917	25,718	51,768
Trading profit / loss (net)	10,255,401	(1,410,374)	2,362,568
Other operating income	526,785	897,718	1,213,162
Gross operating profit	**35,180,116**	**41,102,013**	**67,332,014**
Expected credit loss (-)	1,647,451	925,620	8,242,000
Other provision expenses (-)	1,805,505	(666,719)	(201,564)
Personnel expenses (-)	7,589,857	12,556,471	18,528,016
Other operating expenses (-)	7,370,800	11,589,301	17,949,065
Profit/loss before tax from continued operations	**16,766,503**	**16,697,340**	**22,814,497**
Tax provision for continued operations	3,591,417	4,159,311	6,426,168
Net income/loss	**13,175,086**	**12,538,029**	**16,388,329**

	As of 31 December	
	2024	**2025**
Consolidated Balance Sheet Data:	*(TL thousands)*	
Cash and cash equivalents	144,297,384	185,047,473
Financial assets at fair value through profit or loss	4,169,187	9,270,386
Financial assets at fair value through other comprehensive income	35,417,404	31,325,749
Derivative financial assets	4,805,347	9,252,090
Loans	337,755,400	451,261,655
Factoring receivables	16,412,974	20,492,517
Other financial assets measured at amortised cost	61,937,017	57,727,682
Expected credit loss	(6,715,972)	(13,184,587)
Property and equipment held for sale purpose and related to discontinued operations (net)	32,289	53,297
Equity investments	55	55
Tangible assets (net)	3,148,536	3,862,662
Intangible assets (net)	2,014,057	2,621,258
Current tax asset	164,433	759,934
Deferred tax asset	1,607,225	185,512
Other assets (net)	30,738,566	38,961,118
Total assets	**635,783,902**	**797,636,801**
Deposits	405,483,606	509,387,078
Funds borrowed	42,866,676	67,475,577
Money market funds	63,372,945	60,047,216
Securities issued (net)	1,662,681	-
Derivative financial liabilities	5,324,183	6,644,471
Factoring liabilities	29,257	24,117
Lease liabilities (net)	1,838,073	2,277,476
Provisions	6,183,788	6,994,594
Current tax liability	3,071,453	7,246,860
Deferred tax liability	-	438,401
Subordinated debt instruments	28,243,687	35,605,032
Other liabilities	29,941,062	37,311,432
Total liabilities	**588,017,411**	**733,452,254**
Paid-in capital	2,204,390	2,204,390
Capital reserves	391,226	391,226
Other accumulated comprehensive income or expense items that will not be reclassified at profit or loss	(557,510)	(478,251)
Other accumulated comprehensive income or expense items that will be reclassified at profit or loss	(594,017)	(643,135)
Profit reserves	33,709,643	46,065,594
Profit or loss	12,356,822	16,075,322
Minority shares	255,937	569,401
Total shareholders' equity	**47,766,491**	**64,184,547**
Total liabilities and shareholders' equity	**635,783,902**	**797,636,801**
Total off-balance sheet commitments	**2,000,781,928**	**2,805,913,890**

The following tables set out the sectoral breakdown of the Group's loans and advances as of 31 December 2025, including both cash and non-cash loans (including credit commitments and contingent liabilities).

	As of 31 December 2025			
	Cash Loans[1]	**Non-Cash Loans[1]**	**Total**	**Share**
	(TL thousands, except percentages)			
Agricultural	7,958,344	500,659	8,459,003	1.39%
Farming and raising livestock	*7,603,267*	*500,052*	*8,103,319*	1.33%
Forestry	-	-	-	-
Fishery	*355,077*	*607*	*355,684*	0.06%
Manufacturing	167,540,511	73,702,048	241,242,559	39.69%
Mining and quarry	*11,726,774*	*7,193,348*	*18,920,122*	3.11%
Production	*152,151,286*	*65,100,802*	*217,252,088*	35.75%
Electricity, gas and water	*3,662,451*	*1,407,898*	*5,070,349*	0.83%
Construction	7,856,535	24,383,157	32,239,692	5.31%
Services	140,741,820	48,070,835	188,812,655	31.06%
Wholesale and retail trade	*47,803,795*	*20,810,580*	*68,614,375*	11.29%
Hotel and restaurant services	*6,861,448*	*1,188,322*	*8,049,770*	1.32%
Transportation and communication	*30,605,263*	*4,753,836*	*35,359,099*	5.82%
Financial institutions	*15,426,158*	*5,966,398*	*21,392,556*	3.52%
Real estate and renting	*20,245,149*	*8,650,264*	*28,895,413*	4.75%
Self-employment services	*5,583,438*	*6,640,854*	*12,224,292*	2.01%
Education services	*336,380*	*11,502*	*347,882*	0.06%
Health and social services	*13,880,189*	*49,079*	*13,929,268*	2.29%
Other	135,971,716	959,782	136,931,498	22.53%
Total	**460,068,926**	**147,616,481**	**607,685,407**	**100.00%**
Non-performing loans (Stage 3)	11,685,246			
Less: Stage 1 expected credit loss	(1,667,552)			
Less: Stage 2 expected credit loss	(3,358,854)			
Less: Stage 3 expected credit loss	(8,147,003)			
Total net loans and other receivables	**458,580,763**			

(1) Cash Loans and Non-Cash Loans each include loans denominated in both TL and foreign currency.

The following table includes certain of the Group's key ratios as of and for the years ended 31 December 2023, 2024 and 2025. The basis for the calculation of ratios that are non-GAAP financial measures is set out in "*Presentation of Financial and Other Information – Non-GAAP Financial Measures*". Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with the BRSA Accounting Principles.

Key Ratios:	As of 31 December 2023	2024	2025
Profitability Ratios:			
Net interest margin	8.29%	5.91%	7.26%
Other operating expenses as a percentage of average total assets	4.24%	4.57%	5.09%
Cost-to-income ratio	42.51%	58.78%	54.22%
Cost of risk	0.87%	0.32%	2.00%
Return on average total assets	3.74%	2.37%	2.29%
Return on equity	42.10%	29.78%	29.50%
Balance Sheet Ratios:			
Deposits-to-total assets	67.50%	63.78%	63.86%
Total loans (net of provisions)-to-total assets	51.34%	54.65%	57.49%
Credit Quality:			
NPL ratio	1.05%	1.28%	2.48%
Specific provisions for loans to NPLs	72.98%	72.31%	69.72%
Specific provisions for loans to total loans	0.77%	0.93%	1.73%
Capital Adequacy:			
Common equity tier 1 capital adequacy ratio[(1)]	12.27%	11.13%	11.43%
Total capital adequacy ratio[(1)]	16.85%	18.91%	18.87%
Other Information:			
Employees at period end	8,730	8,471	8,350
Branches at period end	444	436	426
Inflation rate/GDP			
Producer price index inflation[(2)]	44.2%	28.5%	27.7%
Gross domestic product (% change)[(3)]	5.0%	3.3%	3.75
TL/US$ Exchange Rate:			
Period end	29.2821	34.7271	42.2547

(1) Capital adequacy ratios calculated in accordance with BRSA guidelines.
(2) Base year – 2003.
(3) Represents the growth of GDP.

CAPITALISATION OF THE GROUP

The following table sets forth the capitalisation of the Group as of 31 December 2025. The following financial information has been extracted from the Group's 2025 BRSA Financial Statements incorporated by reference herein without material adjustment. This table should be read in conjunction with such 2025 BRSA Financial Statements (including the notes therein).

	As of 31 December 2025
Paid-in capital	2,204,390
Capital reserves	391,226
Other accumulated comprehensive income or expense items that will not be reclassified at profit or loss	(478,251)
Other accumulated comprehensive income or expense items that will be reclassified at profit or loss	(643,135)
Profit reserves	46,065,594
Profit or loss	16,075,322
Minority shares	569,401
Total shareholders' equity	**64,184,547**
Funds borrowed (medium/long-term)[(1)]	81,373,160
Debt securities issued (medium/long-term)[(1)]	-
Total capitalisation	**145,557,707**

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

There has been no material change in the Group's capitalisation since 31 December 2025.

THE GROUP AND ITS BUSINESS

General

The Bank is a Turkish private commercial bank that provides banking products and services to retail, corporate and commercial and SME banking and other customers through a network of 447 branches operating in major cities throughout Türkiye and Northern Cyprus as of 31 December 2025. According to statistics published on the Public Disclosure Platform, as of 31 December 2025, the Bank was the seventh largest private bank in Türkiye in terms of bank-only total assets with TL 768 billion of total assets. As of 31 December 2025, the Group had total loans and factoring receivables of TL 472 billion, total deposits of TL 509 billion and total shareholders' equity of TL 64 billion.

The Group, through the Bank (with its branches in Türkiye and Northern Cyprus) and its subsidiaries, also undertakes factoring (through the Bank's subsidiary TEB Faktoring A.Ş.), brokerage, portfolio management and investment banking activities (through the Bank's subsidiaries TEB Yatırım Menkul Degerler A.Ş. and TEB Portföy Yönetimi A.Ş.), consumer financing activities (through the Bank's subsidiary TEB Finansman A.Ş./TEB Cetelem) and insurance agency activities (through the Bank's exclusive agency agreements in Türkiye with BNP Paribas Cardif Emeklilik A.Ş. and Zurich Sigorta A.Ş.), each of which is described in more detail later in this Information Memorandum. In addition to its branch network, the Group has made significant investments in alternative delivery channels such as ATM and POS networks, internet banking, mobile banking and a call centre.

The Bank operates through three main business segments (corporate and corporate investment banking, commercial and SME banking and retail and private banking) as well as the Asset Liability Management and Treasury Group (ALM&T Group) and the Global Markets Group, additional information about each of which is provided below:

- *Corporate and Corporate Investment Banking*. The Bank's corporate banking activities consist primarily of traditional and non-cash lending, trade finance, foreign trade, cash management, deposit taking and risk management. The Corporate and Corporate Investment Banking Group serves businesses (including multinational corporations) with annual revenues of at least TL 2.5 billion. As of 31 December 2025, the Corporate and Corporate Investment Banking Group had approximately 6,000 customers and performing loans and receivables of TL 149.3 billion, representing 35.2% of the Bank's performing loans and receivables.

- *Commercial and SME Banking*. The Bank's Commercial and SME Banking Group offers its clients a range of products and services, including cash and non-cash loans, project finance products, investment loans, cash management services and deposits. The Commercial and SME banking segment serves: (a) SMEs, which are entities with annual revenues of at least TL 75 million but less than TL 750 million, and (b) Commercials, which are enterprises with annual revenues of at least TL 750 million but less than TL 2.5 billion. Micro SMEs, which are micro-businesses with annual revenues of less than TL 75 million, are managed as part of the Retail and Private Banking Group. In recent years, Commercial and SME banking has represented an increasingly important part of the Group's overall loan portfolio. As of 31 December 2025, the Bank's Commercial and SME Banking Group had 34,320 active customers and performing loans and receivables of TL 115.6 billion, representing 27.2% of the Bank's performing loans and receivables.

- *Retail and Private Banking*. The Group's retail banking activities consist primarily of mortgages, consumer lending, credit and debit card services, deposits, investments and insurance products serving consumers, micro SMEs (i.e., micro-businesses with annual revenues of less than TL 75 million) and agricultural customers. As of 31 December 2025, the Bank's Retail and Private Banking Group had approximately 3 million retail customers and performing retail loans and receivables (including mortgage, retail credit card and consumer

loans (which comprise cash loans, overdrafts and auto loans)) of TL 159 billion, representing 37.5% of the Bank's performing loans and receivables.

Within the Retail and Private Banking Group, the Bank operates a private banking unit that serves customers with total deposits and investments at the Bank of at least TL 10,000,000. The services provided to these customers include those provided to other consumers as well as sophisticated investment products and derivatives and services such as providing information, guidance and advisory services for deposit and investment products. As of 31 December 2025, the Bank had 8,471 private banking customers and performing loans and receivables to private banking clients of TL 661 billion.

- *Asset Liability Management and Treasury*. The ALM&T Group directs the Bank's policies relating to asset and liability management in accordance with the policies set by the ALCO. This department assesses and manages the Group's balance sheet, its interest and liquidity gap positions, its structural foreign currency position and its held-to-collect and sale and held-to-collect investment securities portfolios, reporting to the ALCO and the Board of Directors on these matters. This group is divided into two units: the ALM division and the Treasury division.

- *Global Markets*: The Global Markets Group provides sales and trading services for a wide set of global markets products (foreign exchange, rates, credits and derivatives) in accordance with mandates and limits approved by the Bank. The Global Markets Group serves all of the Bank's clients (for example, providing hedging solutions to corporate/SME clients and yield enhancement products to retail and wealth management clients) in close cooperation with the Bank's other business lines and support functions. The Global Markets Group's trading desk provides liquidity to counterparts, manages client flow and serves as a primary dealer for the Turkish Treasury.

For accounting purposes, the Group's business activities are classified within four business segments: "Retail Banking," "Corporate and Corporate Investment Banking," "SME Banking" and "Treasury/Head Office." For these purposes, "Retail Banking" principally comprises the Group's Retail and Private Banking Group (thus including micro SMEs), "Corporate Banking" principally comprises the Corporate and Corporate Investment Banking Group, "SME Banking" principally comprises the Commercial and SME Banking Group and "Treasury/Head Office" principally comprises activities associated with the Bank's headquarters and (to the extent not included within the other accounting segments) its principal subsidiaries. A summary of certain financial information by segment as of and for the year ended 31 December 2025 is set out below:

	As of and for the year ended 31 December 2025					
	Retail Banking	**Corporate and Corporate Investment Banking**	**SME Banking**	**Other**	**Elimination**	**Totals**
			(TL thousands)			
Dividend income	-	-	-	51,768	-	**51,768**
Profit before tax.....	11,676,117	22,427,544	4,691,251	(15,956,724)	(23,691)	**22,814,497**
Total assets	162,102,460	172,290,044	115,583,992	349,010,382	(1,350,077)	**797,636,801**
Total liabilities.....	343,173,208	159,063,594	26,266,033	270,484,043	(1,350,077)	**797,636,801**

History

The Bank, which was established on 26 January 1927 as a joint-stock company based in İzmit named Kocaeli Halk Bankası A.Ş., began as a small-scale regional bank. Members of the Çolakoğlu Group acquired Kocaeli Halk Bankası A.Ş. in 1982 with a view to developing it into a full-service financial institution. The Bank's name was subsequently changed to Türk Ekonomi Bankasi A.Ş. and, after focusing its attention on the foreign

trade finance and investment banking businesses, its services were expanded to cover corporate banking as well as treasury activities and retail banking.

In a February 2000 initial public offering, the Bank's shares were listed for the first time on Borsa İstanbul and (in the form of global depositary receipts) on the London Stock Exchange plc, representing 20.00% of the Bank's then outstanding shares.

On 10 February 2005, 50.00% of the shares held by members of the Çolakoğlu Group in TEB Mali Yatirimlar A.Ş. (which owned 84.25% of the Bank's then outstanding shares) were acquired by BNP PARIBAS. As a result, BNP PARIBAS indirectly owned 42.125% of the Bank's shares and each of the BNP PARIBAS Group and the Çolakoglu Group owned 50.00% of TEB Mali Yatirimlar A.Ş.

In 2009, BNP PARIBAS acquired majority stakes in Fortis Bank Belgium and BGL (previously known as Fortis Bank Luxembourg), thereby becoming the indirect parent of Fortis Bank's subsidiary Fortis Bank Türkiye. In February 2011, a merger was completed through the transfer of all the assets and liabilities of Fortis Bank Türkiye to the Bank.

As a result of such merger, acquisitions of publicly listed shares and other transactions and the delisting of the Bank's shares in June 2015, TEB Holding (to which TEB Mali Yatırımlar A.Ş. was renamed) currently owns 55.00% of the Bank's shares, BNP PARIBAS (either directly or through subsidiaries) owns a further 44.98% of the Bank's shares and Kocaeli Ticaret Odası, the chamber of commerce for the province in which the Bank was founded, holds the remaining 0.02%. As a result, BNP PARIBAS directly or indirectly owns 72.48% of the Bank's shares and consolidates the Bank into its consolidated financial statements. See "*Share Capital and Ownership*".

Corporate and Corporate Investment Banking

The Bank's corporate banking segment serves businesses (including multinational corporations) with annual turnover of at least TL 2.5 billion. Products and services provided by the Bank's Corporate and Corporate Investment Banking Group include trade finance, operations and investment finance, cash and risk management products, standard and derivative treasury products, corporate investment banking products, commodity finance and project finance. The primary sources of income of the Bank's Corporate and Corporate Investment Banking Group consist of interest income attributable to corporate and commercial loans, as well as commission income from letters of credit and guarantees. The Corporate and Corporate Investment Banking Group had loans and receivables of TL 149.3 billion as of 31 December 2025, which represented 35.2% of the Group's total loans and receivables (with an NPL ratio of 0.1% as of such date). The corporate segment also provided the Group with TL 42.4 billion in demand deposits as of 31 December 2025, representing 22.8% of the Group's total demand deposits.

Since 2016, the corporate and commercial loans market in Türkiye has grown at a CAGR of 30.0%, increasing from TL 1.3 trillion as of December 2016 to TL 17.3 trillion as of December 2025, with total loan-to-GDP penetration decreasing from 66.0% as of 31 December 2016 to 40.0% as of 31 December 2025, all according to the BRSA and Turkstat. The Bank's management believes that favourable government policies with respect to export-oriented businesses and medium- to long-term capital expenditures and acquisition finance projects offer strong growth potential for the corporate banking sector. Corporate banking has a relatively low NPL risk when compared to other segments.

The Group's corporate banking segment, including in coordination with other members of the BNP PARIBAS Group and the BNP PARIBAS Group's global network, targets both domestic companies and multinational companies operating in Türkiye and seeks to provide these sophisticated clients with customised services for their needs. For example, a "Multinational Desk" was established in the Bank's head office in 2006 to focus on multinational companies exclusively, followed by the establishment in 2021 of a separate branch for multinational clients.

As of 31 December 2025, the Corporate and Corporate Investment Banking Group served approximately 3,500 active customers through a network of 11 corporate branches in seven cities as well as the Bank's expert teams in its head office, including professionals focused on sales, sustainability, global banking, structured finance, project finance, financial institutions, securities and business management. As of the same date, credit limits were extended to approximately 2,300 customers of the Corporate and Corporate Investment Banking Group and credit exposure was extended to approximately 1,200 customers of the Corporate and Corporate Investment Banking Group.

The Corporate and Corporate Investment Banking Group works in collaboration with the Bank's other business units to provide high quality services not only for corporate clients, but also for their partners, employees, dealers and suppliers, aiming to deliver a high level of customer satisfaction throughout the value chain. The Corporate and Corporate Investment Banking Group also attempts to acquire new customers for different business segments and thereby create synergies within the Bank, such as through payroll services for the employees of corporate clients. Increasing the profitability of the Corporate and Corporate Investment Banking Group remains a primary goal of the Bank in the competitive Turkish market. In order to increase profitability, the Bank's Corporate and Corporate Investment Banking Group intends to increase non-risk income, penetrate further into the existing customer base and create additional profit for other business segments.

The Bank seeks to expand its cross-sales and synergy operations in an effort to provide its corporate customers with diversified products and services compatible with the sector's constantly changing competitive environment. The primary objective is to make it easier to sell a broader range of products to corporate customers through a single unit that is responsible for identifying their needs, taking appropriate action and making the services available for use as quickly as possible. The Bank's Corporate and Corporate Investment Banking Group's cross-sales and synergy operations are classified under two main headings: (a) in-house synergies and business development, including collaboration with the Commercial and SME Banking Group and Retail and Private Banking Group, and (b) collaboration with the BNP PARIBAS Group and the Bank's subsidiaries.

Corporate and Corporate Investment Banking Products and Services

Loans and Receivables and Non-cash Loans. The Bank offers loan facilities predominantly in Turkish Lira, U.S. dollars and euro. Turkish Lira loans are generally short-term in nature, usually with maturities ranging from overnight to 365 days, and are principally for working capital financing; *however*, the Bank also extends medium-term loans with maturities over 365 and up to 1,095 days mainly to finance working capital requirements. The Bank also extends longer term facilities to corporate customers for industrial and manufacturing investment purposes in different sectors and, as described further below, project financing. The Bank provides non-cash facilities to companies in various industries through letters of guarantee, bid bonds and foreign trade non-cash products.

The Group's cash loans to corporate customers have grown from TL 87 billion as of 31 December 2023 to TL 149 billion as of 31 December 2025, whereas the Group's non-cash loans to corporate customers increased from TL 64 billion to TL 111 billion over the same period; *however*, a very significant element of this growth is due to the depreciation of the Turkish Lira and high levels of inflation. As noted above, the Corporate and Corporate Investment Banking Group's performing loans and receivables represented 35.2% of the Bank's performing loans and receivables as of 31 December 2025.

While the Group's lending to corporate clients covers numerous industries, the largest concentrations are in metal products, construction, motor vehicles and transportation, which represented 15%, 10%, 8% and 5%, respectively, of the Group's cash loans to corporate customers as of 31 December 2025.

Project Finance. The Group's project finance business provides financing for many important projects, including privatisations, public-private partnerships, acquisitions and infrastructure projects, which have contributed to the growth of the Turkish economy. The Group's project finance clients are concentrated in the infrastructure, energy and commercial real estate sectors.

The Group's project finance division benefits from the global relationship network and services of BNP PARIBAS, particularly for non-Turkish sponsors of projects in Türkiye. In certain cases, the Bank and other members of the BNP PARIBAS Group can provide customers with joint financing and credit support for large-scale projects undertaken in Türkiye. This collaboration with the BNP PARIBAS Group also enables the Bank's customers to access international trade resources as well as offering them international export finance, procurement finance and corporate investment banking advisory services.

As of 31 December 2025, there was TL 29.1 billion of total risk outstanding, which consists of TL 15.8 billion cash and TL 13.4 billion non-cash project finance transactions.

Cash Management. In addition to providing credit facilities, the Group provides innovative cash management services to its corporate, SME and retail customers. Cash management is an important part of the Group's overall business and a key element of its strategy to increase demand deposits and service-related revenues. Cash management services include direct debiting for payment of invoices, supplier finance systems, utility bills, social security and tax payments and providing foreign exchange transfers and remittance services as well as cash management solutions tailored for individual customers.

Pursuant to its cash management business, the Group seeks to: (a) provide cost efficient and innovative cash flow and payment solutions that can be customised according to client size and (b) create partnerships with large corporations utilising the Group's wide branch network and technological capability as well as the synergies provided by the collaboration with the BNP PARIBAS Group.

The Corporate and Corporate Investment Banking Group provides cash management services to corporate customers as well as customers of the Commercial and SME Banking Group. These services are divided into four categories: (a) collection services, which includes (*inter alia*) include automated cheque clearing, domestic and cross-border incoming wire transfers, cash collection, promissory note collection, cheque endorsement, business-to-business (B2B) direct debits, virtual accounts and credit card acquiring), (b) payment services, which (*inter alia*) include domestic and cross-border payments, cheques, utility payments, tax payments, custom duty payments, payroll and direct debit payments as well as SMS customs duty payments, (c) liquidity services, which assists clients with supply chain finance, and (d) electronic and mobile banking, which utilises the Group's proprietary internet banking and mobile banking applications to provide payment, collection and other services.

All of the Bank's payment and collection services can be accessed over the TEB Internet Banking Application, including B2B direct debiting, supply chain finance, cross-border file transfers, credit card acquiring, global account management (third party account statement reporting) and foreign exchange operations. The Bank also offers: (a) a proprietary bank instruction management and electronic signature platform (Mobil-Ink) over which many types of bank instructions can be accepted and authenticated, (b) its TEB e-Invoice platform, pursuant to which the Bank provides its customers access to an electronic invoice and electronic archive solution, and (c) comprehensive host-to-host data exchange solutions for its clients for many cash management products.

Trade Finance. The Group's trade financing activities consist of pre-export financing, import financing, issuing, confirming and discounting export and import letters of credit and letters of guarantee, and availing and discounting export and import drafts and promissory notes. The Bank's Trade Finance team, in close cooperation with BNP PARIBAS' global network, provides its clients tailor-made solutions for their funded and unfunded long- or short-term trade finance needs.

In 2025, the Bank (according to figures published by the Society for Worldwide Interbank Financial Telecommunications (SWIFT)) had market shares in Türkiye of: (a) 3.0% for export-related letters of credit and 3.1% for import-related letters of credit, in each case in terms of transaction volumes, and (b) 45.6% for incoming letters of guarantee (i.e., letters of guarantee received from other banks) for cross-border transactions and 1.3% for outgoing letters of guarantee (i.e., letters of guarantee issued by the Bank on behalf of its customers) for cross-border transactions, in each case in terms of transaction numbers.

The Group's trade finance activities are funded through correspondent bank facilities matched in terms of currency and maturity and through general term loan facilities. The Bank also participates in various export credit programmes provided by overseas export credit agencies, such as Bpifrance Assurance Export, as well as the Turkish Eximbank cash and non-cash loan facilities and Central Bank rediscount programme that are available to finance Turkish exporters.

Through the Financial Institutions Division, the Bank maintains correspondent bank relationships with approximately 900 banks globally in 104 countries. The Bank maintains trade finance limits for approximately 235 of these banks, allowing the Bank to serve its corporate and SME clients' trade finance transactions. These relationships also support the Group's fund-raising efforts, such as the 23 banks that participated in the Bank's US$350 million syndicated sustainability loan facility obtained in November 2025.

Commercial and SME Banking

The Bank's Commercial and SME Banking Group offers its clients a range of products and services, including cash and non-cash loans, project finance products, investment loans, cash management services (see "*Corporate and Corporate Investment Banking Group – Cash Management*") and deposits, and continues to design products and services with a particular focus on the needs of SMEs. The Commercial and SME banking segment is divided into two sub-segments: (a) SMEs, which are entities with annual revenues of at least TL 75 million but less than TL 750 million, and (b) Commercials (referred to as "SME Plus"), which are enterprises with annual revenues of at least TL 750 million but less than TL 2.5 billion. Micro SMEs, which are micro-businesses with annual revenues of less than TL 75 million, are managed as part of the Retail and Private Banking Group. The Commercial and SME Banking Group also maintains three divisions for specific categories of customers: (i) Gold, which focus on manufacturers, wholesalers, exporters and retailers in the jewellery sector, (ii) Start-up Banking, for technology entrepreneurs, and (iii) Local Government Banking, which serves municipalities and local governments.

According to data published by Turkstat, SMEs (including micro-SMEs) accounted for 99.6% of all companies in Türkiye, 68.5% of the workforce and 39.8% of Türkiye's GDP and contributed to 29.6% of Türkiye's exports in 2024 (which is the most recent data as of the date hereof). The Group expects SMEs to be the main driver of future growth in the banking sector, particularly given measures by Turkish regulatory authorities to promote lending to SMEs. The SME loans penetration (measured by total SME loans as a percentage of total loans in Türkiye) was 26.8% as of 31 December 2025 according to the BRSA.

The Bank supports SMEs in their efforts to gain competitive advantage over their domestic and global peers by providing them with information on business management. For example, since 2008, the Bank has provided a consulting service (SME Consultants) for SMEs, which services analyses SMEs not only from a financial perspective but also from the perspective of their production, sales and marketing, organisational structure, management strategy and human resources. Similar to the SME Consultants service, the Bank also offers the assistance of specialised experts for micro-businesses and agricultural customers. As of 31 December 2025, there were more than 47 SME consultants providing such services at the Bank's branches.

The Group's Commercial and SME banking segment had loans and receivables of TL 115.6 billion as of 31 December 2025, which represented 27.2% of the Bank's total loans and receivables. The SME segment also provided TL 16.1 billion in demand deposits as of 31 December 2025, representing 8.7% of the Bank's total deposits.

Performing SME loans changed from TL 40.2 billion as of 31 December 2023 to TL 75.5 billion as of 31 December 2024 and TL 115.6 billion as of 31 December 2025, over which period the NPL ratio for SMEs changed from 1.7% as of 31 December 2023 to 3.4% as of 31 December 2025. For SME loans, the Bank held a market share of 5.0% amongst non-governmental banks as of 31 December 2025 according to the bank-only financials published in the Public Disclosure Platform (www.kap.gov.tr). The share of Commercial and SME Banking Group cash loans as a percentage of the Bank's total business cash loans fluctuated from 20.7% as of 31 December 2023 to 24.3% as of 31 December 2024 and 27.2% as of 31 December 2025.

The Bank requires its SME customer relations managers to undertake a one-year training dedicated to understanding the needs and management of SMEs, which training covers a range of topics such as the preparation of business plans, the development of long-term growth strategies and the improvement of marketing and sales activities, which training enables these SME customer relations managers to offer better solutions and proposals for customers' needs and help them prepare for the future.

Divisions

Gold Banking. The Gold Banking unit was established to offer manufacturers, wholesalers, exporters and retailers in the jewellery sector alternative investment tools and enable them to expand their investment portfolios with the aim of developing the most cost-effective solutions for the long-term financial needs of these customers. Through this initiative, the Bank offers gold loans (a type of loan provided to the jewellery industry on a gram basis, such as lending gold to jewellery manufacturers), holding a market share of 9.3% as of 31 December 2025 according to the BRSA.

The Bank has developed various solutions to the specific financial needs of jewellery sector customers, including gold loans as described above or specially tailored insurance product to protect inventory. The Gold Banking unit also provides investment products to retail and corporate customers, including time and deposit gold deposit accounts.

Start-up Banking. The Commercial and SME Banking Group launched the Start-up Business Banking line in 2013, being the first bank in Türkiye to provide dedicated services to start-ups and aiming to promote entrepreneurship, which the Bank views as strategically important in Türkiye's development. To implement this business initiative, the Bank re-designed its financial and non-financial SME products and services for technology entrepreneurs specifically and customer representatives have been specially trained to better understand the needs of start-up and technology companies, including with respect to cash flow. For example, a start-up's ability to make payments and the tenor of potential loans are taken into account, and special financing options and free-of-charge banking transactions are offered. Start-up Business Banking has consolidated their operations into 3 Techno Branches (Istanbul and Ankara) in order to dedicated services to Technology Clients in 2025.

Further supporting this effort, the Bank established "TEB Start-up House" in Ataşehir, İstanbul in 2013, which offers consulting services for entrepreneurs. In 2015, the Bank collaborated with TİM (Türkiye Exporters Assembly) to rebrand and opened additional "TİM-TEB Start-up Houses" in seven of the largest cities in Türkiye (İstanbul, Ankara, İzmir, Mersin, Denizli, Bursa and Gaziantep). At TİM-TEB Start-up House, start-ups and technology companies have access to consulting, mentorship and networking services as well as the opportunity to meet with potential investors and customers. In addition, the Bank offers stands at events (such as the Turkish Exporters Assembly Innovation Week) in which entrepreneurs are able to showcase their fledgling businesses and meet potential customers and investors.

The TEB Start-up Business Banking line provides both financial and non-financial services to start-ups and corporates and has matched hundreds of start-ups with hundreds of corporates, bringing them together at demonstration events, conferences and other venues. For example, start-up to corporate events are held for start-ups and corporates with the aim to bring them together in order to finding collaboration opportunities. With these activities and services, the Bank seeks to play a key role in the growth of Türkiye's entrepreneurship ecosystem, the development of start-ups and the digitalisation process of SME companies. Recognising that the importance of the digital transformation in this sector is even greater than in other sectors, the Bank has developed its matchmaking efforts on the internet by establishing a website (startteb.com) in order to continue to be one of the most important parts of this digital transformation.

STARTTEB is a platform fully operated by the Start-up Business Banking line and supported by the BNP PARIBAS Group to inspire, connect and match technology startups, SMEs, innovative corporates and investors. In this platform, start-ups can offer their products and services while corporates can post their projects (needs), allowing each to identify potential collaborations.

The Bank's efforts with start-ups also allow the Bank to identify innovations and technological advances, including in financial technologies, allowing the Bank itself to benefit from potential collaboration with start-ups to enhance the Bank's own processes. Over 2,000 start-ups have been served by the Bank's acceleration programmes and the Bank, in part due to these services, has over 2,500 start-ups as customers in its Commercial and SME Banking business.

Local Government Banking. The Bank offers special products and services designed for municipalities and local governments, such as their access to finance, online/real time collection systems that enable citizens to pay fees and other duties owed to municipalities easily and without delay and advisory services in areas such as budget management. The Local Government unit serves 127 municipalities and, as of 31 December 2025, carried cash loans of TL 7.2 billion.

Retail and Private Banking

Overview

The Group's retail banking operations are housed in the Retail and Private Banking Group and consist of retail banking (*i.e.*, general mass consumer banking), affluent banking and private banking (each of which include various products and services, including time and demand deposits, bancassurance and a range of different loan products such as housing, car and personal loans and overdraft accounts), alternative distribution channels and Visa and Mastercard credit and debit cards. The Retail and Private Banking Group also covers micro SMEs (*i.e.*, SMEs with annual revenues of less than TL 75 million), agricultural customers and the Women's Banking division. Income from the Group's Retail and Private Banking Group includes net interest income from loans and receivables to/from retail customers and deposits collected from individuals and micro SMEs, as well as fee and commission income received from loan underwriting, asset management services, life insurance and property and casualty insurance products, credit and debit card-related services, settlements and cash-related transactions with or for individuals and micro SMEs. Retail banking is an area in which the Bank enjoys synergies with BNP PARIBAS, including through its personal finance, mobility, sustainability, ESG, customer experience, net promoter score (NPS) and digital technology policies and services.

Retail banking has been one of the principal drivers of the Group's growth in recent years and the Bank's management expects it to continue to be a major contributor to the Bank's loan growth and profitability. As of 31 December 2025, the Retail and Private Banking Group had approximately 3 million active customers and had performing retail loans and receivables (including mortgage, credit card and consumer loans (which comprise cash loans, overdrafts and auto loans)) of TL 159 billion, representing 37.5% of the Bank's performing loans and receivables.

The Bank's management believes that its approach of combining branches with alternative delivery channels has resulted in a network that is both productive and efficient. As of 31 December 2025, the Bank operated 397 retail branches and 1,488 ATMs, resulting in an average retail loan volume as of such date of TL 395 million per retail branch. See also "*Branches*".

The Bank's goals for its retail banking operations are to become a digital investment hub, increase its mass affluent orientation, increase the number of its mass affluent customers and increase digital engagement with customers, which it seeks to achieve by selected growth, high-quality customer experience, a well-established sales network, a qualified work force and a future-ready infrastructure. The Retail and Private Banking Group also aims to enhance the image of the Bank as an innovative and dynamic bank by offering products and services that respond to specific customer needs. For example, the Bank seeks to develop advanced deposit instruments to target core deposits and improve its deposit diversification, acquisition and retention.

Divisions

The Retail and Private Banking Group is divided into six main groups: the Retail Banking unit, the Affluent Banking unit, the Private Banking unit, the micro SME unit, the Women's Banking unit and the Agricultural Banking unit, each of which is described below.

Retail Banking. The Retail Banking segment, excluding micro and agricultural banking, had approximately 2.7 million active customers and represented 66.7% of the Group's retail loans and receivables (and 84.7% of the Group's retail deposit base) as of 31 December 2025. This segment, which serves customers that do not qualify for the Affluent Banking unit or Private Banking Department (i.e., those having deposits and investments with the Bank up to TL 1,000,000), provides a standardised product set and packaged offerings.

Customer acquisition in retail banking is mostly executed through consumer loan, credit card, mortgage sales and salary and pension accounts. Salary and pension payment programmes are central pillars in the Bank's customer acquisition process as both increase the number of customers as well as create a good platform for frequent customer communication. For example, as of 31 December 2025, over 8,835 companies made salary payments through the Bank covering over 498,959 employees, each of which is thus a customer of the Bank and many of which utilise additional products or services offered by the Group. The Bank deploys campaigns and other programmes from time to time to attract retail customers, increase cross-selling ratios and/or enhance the Bank's image in the minds of customers and potential customers.

Affluent Banking. The Affluent Banking unit, which had approximately 177,589 customers and represented 2% of the Group's retail loans and receivables and 56% of the Group's retail deposit base) as of 31 December 2025, serves retail customers with deposits and investments with the Bank in excess of TL 1,000,000 but not qualifying for private banking services as well as certain other customers identified as potential affluent customers. As a result, this unit targets executives of large companies, wealthy retirees, healthcare and legal professionals, owners of larger SMEs and qualified investors as its core customer base, including via targeted packages (for example, the "Lawyers Package") to professionals tailored to address their needs and support their professional development beyond banking transactions. The Bank's aim is to reach 250,000 customers by 2026, while maximising customer satisfaction by enhancing financial and non-financial benefits that it offers to Affluent Banking Customers.

Compared to Retail Banking customers, the Affluent Banking unit's customers are offered favorable and more tailored and sophisticated products and services, such as advantageous pricing, non-financial services (including restaurant &supermarket discounts, fast track at the airports, concierge and lifestyle services) and the Infinite Credit Card (an exclusive card with a significant benefit programs) In addition, they have access to asset management services, including deposit and investment products such as the "Marifetli" Account, which is a deposit product that pays interest daily and gives flexibility to customers for depositing money, withdrawing money and savings.

The Bank offered Affluent Banking services in 354 of its branches as of 31 December 2025, primarily in larger or wealthier cities such as İstanbul, Ankara and İzmir. Some Affluent Customers are also managed by Affluent Remote RM's, facilitating remote banking transactions and services.

Private Banking. The Private Banking unit, which had 10,628 customers and represented 13.3% of the Group's retail deposit base as of 31 December 2025, offers its customers the same products and services offered to other retail customers along with a range of additional or enhanced products and services, including those relating to wealth management, investment products and discretionary portfolio management and advisory services for real estate. To qualify for Private Banking services, a customer generally must have total deposits and investments with the Bank of at least TL 10,000,000.

The Private Banking unit operates in a centralised format from the Bank's head office in İstanbul operating through 14 regional sales management teams that offer Private Banking services to all of the high net worth clients of the branches in their designated regional area. In addition, Private Banking activities are carried out by qualified private bankers located in corporate branches in which there is a relatively high number of Private Banking clients sourced from corporate banking relationships. Clients referred to these branches are mostly the owners, shareholders and executives of companies and their families who use the Bank's corporate branches. These relationships are important sources of potential new business for other departments within the Bank through connecting the Bank to these influential customers.

As of 31 December 2025, the Private Banking unit had 10,628 customers, a dedicated Private Banking branch and 14 Private Banking Centres, which are dedicated offices servicing Private Banking customers. The primary aim of the Private Banking Department is for the Bank to develop a deep, long-term banking relationship with its customers, understand their investment profiles and risk concerns fully and be able to offer them tailored products and solutions.

Micro SMEs. The Micro SME unit (including *Agricultural Banking*), which had 1,250,207 customers and represented 40% of the Group's retail loans and receivables (and 15% of the Group's retail deposit base) as of 31 December 2025, serves these smallest of SMEs generally with the same products and services offered to retail customers along with a range of additional or enhanced products applicable to small businesses (in some cases, coordinating with the Commercial and SME Banking Group).

As micro businesses, cash management is particularly important, and the Bank's POS terminals and "Patron Card" have long been two of the key products in the Bank's support (and acquisition) of new SME customers. The Patron Card is an integrated product developed to meet the needs of micro SMEs consisting of four primary products: (a) an instalment loan (under which customers can take out loans 24 hours a day without the need to go to a branch), (b) an overdraft account (for urgent cash needs and automatic bill payments), (c) a business credit card (for business expenses) and (d) optional life insurance. The Patron Card also offers exclusive additional benefits such as points for restaurant expenses, and discounts on airport parking. This service can be utilised at ATMs as well as on-line, including via mobile banking.

Women's Banking. Companies started, managed and/or owned by women offer the Turkish banking sector a growth segment, which the Bank has sought to support via the development of a Women's Banking unit in 2015 (currently supporting approximately 38,000 such customers). This business, which is aligned with the Bank's relationship and consultancy banking approach, builds upon the Bank's expertise of providing non-financial services by offering services including Financial Literacy and partnerships with non-governmental organisations (NGOs) that support women.

The Women's Banking unit provides women-led and -owned SMEs with financing, information and advisory support, including through packages of products and services in areas such as finance, markets, training and networking, while also collaborating with leading international organisations seeking to empower women in economic activity. The Women's Banking unit also works towards making the Bank be the most desired bank to work at by women in Türkiye.

The target group for the Women's Banking unit is SMEs in which: (a) women own more than 51% of the shares or (b) in which women own from 20% to up to (but excluding) 51% of the shares and there is at least one woman holding a managerial position with authority to sign documents on behalf of the company.

The Women's Banking strategy focuses on the following principal categories aimed at assisting women in business: (a) access to finance, (b) access to information, (c) access to markets and (d) access to mentoring, each of which is discussed further below:

> *Access to finance*. In order to overcome challenges regarding providing women with access to finance, the Bank has developed special financial products. These products include (*inter alia*): (i) loans funded from international developmental institutions (such as European Bank for Reconstruction and Development) that allow the Bank to provide unsecured loans to women and (ii) loans for women with special interest rates.
>
> *Access to information*. The Bank aims to provide women with better access to financial information when running their business. In line with this aim, the Bank offers special trainings for women customers on topics such as e-commerce, foreign trade and exports.
>
> *Access to markets*. The Bank supports women entrepreneurs in increasing their commercial visibility by offering financial and operational solutions that facilitate their access to national and international marketplaces. It provides end-to-end banking support, from marketplace membership processes to

payment collection management, enabling women entrepreneurs to reach wider customer segments with their products and services.

Access to mentorship. Training programs have been organised to help branch representatives better understand and embrace the vision and scope of women's banking. The aim is to increase awareness amongst bank employees who interact directly with customers enabling them to provide tailored services. In addition, partnerships are being established to offer specialised consulting and coaching services that can female entrepreneurs in growing their businesses.

Agricultural Banking. The Bank has a large product portfolio in agricultural banking and maintains 79 branches solely dedicated to servicing agricultural clients. One of the larger advantages of the Bank's Agricultural Banking group is that the Bank's personnel are under the supervision of a group of managers who have extensive knowledge of the agricultural sector, which allows the Bank to set itself apart from competitors due to its ability to design useful products and services. In addition, these branches have Agricultural Banking Portfolio Managers who work directly with farmers, some of which staff are agricultural engineers with specialist qualifications who are familiar with the agricultural sector and farmers.

The Agricultural Banking group, which (as of 31 December 2025) worked with over 294,209 customers, provides both working capital and investment capital for farmers, such as allowing farmers to purchase agricultural inputs or meet their cash requirements through the "Harman Kart," a facility for producers that enables them to borrow funds and make payments based upon the time of their harvest. Similarly, through national agreements with companies that supply agricultural inputs, the Harman Kart allows farmers to receive benefits such as payment deferral and interest-free periods. In addition to providing working capital, the Bank also offers credit products to farmers for the purchase of all types of tractors and agricultural equipment, enabling them to expand or modernise their business.

Products and Services

The Group offers many products and services to its Retail and Private Banking customers, the most important of which are loans, deposits and bancassurance, each of which is described below.

Loans. The following table sets forth the Bank's consumer loan portfolio (i.e., those for the Retail and Private Banking Group other than micro SMEs and other non-individuals) per category as of the indicated dates.

	As of 31 December	
	2024	**2025**
	(TL thousands)	
General Purpose loans	39,255,633	51,126,598
Credit card loans[(1)]	36,226,290	50,202,666
Auto loans[(2)]	6,088,041	5,283,593
Mortgages[(3)]	4,038,481	4,474,762
Overdrafts and other loans	7,559,276	8,968,735
Total consumer loans	**93,167,721**	**120,056,354**

(1) Individual credit cards and personnel credit cards are included.

(2) Vehicle loans are included.

(3) Housing loans are included.

General Purpose Loans (Cash Loan): Cash loans are used for a wide range of needs including instant cash needs, home refurbishments and education fees. The Bank offers cash loans to individual customers through its retail branches and digital channels.

The Bank's market share in cash loans (by the total loan amount but excluding government-owned banks) in Türkiye was 4.3% as of 31 December 2025, ranking ninth among non-governmental banks in the Turkish banking sector according to statistics published by the BRSA. As of such date, the Group had outstanding cash loans of TL 72.9 billion, which comprised 72% of the Retail and Private Banking Group's loan portfolio as of

such date. The Bank's management views cash loans as an important part of the Bank's retail and private banking strategy and intends to develop new products and distribution channels to increase market share in cash loans.

Credit Card Loans: The Bank (for use by its Retail and Private Banking Group and other customers) issues Visa, Mastercard and Troy credit cards under various names, including the "TEB Yıldız Priority Card" (an exclusive card with significant bonuses and benefits), the "Girişimci Kart" (a card tailored for start-up entrepreneurs), the "SheCard" (a card offering special privileges for the purchase of clothing and cosmetics by women) and the "Harman Kart" (a card for the use of farmers' agriculture-related expenses, providing loans for products such as fertiliser, seeds and feed grain).

The Bank earns interest income on outstanding credit balances, transaction commissions from merchants, cash withdrawal fees, annual membership fees from cardholders and other service-based fees such as insurance fees and payment fees. As of 31 December 2025, the number of retail credit cards issued by the Group exceeded 2.8 million and, according to statistics published by the Turkish Interbank Card Centre (*Bankalararası Kart Merkezi*), represented 2.2% of the total Turkish retail credit card market. The Group's performing retail credit card loan portfolio was TL 57.7 billion and represented 36.3% of the Retail and Private Banking Group loan portfolio as of 31 December 2025.

The Bank had a 1.8% market share of the credit card market (by the total loan amount) in Türkiye as of 31 December 2025, according to statistics published by the BRSA, ranking seventh among non-governmental banks in the Turkish banking sector. Following adverse regulatory changes throughout the period from 2023 to 2025 that impacted the profitability of the Group's credit card business, the Group's management decided to moderate the growth of its credit card loans.

Auto Loans: The Bank offers term loans to its retail, affluent and private banking customers to finance the acquisition of automobiles, with the Group providing car loans of up to 70.0% of the automobile's value for new vehicle purchases. As of 31 December 2025, the Group had outstanding auto loans of TL 6.0 billion, representing 4.0% of the Group's retail loan portfolio. The Bank's market share in Türkiye for auto loans (by the total loan amount) as of 31 December 2025 was 6.0% according to statistics published by the BRSA. In 2023, auto loans significantly increased as a result of increased customer demand (including as a result of a desire to purchase a vehicle to protect against price inflation), market conditions and improving perceptions of the Bank. In 2024, auto loans were impacted by certain regulatory changes, such as a prohibition on the purchase of automobiles with credit cards. In 2025, restrictions on car loans continued, credit eligibility of car models decreased and there was an increase in the presence of non-interest based finance companies.

Mortgages: The Group offers consumers a variety of mortgage products covering mortgage loans of up to 120 months, with mortgages having an average size of TL 1.5 million as of 31 December 2025. Each of the Group's mortgage loans is secured with collateral that is required to have a value in excess of the relevant loan at all times. As of 31 December 2025, the Group had outstanding mortgage loans of TL 4.7 billion, which comprised 3.0% of the Retail and Private Banking Group's loan portfolio as of such date. Since 2020, mortgage loans have been reducing both on a nominal and relative basis as a result of the COVID-19 pandemic and its aftermath, credit risk practices throughout the Turkish banking sector, the Bank's credit allocation policy, high inflation, volatile interest rate and increased regulation. The Bank had a 0.7% market share of the retail mortgage loan market in Türkiye as of 31 December 2025 according to statistics published by the BRSA.

Overdrafts and other Loans: The Bank provides overdraft loans as an additional feature for debit card holders, permitting them to access cash instantly and easily. The Bank had a 1.1% market share in overdraft products as of 31 December 2025 according to statistics published by the Banks Association of Türkiye. Total outstanding overdraft and other loans as of such date were TL 10.5 billion, representing 6.6% of the Group's retail loan portfolio.

Applications for personal loans can be made by SMS, over the internet, via the Bank's mobile app, through the Bank's call centre and in branches. The Bank seeks to identify or create other non-branch channels to facilitate the application process and lower the Bank's cost of processing loan applications, such as enhancing

the Bank's digital channels, using the services of third parties such as post offices and POS terminals and expanding preapproved loans.

Deposits. The Bank offers both demand and time deposits to its retail customers. The following tables set forth the deposits from the Retail and Private Banking Group's customers per category and currency (for foreign currencies other than U.S. dollars, converting each into U.S. dollars using the Bank's foreign exchange rates as of the end of the applicable period) as of the indicated dates.

	As of 31 December	
	2024	**2025**
	(TL thousands)	
Demand Turkish Lira deposits	32,948,727	47,107,291
Time Turkish Lira deposits	170,166,890	197,726,234
Total Turkish Lira retail deposits	**203,115,617**	**244,833,525**

	As of 31 December	
	2024	**2025**
	(US$ thousands)	
Demand foreign currency deposits	1,426,366	1,837,120
Time foreign currency deposits	418,508	421,059
Total foreign currency retail deposits	**1,844,874**	**2,258,179**

As of 31 December 2024 and 2025: (a) Turkish Lira demand deposits represented 16.2% and 19.2%, respectively, of the total deposits for customers of the Retail and Private Banking Group and (b) foreign currency demand deposits represented 77.3% and 81.4%, respectively, of the total deposits for customers of the Retail and Private Banking Group.

Bancassurance: The Bank offers both life and non-life insurance and pension products to its customers through its exclusive agency agreements in Türkiye with: (a) BNP Paribas Cardif Emeklilik A.Ş. for the sale of private pension plans and term life insurance and protection life and unemployment insurance and (b) Zurich Sigorta A.Ş. for the sale of non-life insurance. The Bank aims to position itself as a single provider from which a customer can purchase all the insurance products that it requires and, in this respect, seeks to analyse the insurance needs of its customers and to offer them the most appropriate insurance product range. The Bank also believes that its retail and private banking customers offer significant scope for growing its bancassurance business.

Securities Services and Turkish Lira Cash Clearing

TEB Securities Services and Turkish Lira Cash Clearing, which is a business unit within the Corporate and Corporate Investment Banking Group, was established in 2007 and operates as the Turkish arm of BNP PARIBAS Securities Services. Its main activity is asset servicing for the portfolio investments of non-resident institutional investors in the Turkish capital markets, servicing international central securities depositories, global custodians, global broker dealers, supranationals and banks. Besides high-quality custodial services, it also provides bundled execution and clearing services for listed derivatives & cash equities, collateral management and account operating services. This unit also provides asset- and fund-related services for local funds and asset management companies and Turkish Lira cash clearing services for non-resident banks.

Asset Liability Management and Treasury Group

The ALM&T Group directs the Bank's policies relating to asset and liability management in accordance with the policies set by the Bank's ALCO (see "*Management – Committees*"). This group assesses and manages the Group's balance sheet, its interest and liquidity gap positions, its structural foreign currency position and its held-to-collect and sale and held-to-collect investment securities portfolios, reporting to the ALCO and the

Board of Directors on these matters. The ALM&T Group is divided into two units: the ALM division and the Treasury division, which are described in further detail below.

ALM Division. The ALM Division is responsible for administering the balance sheet of the Bank by assigning the transfer pricing cost for all products to the network, controlling the Bank's long-term interest rate and liquidity gaps, hedging the Bank's asset/liabilities book and managing the Bank's investment portfolio. While aiming to achieve the net interest income budgeted by the Bank's management, the ALM Division is also responsible for making sure the Bank adheres to financial ratios either internally established by the Board of Directors or externally dictated by regulatory authorities such as the BRSA. In addition, the ALM Division cooperates with multilateral financial institutions (such as the European Bank for Reconstruction and Development and the International Finance Corporation) to manage the Bank's balance sheet, investigating opportunities such as for long-term sources of funding. The ALM Division uses state-of-the-art risk and ALM software, including some developed in conjunction with BNP PARIBAS.

Treasury Division. The Treasury Division is responsible for managing the short-term liquidity needs of the Bank by funding the bank's balance sheet or placing excess liquidity. As needed, it searches for alternative funding sources, developing new funding techniques or products and improving currently used ones. The Treasury Division is also responsible for managing the Bank's electronic funds transfer system and closely monitoring the Central Bank's monetary policies.

Global Markets Group

The Global Markets Group provides sales and trading services for a wide set of global markets products (foreign exchange, rates, credits and derivatives) in accordance with mandates and limits approved by the Bank. The Global Markets Group serves all of the Bank's clients (for example, providing hedging solutions to corporate/SME clients and yield enhancement products to retail and wealth management clients) in close cooperation with the Bank's other business lines and support functions. The Global Markets Group's trading desk provides liquidity to counterparts, manages client flow and serves as a primary dealer for the Turkish Treasury.

Branches

As of 31 December 2025, the Bank maintained a branch network of 426 branches (including four branches in Northern Cyprus), consisting of 233 mixed-service branches, 164 retail-only branches(of which two serve payroll customers only, four are university-based and one is a Private Banking branch), 11 corporate-only branches, 15 SME Plus branches, one free-trade zone branch and two mobile branches. The Bank's branches in Türkiye cover 70 cities, with the largest presence being in İstanbul, Ankara and İzmir.

The Bank seeks to optimise its branch locations to reflect trends in the market, including the increasing migration to digital channels. The following table sets forth information relating to the Bank's branch network and customer numbers for the periods indicated.

	As of 31 December		
	2023	**2024**	**2025**
Total number of branches	444	436	426
Number of active retail customers ..	2,663,130	2,827,800	2,723,737

Alternative Delivery Channels

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

As of 31 December 2025, the Bank had 1,488 ATMs and a 2.7% share of the number of ATMs in the country. The Bank's entire ATM network has intelligent cash deposit and coin functions, which allow the Bank's ATMs to provide services that are normally provided by a branch. As of the same date, 100.0% of the ATM network consisted of ATMs that not just accept but can also validate, sort and store banknotes, which banknotes can then be made available to customers who wish to take out cash and thus reducing the Bank's cash replenishment costs and improving the ATMs' service availability.

In 2025, 84.0% of cash deposits, 90.0% of cash withdrawals, 98.0% of credit card payments, 82.0% of bill payments and 98.0% of money transfers by the Bank's customers were made through the Bank's ATMs and other digital banking channels. In December 2025, a number of customers equal to 76.0% of the Bank's active customers used the Bank's CEPTETEB Digital Banking system (increasing from 75.0% in December 2024) and a number of customers equal to 75.0% of the Bank's active customers used the Bank's CEPTETEB Mobile Banking application (increasing from 73.0% in December 2024). This increasing use of digital banking channels has positively contributed to the Bank's cost-to-income ratio by allowing the Bank to avoid (and even reduce) its branch network.

The Group's call centre, with 718 blended customer representatives as of 31 December 2025 provides 24/7 service and completed 26.3 million interactions in 2025; approximately 13.1 million calls were received from customers regarding banking and investment transactions, credit cards and other banking products. Approximately 68% of incoming calls were handled by customer representatives. In addition to inbound calls, the call centre operates in a blended structure through outbound sales and survey calls, IVN calls and chat interactions.

Subsidiaries

The following table gives details as of 31 December 2025 for each of the Bank's subsidiaries:

Entity	Business	Percentage held
TEB Yatırım Menkul Degerler A.Ş.	Investment Securities	100.00%
TEB Faktoring A.Ş.	Factoring	100.00%
TEB Portföy Yönetimi A.Ş.....	Asset Management	54.74%
TEB Finansman A.Ş.	Consumer Finance	100.00%
TEB ARF Teknoloji A.Ş	Information Technology	100.00%

Each of these companies (with the exception of the non-financial subsidiary TEB ARF Teknoloji A.Ş) is fully consolidated within the Group's accounts. In the analysis that follows of the Bank's subsidiaries' businesses, all amounts are before elimination of intercompany transactions and balances with the rest of the Group.

TEB Yatırım Menkul Degerler A.Ş.

TEB Yatırım Menkul Degerler A.Ş., which started its operations in 1996, provides a wide range of capital markets services to both individual and institutional investors, including trading brokerage activities in both Türkiye and abroad, portfolio brokerage activities in Türkiye, investment consultancy activities, underwriting securities offerings and custody services. The company ranked 15th by volume of stocks traded on the Borsa İstanbul with a 2.09% market share, according to a breakdown of stock market transactions by Borsa İstanbul members, as of December 2025.

As of 31 December 2025, the company's total assets were TL 3.7 billion and its shareholders' equity was TL 1.9 billion, and its current period profit/loss for 2023, 2024, and 2025 was TL 409.3 million, TL 523.4 million and TL 545.5 million, respectively.

TEB Faktoring A.Ş.

TEB Faktoring A.Ş., which was founded in September 1997, offers a wide range of factoring facilities to companies of various sizes in different sectors. Its main activities are invoice discounting, cheque discounting,

supplier finance and international factoring (direct export and import system and the two-factor system). As of 31 December 2025, the company's total assets were TL 20.6 billion and its shareholders' equity was TL 2.0 billion, and its current period profit/loss for 2023, 2024 and 2025 was TL 377.4 million, TL 503.7 million and TL 692.4 million, respectively.

In terms of total assets, the company had a market share of 4.51% among Turkish factoring companies as of 31 December 2025 according to the BRSA. The number of the company's customers has reached 3,054 as of 31 December 2025. The manufacturing, wholesale & retail and financial institution sectors represented 60.5%, 15.3% and 2.7%, respectively, of the company's total receivables as of 31 December 2025.

TEB Portföy Yönetimi A.Ş.

TEB Portföy Yönetimi A.Ş., which was established in 1999, actively operates in mutual funds management, pension funds management, discretionary portfolio management and advisory services. As of 31 December 2025, the company managed 59 mutual funds and 36 pension funds with an aggregate of TL 379.6 billion under management.

As of 31 December 2025, the company's total assets were TL 1.5 billion and its shareholders' equity was TL 1.3 billion, and its current period profit/loss for 2023, 2024 and 2025 was TL 103.6 million, TL 400.4 million and TL 691.6 million, respectively.

TEB Finansman A.Ş.

TEB Finansman A.Ş./TEB Cetelem, which was founded in 1995, is 100.00% owned by the Bank, which purchased 85.58% of the company's shares from BNP Paribas Personal Finance S.A. in 2023. The company is a consumer financing company offering auto loans to corporate and individual customers. As of 31 December 2025, the company had 10,205 customers.

As of 31 December 2025, the company's total assets were TL 4.8 billion and its shareholders' equity was TL 1.4 billion, and its current period profit/loss for 2023, 2024 and 2025 was TL 175.1 million, TL 223.0 million and TL 417.6 million, respectively.

TEB ARF Teknoloji A.Ş.

TEB ARF Teknoloji A.Ş., which was founded in 2020, undertakes research and development and innovation projects in the field of financial technology. The company recorded TL 376.8 million in sales and TL 42.6 million in net profit in 2024, during which it concentrated on R&D activities on digital technologies, advanced data analytics and artificial intelligence (AI). During 2025, the company achieved TL 550.0 million in sales and TL 93.7 million in net profit, during which it has focused on offering services relating to digital technologies, machine learning and AI solutions. To date, these services have primarily been provided to other members of the TEB Group; *however*, the company has started providing such services to other organisations in need of fintech-based solutions.

The Company intends to focus on developing machine learning and AI solutions that support the TEB Group's risk, efficiency and penetration optimisation targets in 2026 and 2027. In particular, solutions targeted at more effective credit risk assessment and fraud detection, pricing optimisation, increased efficiency of sales processes and enhancement of customer experience will be the main focus areas.

Credit Commitments and Contingent Items

In the normal course of its business activities, the Group undertakes various commitments and incurs certain contingent liabilities that are not presented in the consolidated financial statements. The following table sets out these contingent liabilities as of the indicated dates:

	As of 31 December		
	2023	2024	2025
		(TL thousands)	
Loan commitments	**82,077,657**	**202,112,462**	**318,787,514**
Total non-cash loans	**36,756,490**	**50,392,967**	**67,547,921**
Letters of credit	*22,935,305*	*25,708,955*	*33,484,929*
Bank acceptances	*70,513*	*62,540*	*320,695*
Other commitments	*10,693,200*	*18,395,507*	*21,317,397*
Other contingencies	*3,057,472*	*6,225,965*	*12,424,900*
Total guarantees, suretyships and similar transactions	**45,167,664**	**52,243,107**	**80,068,560**
Guarantee letters	*28,949,303*	*35,306,635*	*51,748,329*
Advance guarantee letters	*8,472,141*	*6,051,652*	*10,977,880*
Guarantee letters given for customs	*1,321,518*	*1,689,825*	*2,385,475*
Temporary guarantee letters	*659,207*	*1,100,708*	*2,658,051*
Other guarantee letters	*5,765,495*	*8,094,287*	*12,298,825*
Total trading derivative transactions	**372,048,487**	**551,688,661**	**831,728,215**
Total hedging related derivatives	**26,163,509**	**70,567,376**	**123,277,486**
Custody and pledges received	**542,370,702**	**1,073,777,355**	**1,384,504,194**
Items held in custody	*166,852,022*	*467,784,363*	*583,375,807*
Pledges received	*373,806,250*	*601,608,554*	*786,268,840*
Accepted bill, guarantees and warranties	*1,712,430*	*4,384,438*	*14,859,547*
Total off-balance sheet commitments	**1,104,584,509**	**2,000,781,928**	**2,805,913,890**

Intellectual Property

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

Insurance

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

Competition

The Group competes with other banks, financial services firms and a wide range of insurance companies in providing banking, mutual fund, capital markets and advisory services and financial and insurance products. As of 31 December 2025, 67 banks (including domestic and foreign banks but excluding the Central Bank) were operating in Türkiye, 36 of these were deposit-taking banks (including the Bank) and the remaining banks were development and investment banks (nine participation banks, which conduct their business under different legislation in accordance with Islamic banking principles, are not included in this analysis). For more information regarding the Bank's competitors, see "*The Turkish Banking Sector*". See also "*Risk Factors – Risks Relating to the Group and its Business – Operational Risks – Competition in the Turkish Banking Sector*".

Legal Proceedings

The Bank and its subsidiaries are defendants in certain claims and legal actions arising in the ordinary course of business. The Group is not involved in any litigation, arbitration or other administrative proceedings that, if decided against the Bank or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on its business, results of operations or financial condition. There are no material proceedings pending in which any director of the Bank, any member of its senior management or any of the Bank's affiliates is either a party adverse to the Bank or any of its subsidiaries or has a material interest adverse to the Bank or any of its subsidiaries. As of 31 December 2025, the Group had made provisions for litigation of TL 373 million.

In February 2026, the Bank was informed that the Turkish Competition Authority (in Turkish: *Rekabet Kurumu*) has initiated an investigation against the Bank and 25 other bank and financial institutions in order to determine whether Article 4 of Law No. 4054 on the Protection of Competition has been violated in the labour market. The investigation process is ongoing, and at this stage it is not possible to confirm whether any negative outcome would be material to the Bank.

Information Technology

The Group makes use of recent and innovative technologies, including those developed in coordination with BNP PARIBAS, which enables it to provide customers with high service quality and product diversity. The Bank's management believes that innovation and utilisation of technology support the Group's long-term strategic direction, help accelerate innovation and expand the Group's customer base and satisfaction. The Bank intends to continue to invest in information technology in order to keep and strengthen its competitive position in the sector and increase stockholder value. The Group also operates a modern disaster recovery centre to serve its banking operations in the case of an emergency.

The Bank's Information Technology unit is responsible for the Group's information technology strategy and planning and all related technical services. This unit assesses the Group's future operational needs and develops and implements, or identifies and acquires, new IT systems to meet them, in each case with reference to the Group's overall technology strategy and primary aim of delivering efficient, cost-effective systems and solutions.

The Group's key strategic objectives in relation to IT are to: (a) continue to support its existing business strategy by translating banking and financial business requirements into cost-effective technology solutions, (b) improve the productivity, cost efficiency and operational efficiency of its IT processes, (c) provide and support alternative product distribution channels such as mobile banking, telephone banking and internet banking for all of its customer base (both corporate and retail), (d) promote synergy across the Group though common and, where possible, integrated applications for cross selling products and services and (e) ensure security, data backup, disaster recovery, network support and maintenance throughout all of the IT systems in the Group.

Employees

The Bank places a high priority on recruiting and retaining the highest quality staff in alignment with its long-term business strategies and regards its staff as its most significant resource. The Bank also aims to provide a high level of personal and professional training that is both role-oriented and designed to develop certain skills and competencies and promote a coherent, unified corporate culture.

The Bank aims to compensate its employees competitively as well as providing appreciation and recognition programmes, internal communication activities and retention plans. With the goal of establishing long-term and efficient relationships with employees, the Bank analyses employee engagement and satisfaction and takes actions as needed. The Bank's management believes that the Group's relations with its employees are positive.

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

	As of 31 December		
By operation	**2023**	**2024**	**2025**
Head Office	3,273	3,377	3,435
Branches	3,838	3,542	3,497
Regional offices	1,222	1,128	986
Subsidiaries	545	576	586
Total	**8,878**	**8,623**	**8,504**

Property

The Bank's principal properties, including its head office, are located primarily in İstanbul. The Bank operates most of its branches based upon medium-term leases, with typical lease periods of five to 10 years. Some of the Bank's subsidiaries companies own their own properties while others lease the premises in which they operate.

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

Türkiye is a member country of the Financial Action Task Force (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 (in Turkish: *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) the reporting of suspicious activity, (c) training, internal audit and control, risk management systems and other measures, (d) periodic reporting, (e) information and document disclosure, (f) the retention of records and data, (g) data access systems to public records, (h) the protection of individuals and legal entities who fulfil certain regulatory requirements (for example, due diligence and suspicious transactions reporting requirements stipulated under the laws regarding anti-money laundering) and (i) the written declaration of beneficial owners by transacting customers, among other provisions. Suspicious transactions must be reported to the FCIB.

The Bank, including as consistent with BNP PARIBAS Group policies, has adopted and maintains a risk-based compliance programme that the Bank's management believes is reasonably designed to comply with applicable anti-money laundering, anti-corruption, countering the financing of terrorism and Sanctions laws. The Bank has established a compliance programme, which has been implemented throughout the Bank and its subsidiaries, consisting of the following elements: (a) written policies, procedures, systems and internal controls designed to comply with applicable anti-money laundering, anti-corruption, countering the financing of terrorism and Sanctions laws, (b) dedicated personnel responsible for the implementation and operation of such policies, procedures, systems and internal controls, (c) independent testing and audit, (d) an ongoing training programme and (e) reporting and record-keeping.

The Bank's compliance programme includes: (a) a know-your-customer programme that the Bank's management believes is reasonably designed to identify, verify and update the identity of the Group's customers, including, where applicable, their respective beneficial owners and proxy holders, (b) enhanced due diligence for high-risk clients, politically exposed persons and situations of increased risk, (c) third party due-diligence on all of the Group's business relationships, whether they are with clients, intermediaries, suppliers or other types of partners, (d) written policies, procedures and controls that the Bank's management believes are reasonably designed to ensure that the Group does not establish or maintain relationships with shell banks, (e) a policy, based upon the internal assessment of risks and of the economic situation, to not

process or otherwise engage, regardless of the currency, in activity or business involving any Person that could be connected to or controlled by terrorist organisations recognised as such by the relevant authorities in France, the EU, the US, the United Nations and/or Türkiye, (f) a policy, based upon the internal assessment of risks and of the economic situation, providing that when a country, territory or region presenting a high level of financial security risk is directly or indirectly involved (for example, anti-money laundering or financing terrorism risks based upon FATF or EU classifications, corruption risks as evidence by the World Bank, unstable economic situations, political instability, war, conflicts or proliferation), the Group may on a case-by-case basis and regardless of the currency involved refuse the on-boarding of clients, decline to process certain transactions or decide not to engage in certain activities or businesses, (g) customer database screening and transaction filtering that the Bank's management believes is reasonably designed to ensure compliance with applicable laws, (h) systems and processes designed to detect and report suspicious activity to the relevant regulatory authorities and (i) a compliance programme that the Bank's management believes is reasonably designed to prevent and detect bribery, corruption and influence peddling in compliance with the Sapin II Law (in France), the Foreign Corrupt Practices Act (in the U.S.) and the Bribery Act (in the UK).

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. Türkiye provided written follow-up reports to the report in 2017, 2018 and 2019, demonstrating efforts it was making to comply with the OECD's recommendations. Changes in Turkish laws and practices have, and might continue to, arise from these recommendations, which the Bank will monitor. The Bank operates a zero tolerance approach to bribery and corruption and considers such activity to be unethical and contrary to good corporate governance. The Bank, its staff and associated persons are prohibited from engaging in bribery and corruption.

In addition, on 21 October 2021, the FATF placed Türkiye on the so-called "grey list" of countries in need of elevated supervision of its legal framework for combatting terrorism and money laundering. The FATF cited concerns about inadequate supervision of Türkiye's banking and real estate sectors and dealers in gold and precious stones, including having undertaken insufficient prosecutorial efforts against violators (including freezing of assets). Consequently, to reflect Türkiye's progress, the FATF re-rated the country on 30 November 2021 on some recommendations and changed the rating of four recommendations from partially compliant to largely compliant. On 10 May 2022, the FATF re-rated the country and changed the rating of one recommendation from partially compliant to compliant and two recommendations from partially compliant to largely compliant. On 27 October 2023, the FATF acknowledged Türkiye's progress while highlighting that, although previous deadlines have expired, Türkiye should continue to work on implementing its action plan to address one remaining strategic deficiency, specifically by confiscating assets related to terrorist financing. On 23 February 2024, the FATF announced that Türkiye had completed a significant part of its action plan, which progress warranted a site visit to be conducted before June 2024. On 28 June 2024, Türkiye was removed from the "grey list" but a further inspection took place in November 2025.

Compliance with Sanctions Laws

Each of the United States, the United Nations Security Council, the UK, the EU, France and Türkiye have enacted and/or administer and/or enforce Sanctions that restrict the ability of relevant persons to invest in, or otherwise engage in business with Sanction Targets. The Bank (including its entire branch network) and each of the Bank's subsidiaries have adopted and maintain a risk-based compliance programme that the Bank's management believes is reasonably designed to comply with applicable Sanctions, which programme consists of: (a) written policies, procedures, systems and internal controls designed to comply with applicable Sanctions, (b) dedicated personnel responsible for the implementation and operation of such policies, procedures, systems and internal controls, (c) independent testing and audit, (d) an ongoing training programme and (e) reporting and record-keeping.

The Bank's Sanctions compliance programme includes: (a) a know-your-customer programme that the Bank's management believes is reasonably designed to identify, verify and update the identity of the Group's customers, including, where applicable, their respective beneficial owners and proxy holders, (b) a policy, based upon the internal assessment of risks and of the economic situation, to not process or otherwise engage, regardless of the currency, in activity or business for, on behalf of, or for the benefit of, directly or indirectly, any Person targeted by the French, EU, U.S. or Turkish sanctions authorities, as well as by the United Nations, or involving directly or indirectly countries or territories subject to comprehensive Sanctions, including Crimea/Sevastopol, non-Ukrainian-controlled areas of the Kherson, Zaporizhyzhya, Donetsk and Luhansk regions of Ukraine, Cuba, Iran, North Korea and Syria, and (c) customer database screening and transaction filtering that the Bank's management believes is reasonably designed to ensure compliance with applicable Sanctions.

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

Credit Ratings

Each of the Bank's credit ratings (and, where relevant, ratings outlooks) from Fitch and Moody's as of the date of this Information Memorandum 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 (9 March 2026)

Long-term Foreign Currency Issuer Default Rating/Outlook:	BB- / Positive
Short-term Foreign Currency Issuer Default Rating:	B
Long-term Local Currency Issuer Default Rating/Outlook:	BB- / Positive
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 (30 July 2025)

Long-term Foreign Currency Deposit Rating/Outlook:	Ba2 / Stable
Short-term Foreign Currency Deposit Rating:	Not Prime
Long-term Local Currency Deposit Rating/Outlook:	Ba2 / Stable
Short-term Local Currency Deposit Rating:	Not Prime
BCA (Baseline Credit Assessment):	b1
Adjusted BCA:	ba2
Long-term Foreign Currency Counterparty Risk:	Ba1
Long-term Local Currency Counterparty Risk:	Not Prime

RISK MANAGEMENT

In common with other financial institutions, the Group's activities involve taking risks, including: (a) credit risk, (b) market risks (such as interest rate, foreign exchange and equity risks), (c) liquidity risk and (d) operational risk. Each of these risks is described in more detail below. The Bank considers effective risk management to be crucial to its success and allocates substantial resources to upgrading its policies, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee.

Risk Management Governance

Risk management governance at the Bank starts with the Board of Directors, in particular its Audit Committee and Risk Committee (see "*Management – Committees*"). The Group Risk Management unit (**GRM**) supervises the overall risk management process within the Group, working in cooperation with executive management in order to ensure that the risks assumed by the Group are in accordance with the GRM's policies and are compatible with the Group's profitability and credit-rating objectives. The GRM reports directly to the Board of Directors through the Audit Committee and Risk Committee and is responsible for identifying, measuring, monitoring and reporting the principal risks assumed by the Group.

The Group aims to adopt best practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee, the BRSA and the CMB, as well as any decisions of the competent authorities supervising the Group's entities. The Group's risk management structure is designed to achieve clear lines of responsibility, the efficient segregation of duties and the prevention of conflicts of interest. Each operating company within the Group is required to implement the Group's risk management policies and procedures.

Group Risk Management

As the GRM's primary function is to identify, detect and evaluate risks in accordance with the Audit Committee's charter and policies, it cooperates with each of the Risk Management Group, the Compliance and Internal Control Group and the Internal Audit Group of the Bank during the process of identifying, detecting and evaluating risks. The GRM is also responsible for preparing the Group's risk management strategies and policies and for submitting them through the Risk Policy Committee, Audit Committee or Risk Committee for approval by the Board of Directors. Specifically, the GRM is responsible for:

> *Designing, implementing and approving the Bank's risk management system*: (a) approving risk analysis and measurement methods, tools and techniques for new modelling, (b) verifying the methods used by business lines for measuring risk (such as the rating and scoring system), obtaining any needed approvals from relevant regulators, collecting historical data and performing retrospective tests for the verification of internal measurement methods and (c) participating in the design, selection, implementation and preliminary approval of risk measurement models, reviewing such models regularly and ensuring the implementation of necessary changes to such models,
>
> *Ensuring implementation of risk management policies and procedures*: (a) ensuring that risk-taking decisions comply with the appropriate policies and (b) improving the quality and efficiency of methods and procedures used for monitoring risks, and
>
> *Reviewing existing risks and limits regularly*: (a) reviewing existing risks and limits regularly to adapt to changes in market conditions and the Bank's strategy and (b) submitting the results of risk measurement analyses to the Board of Directors and to senior management.

Risk Management, Compliance, Internal Control and Internal Audit

The Bank has structured its organisation for the operation of internal control, internal audit and risk management systems in accordance with the provisions of the ICAAP Regulation. This organisation has been tailored to the scope and nature of the Bank's operations and seeks to possess the quality and efficiency to respond to changing conditions.

The Bank's Risk Management Group (described in "*Risk Management*"), Compliance and Internal Control Group and the Internal Audit Group each report directly to the Board of Directors. Though coordinated in certain matters, these units are independent of each other. The Bank's Board of Directors, acting principally through the Audit Committee, monitors the risks on a consolidated basis across the entire Group in order to create control points, approves important strategies and policies regarding control activities and the maintenance of an efficient internal audit system and risk management system and coordinates the related activities among the Risk Management Group, Compliance and Internal Control Group and the Internal Audit Group. The Bank closely monitors and implements international best practices, as well as the new legal requirements regarding internal audit and risk management systems.

The Compliance and Internal Control Group is comprised of various divisions, including the Internal Control Division, the Legislation Division, the Compliance Division, the IT Control Division, the Subsidiaries Coordination Division and the TRNC Compliance Division. Each of these divisions has responsibility for its particular area of focus, using sub-departments where efficient (for example, a specific department for the Bank's branches and another for its head office). In accordance with the ICAAP Regulation and other laws, regulatory and compliance functions are conducted by regulation and compliance units under the Compliance and Internal Control Group.

The Bank's Internal Audit Group, which consisted of 81 personnel as of 31 December 2025, encompasses all operations and units of the Bank and its subsidiaries. The Board of Directors oversees that the Internal Audit Group is able to audit all operations and units of the Bank and its subsidiaries without any restrictions. In 2025, 134 audits were conducted, including 90 of solo branches and 44 of the Bank's head office and its subsidiaries; 20 at the Bank's head office, 18 at subsidiaries and 6 of the IT systems. In addition, the group undertook a management assessment to analyse for the Bank's management the quality of the Bank's banking and IT processes.

Management of Specific Risks

The Bank's risk management processes distinguish among the types of risks set out below. See also Section Four of the Group's BRSA Financial Statements as of and for the year ended 31 December 2025.

Credit Risk

Credit risk is the risk that one party to a contract will fail to meet its obligation partially or on time and causes the other party to incur a financial loss. The Group is exposed to credit risk primarily through its lending, trade finance, treasury and leasing activities, but credit risk might also arise in other circumstances. Concentrations of credit risk arise when a number of customers are engaged in similar business activities, activities in the same geographical region and/or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In addition to credit risk for the loans, advances and other assets reflected in the BRSA Financial Statements, the Group is exposed to off-balance sheet credit risk through contingent liabilities assumed by it such as via letters of credit issued by the Bank.

The authority to extend credit lies with the Board of Directors, which has delegated part of this authority to the Bank's Credit Committee and the General Manager. In turn, the General Manager has delegated part of this authority to specific "credit groups" established for each of the corporate, SME and retail/micro-SME business lines on the basis of rules approved by the Board of Directors.

A credit decision is taken after the applicable loan or other credit proposal is first approved by a credit analyst coordinating with the credit department and the applicable business line. Credit limits are allocated to counterparties identified as having the ability to generate sufficient cash flow, the ability to make repayments, reliable financial data, high morality and, for enterprises, strong shareholder's equity and an organisation comprised of people having appropriate business experience.

In general, the Group attempts to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, continually assessing the creditworthiness of counterparties, diversifying its lending activities to avoid undue concentrations of risks (including with individuals or groups of customers, industries or geographically) and by obtaining collateral and/or guarantees when appropriate. The credit limits applied are determined in accordance with the counterparty's financial structure, certain qualitative criteria (as described below) and the quality of any collateral and/or guarantees to be provided.

The Bank actively uses collateral management as an important risk mitigation mechanism, including a legal review confirming the enforceability of the collateral arrangements under the applicable law. The market value of collateral generally is appraised at least annually, though this might be carried out more often whenever there is a reason to believe that a significant decrease in its market value has occurred. Where a credit is extended subject to collateral being given, the Bank's policies are to require that the security interest in such collateral be perfected before funds are advanced and, where applicable, to avoid currency and maturity mismatches. All security interests (including mortgages on real property) are required to be provided in a legally valid manner and the collateral provided must be in line with the type of loan and with the borrower's liquidity, activity and financial structure. The Bank applies loan-to-value (**LTV**) limits and margins in relation to the collateral it receives with a view to eliminating the Bank's exposure to volatility through marking-to-market the value of collateral. In addition, all physical collateral must be insured.

Credit Ratings

Corporate and SME Ratings. For corporates and SMEs (other than micro SMEs) in the production, service, construction and precious metal sectors, the Bank uses an in-house credit rating system called TEBCORE (TEB Counterparty Risk & Rating Evaluation), which consists of several rating models. Consumer loans and micro SME loans are excluded from such internal rating system and are subject to a separate scoring and decisional system described below. The TEBCORE rating models are hybrid models combining both statistical and expert aspects. Each rating model incorporates a financial module derived from the borrower's financial statements (balance sheet and income statement) and a non-financial module resulting from a behavioural analysis module and/or a qualitative questionnaire. A final layer, called warning signals, captures recent negative triggers such as a material increase in indebtedness or negative risk occurrences related to the company and/or shareholders of the company concerned. The proposed borrower is then assigned a rating within a 31-point master scale (with 1+ being the best rating and 10B being the worst rating that can be assigned). Two further levels, 11 and 12, are used for defaulting borrowers and restructured and rescheduled loans are carefully monitored in line with the Group's credit risk policy. TEB uses the same master scale used by BNP PARIBAS. A customer's rating is updated as necessary.

The standalone rating at this stage represents the intrinsic rating for the borrower, and parental support can then be applied in accordance with predetermined criteria. In addition, an expert or a committee can apply override principles to a rating. The rating, after taking account of parental support and an override (in each case, if any), is the counterparty rating and is used for the purposes of assessing general provisions, credit reporting, portfolio management and stress testing.

Using the ratings provided by the TEBCORE system, the Group categorises its corporate and SME loan portfolio (which represented 73.7%, 71.0% and 70.1% of its total loan portfolio as of 31 December 2023, 2024 and 2025, respectively) into four risk categories as follows: (1) the borrower has a very strong financial structure, (2) the borrower has a good financial structure, (3) the borrower has an intermediate financial structure and (4) the financial structure of the borrower has to be closely monitored in the medium term. The following table provides the distribution of the Group's corporate (including financial institution) and SME loan portfolio amongst these categories as of the indicated dates:

(i)	As of 31 December		
	2023	2024	2025
Category 1.....	53.78%	54.94%	45.18%
Category 2.....	37.27%	38.70%	45.08%
Category 3.....	6.66%	5.34%	8.30%
Category 4.....	2.29%	1.02%	1.44%
Total	**100.00%**	**100.00%**	**100.00%**

The credit risks and limits related to financial institutions are determined by the Financial Institutions and Country Risks Committee, which is a sub-committee of the Bank's Credit Committee, which evaluates and makes decisions of credits in accordance with the rules and limits decided by the Board of Directors in compliance with the Banking Law. The level of exposure for each financial institution is monitored by GRM each business day to ensure it does not exceed credit limits. See also "*Counterparty Risk*" below.

Consumer Ratings.

For consumers (including for credit cards, overdrafts, personal cash loans, car loans and mortgage loans), a branch receives an application and all other required documents from the customer and enters the required information into the Bank's banking system (TEBIS) to start the review process. The application passes through an automated decisional workflow system that applies policy rules, internal-external controls and scoring metrics, which system then accepts, rejects or refers the application for manual evaluation by the Retail Credits Allocation Division.

For retail instalment loans, limits and terms are defined according to a payment-to-income ratio, a loan-to-income ratio and an LTV ratio. LTV ratios are used in particular for car loans and mortgage loans and are computed as the ratio between the loan amount and the value of the good(s) being financed. For mortgage loans, the maximum LTV is 75%.

Micro SME Ratings. For micro SME customers, the risk assessment process starts with a customer meeting and an on-site visit to the customer's location. After the required information and documents are obtained by the branch, the application is evaluated in the credit scoring system, which undertakes a statistical risk measurement of the customer's financial and socio-demographic profile. The authority to make credit decisions differs according to credit type, collateral and maturity. Automatic approval is also possible for smaller limits.

NPLs

The Bank classifies as non-performing any loan that is 90 days or more overdue for either principal or interest. Both collective and specific provisions are made with methodologies that are compliant with both IFRS standards and BNP PARIBAS methodologies.

Collective provisions seek to cover all expected losses on facilities that have similar characteristics. For all portfolios, collective provisions are calculated on a facility basis (using an exposure-by-exposure approach) and the Bank's portfolio-based rating systems determine the duration of expected credit loss that will be used for calculating collective provision (i.e., either one year or lifetime). A collective provision is calculated for all performing loans.

Provisions for NPLs for the Retail and Private Banking Group are calculated by reference to their recovery probabilities based on the results of loss given default (LGD) models. For other NPLs that exceed TL 10,000,000, specific provisions are calculated by the system individually, with such determination being based upon expert judgment input on the amount and timing of the recoveries taking collateral, guarantees and the risk of the applicable borrower into account. Probable collections under the affected loans for the next 10 years are estimated and then discounted to the balance sheet date using the loan's interest rate (for floating rate

loans, using the rate in effect at the time the loan became an NPL). The specific impairment for a loan is provided after deducting these discounted expected cash flows from the total exposure of such loan.

For smaller other NPLs, specific provisions are calculated by the system individually based upon collateral, guarantees and the risk of the applicable borrower, with the provisions being set by discounting the expected recoveries from the total exposure. The Financial Affairs Control and Coordination Division provides the GRM with monthly reports on NPLs and specific provisions, which the GRM utilises in its own reporting to the Audit Committee.

The following table sets forth the Bank's NPL coverage ratio and the percentage of provisions for loans to total loans ratio as of the indicated dates:

	As of 31 December		
	2023	**2024**	**2025**
NPL coverage ratio.....	73.0%	72.3%	69.7%
Provisions for loans to total loans	3.1%	1.9%	2.8%

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

Counterparty Risk

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

Counterparty limits for the Bank's financial institution counterparties are set based upon country of incorporation, the identity of the ultimate shareholder(s), key financial figures and the credit ratings assigned by the Bank.

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

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

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

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

Market Risk.

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices and bond prices and foreign exchange rates) and their levels of volatility. The Group's trading activities include a wide variety of financial products in order to enhance its profitability and its service to clientele. These trading activities require the Group to assume market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The capital required for general market risk and specific risk is calculated and reported monthly in accordance with the "standard method" as defined in the "Regulation on the Measurement and Assessment of Capital Adequacy of Banks" issued by the BRSA and, within the time period determined by the BRSA following the calculation, the BRSA is required to be notified thereof. The most significant types of market risk for the Group are interest rate risk and foreign exchange risk, each of which is described in greater detail below.

The objective of the Group's market risk management is to manage and control market risk exposures in order to ensure that exposures are in line with the Group's risk appetite while generating returns from the Group's trading and banking books. Market risks are continually monitored and controlled according to the policies and limits set by the Board of Directors through the Bank's Market, Liquidity and Interest Rate Risks Unit, which is a division of the GRM.

The Board of Directors determines market risk limits, which are monitored on a daily basis. These limits are revised periodically in line with the strategies of the Group and BNP PARIBAS. The Group uses a range of measures to monitor market risk, including value-at-risk (**VaR**) analysis, PV01 analysis (a measure of sensitivity), stop loss and nominal position limits. Market risk is calculated for the Bank using a historical simulation method with a one-year observation period (250 working days), a 99% confidence interval and a one-day holding period. Regular stress tests and scenario analysis are also applied to the Group's trading portfolios. All trading positions are marked to market on a daily basis in compliance with the requirements of the BRSA, the Central Bank and other authorities.

Interest Rate Risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the value of financial instruments. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or are repriced in a given period. Interest rate risk is managed by the Bank's ALCO and MLRC (Market Liquidity Risk Committee), whereas the GRM analyses interest rate duration, maturity and sensitivity using risk management programmes and reports on these topics to the ALCO and the Bank's Board of Directors. The interest rate sensitivity of assets, liabilities and off-balance sheet items is analysed by top management in the ALCO meetings by taking market developments into consideration. The management of the Group monitors market interest rates on each business day and revises the interest rates charged by the Group accordingly.

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, the Bank's policies aim to ensure that this risk remains within pre-defined limits. Duration/gap analyses, which rely upon calculations of net discounted future cash flows of interest rate sensitive balance sheet items, are conducted to manage this risk. In addition, simulations on interest income are performed in connection with the forecasted economic indicators that are used in the Bank's budget and stress testing is also used, applying interest rate shocks to the balance sheet to assess and understand interest rate risk. These interest rate shocks (including immediate shocks, linear increasing or decreasing shocks and non-parallel shocks) are applied to each interest rate-sensitive instrument by currency. In order to manage these interest rate risk, the Bank enters into various derivative transactions (such as interest rate swaps), primarily in Turkish Lira, U.S. dollars and Euro.

In order to offer loans to its customers, the Group also obtains liquidity in U.S. dollars, euro or other foreign currencies, which are then converted into Turkish Lira through foreign currency swaps and cross-currency

interest rate swaps. These cross-currency interest rate swaps act as a hedge to the interest rate risk that derives from the Group's loan portfolio.

The Bank's management believes that it maintains adequate measurement, monitoring and control functions for interest rate risk, including:

(a) measurement systems for interest rate risk that capture material sources of interest rate risk and assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities,

(b) measurement of vulnerability to loss under stressful market conditions,

(c) processes and information systems for measuring, monitoring, controlling and reporting interest rate risk exposures in the banking book, and

(d) a documented policy regarding the management of interest rate risk in the banking book.

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

The Bank runs net economic value sensitivity scenarios with changes in interest rates and interest rate margins in order to calculate their impact on net economic value. As of 31 December 2025, the Bank's expected change in net economic value under six BRSA scenarios (in line with Basel Committee IRRBB scenarios), which is defined by the BRSA, was TL 6.5 billion (9.5% of equity), which is well below the 15% limit advised by the Basel Committee (BRSA Regulation on the Measurement and Assessment of IRRBB Using the Standard Approach).

The following table sets forth the Group's repricing gap as of 31 December 2025:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest-Bearing	Total
Assets				*(TL thousands)*			
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and balances with the Central Bank of Türkiye	13,013,711	-	-	-	-	134,623,660	147,637,371
Banks	17,610,436	-	-	-	-	19,799,666	37,410,102
Financial assets at fair value through profit or loss	1,109,310	267,270	553,969	6,043,166	362,161	934,510	9,270,386
Money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	4,485,520	7,626,126	637,735	18,389,255	-	187,113	31,325,749
Loans	77,396,681	57,728,988	166,280,675	130,838,967	7,992,088	1,494,318	438,743,081
Financial assets measured at amortised cost	9,104,727	18,759,399	2,319,552	9,438,937	18,105,067	(11,178)	57,716,504
Other assets	8,068,963	9,448,064	4,377,627	2,672,253	277,257	50,689,444	75,533,608
Total assets	**130,789,348**	**93,829,847**	**174,169,558**	**167,382,578**	**26,736,573**	**204,728,897**	**797,636,801**
Liabilities							
Bank deposits	5,645,109	-	-	-	-	510,321	6,155,430
Other deposits	300,695,718	14,112,353	2,877,186	-	-	185,546,391	503,231,648
Money market funds	52,147,425	7,899,791	-	-	-	-	60,047,216
Miscellaneous payables	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	11,866,401	17,682,563	40,443,289	15,515,764	17,572,592	-	103,080,609
Other liabilities	314,040	206,353	1,191,830	2,230,563	158,904	121,020,208	125,121,898
Total liabilities	**370,668,693**	**39,901,060**	**44,512,305**	**17,746,327**	**17,731,496**	**307,076,920**	**797,636,801**
Balance sheet long position	-	53,928,787	129,657,253	149,636,251	9,005,077	-	342,227,368
Balance sheet short position	(239,879,345)	-	-	-	-	(102,348,023)	(342,227,368)
Off-balance sheet long position	140,241	280,663	1,388,987	143,828	-	-	1,953,719
Off-balance sheet short position	-	-	-	-	-	-	-
Total position	**239,739,104**	**54,209,450**	**131,046,240**	**149,780,079**	**9,005,077**	**- 102,348,023**	**1,953,719**

Foreign Exchange Risk.

Foreign exchange risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Group transacts in all major currencies, holding mainly short-term positions for servicing its domestic and international clients and trading purposes. The Group's foreign exchange risk derives from its open currency position (**OCP**). According to the Bank's strategy, the end-of-day OCP is required to comply with regulatory limits.

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

Turkish banking authorities regulate and monitor the net open position maintained by banks, as discussed in "*Turkish Regulatory Environment*". The Bank's net foreign currency position is closely monitored by the Global Markets Group with respect to limits set by the Bank's Board of Directors.

The following table sets forth the Group's net exposures by currency (including off-balance sheet exposures) as of the indicated dates.

	Euro	U.S. Dollars	Other	Total
		(TL millions)		
As of 31 December 2023	379.44	2,514.28	(39.48)	**2,854.24**
As of 31 December 2024	86.58	(1,973.32)	(283.96)	**(2,170.70)**
As of 31 December 2025	2,212.43	(8,450.33)	(569.52)	**(6,807.43)**

The Group's exposure to foreign exchange risk by category of assets and liabilities as of 31 December 2025, before taking into consideration the effect of hedging, is presented in the following table.

	Euro	U.S. Dollars	Others	Total
Assets		*(TL thousands)*		
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and balances with the Central Bank of Türkiye	32,955,723	20,328,495	12,552,703	65,836,921
Due from banks	4,731,365	16,209,396	14,965,798	35,906,559
Financial assets measured at fair value through profit/loss.....	34,399	1,291,261	-	1,325,660
Money market placements.....	-	-	-	-
Financial assets at fair value through other comprehensive income	74,279	10,509,023	36,245	10,619,547
Loans and receivables	88,894,805	48,563,385	8,022,176	145,480,366
Subsidiaries, associates and entities under common control	-	-	-	-
Financial Assets measured at amortised cost	-	-	-	-
Derivative financial assets hedging purposes.....	-	391,672	-	391,672
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	6,305,358	1,121,484	17,829	7,444,671
Total assets.....	**132,995,929**	**98,414,716**	**35,594,751**	**267,005,396**
Liabilities				
Bank deposits	1,442	-	4,304	5,746
Foreign currency deposits	54,896,757	47,172,014	51,057,840	153,126,611
Money market borrowings	26,311,056	28,557,809	2,355,419	57,224,284
Funds provided from other financial institutions.....	30,730,126	56,641,645	28,831	87,400,602
Securities issued (net)	-	-	-	-
Sundry creditors	-	-	-	-
Derivative financial liabilities hedging purposes	-	44,683	-	44,683
Other liabilities.....	1,813,870	1,299,467	118,603	3,231,940
Total liabilities.....	**113,753,251**	**133,715,618**	**53,564,997**	**301,033,866**
Net balance sheet position	**19,242,678**	**-35,300,902**	**(17,970,246)**	**(34,028,470)**
Off-balance sheet commitments.....	**(17,030,248)**	**26,850,568**	**17,400,723**	**27,221,043**

Value-at-Risk.

The Bank calculates daily VaR, adopting a historical simulation methodology with a 99% confidence interval and a one-day holding period. Overall "Trading Book Risk Tolerance" and VaR limits for each risk factor are determined in order to manage the market risk efficiently and to keep the market risk within the desired limits. The GRM monitors VaR balances daily for compliance with the limits. Periodic stress tests and scenario analyses are used to support the results of the VaR analysis. The limits have been determined by reference to worldwide best practices; they refer not only to specific types of market risk (such as interest rate and foreign exchange risk), but also to the overall market risk of the Bank's trading and available for sale portfolios.

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

	As of and for the year ended 31 December 2023		
	Total VaR	Interest rate VaR	Foreign exchange risk VaR
VaR		*(TL thousands)*	
As of period end	162,629	126,118	9,256
Period Average	63,991	57,316	19,656
Period Maximum	162,629	138,732	72,596
Period Minimum	18,383	15,932	1,186

	As of and for the year ended 31 December 2024		
	Total VaR	Interest rate VaR	Foreign exchange risk VaR
VaR		*(TL thousands)*	
As of period end	139,947	123,188	61,139
Period Average	182,706	160,218	64,890
Period Maximum	483,444	320,601	180,749
Period Minimum	66,629	61,193	3,097

	As of and for the year ended 31 December 2025		
	Total VaR	Interest rate VaR	Foreign exchange risk VaR
VaR		*(TL thousands)*	
As of period end	190,615	177,608	98,010
Period Average	151,851	140,385	49,660
Period Maximum	351,506	332,702	117,98
Period Minimum	66,820	62,801	264

As noted above, the Bank uses a historical simulation methodology, with a 250-day observation period. The Bank also performs back-testing in order to verify the predictive power of its VaR model. Excesses in VaR limits were experienced in May 2024 and the impact of the May 2023 General Elections volatility were still existent in the 250-day observation period. In 2025, VaR figures were quite in line with limits and no excess occured.. Back-testing is used to determine whether a change in the value of the portfolio, as a result of actual changes in risk factors, corresponds to the VaR predicted by the model for the same period of time. Having experienced only two excesses in the past year verifies the predictability power of the model. Two excesses in back testing materialised in March 2025, when local political tensions escalated during the arrest of Istanbul Mayor.

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

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

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

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

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

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

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

Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet net funding requirements when due. Liquidity risk might also occur when open positions cannot be closed quickly at suitable prices. Liquidity risk thus reflects the potential mismatch of payment obligations to incoming payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high payment outflows (withdrawal/call risk). The Bank's policy is to establish an asset structure that is sufficiently liquid to meet all of its liabilities as they fall due.

The ALCO is responsible for forming and overseeing the implementation of the asset and liability management strategy of the Bank. A primary objective of the Group's asset and liability management risk policy is to ensure that sufficient liquidity is available to meet the Group's commitments to its clients in respect of the repayment of deposits and ATM transactions, to satisfy the Group's other liquidity needs and to ensure compliance with the capital adequacy and other applicable Central Bank and BRSA regulations. To that end, the Group's liquidity management process includes projections of cash flows, monitoring balance sheet ratios against internal and regulatory requirements, maintaining a diverse range of funding sources, managing the concentration of risk, managing maturity mismatches and maintaining contingency plans with regard to liquidity and funding.

The ALM&T Group is responsible for managing and implementing the Bank's asset and liability positions on a day-to-day basis and ensuring the availability of funds for all of the Bank's products and services distributed through the Bank's branch network. The Treasury department measures and evaluates on a daily basis the Bank's risk exposure and unfavourable changes in market conditions and regularly monitors the short-term mismatches between assets and liabilities.

The management of liquidity and funding is primarily carried out by the operating companies within the Group in accordance with Group liquidity standards and the limits set by the respective Boards of Directors of the Group companies. It is the general policy of the Group that each operating entity should be self-sufficient in funding its own operations.

The Group's primary funding source is total deposits (customer deposits and due to other banks), which constituted 67.5%, 63.8% and 63.9% of total liabilities as of 31 December 2023, 2024 and 2025, respectively. The Bank's management believes that total deposits provide it with a stable funding base. In addition, the Group obtains pre-financing, loans and other wholesale funding to generate additional sources of liquidity.

As of 31 December 2025, demand deposits constituted 36.5% of the Group's total deposits, with time deposits representing the remainder. As of the same date, Turkish Lira-denominated deposits represented 69.9% of the total. The following table sets forth the deposit breakdown by currencies as of each of the indicated dates:

	As of 31 December		
	2023	**2024**	**2025**
Demand deposits	**37.03%**	**31.54%**	**36.53%**
Turkish Lira-denominated	10.76%	11.58%	12.25%
Foreign currency-denominated	26.28%	19.96%	24.27%
Time deposits	**62.97%**	**68.46%**	**63.47%**
Turkish Lira-denominated	54.37%	62.28%	57.69%
Foreign currency-denominated	8.59%	6.18%	5.79%
Total deposits[(1)]	**100.00%**	**100.00%**	**100.00%**
Turkish Lira-denominated	65.13%	73.87%	69.94%
Foreign currency-denominated	34.87%	26.13%	30.06%

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

The following table sets forth the maturity profile of deposits (combining bank deposits and other deposits) as of each of the indicated dates:

	As of 31 December		
	2023	**2024**	**2025**
		(TL thousands)	
Demand deposits	**105,382,412**	**127,881,847**	**186,056,712**
Turkish Lira-denominated	30,607,954	44,824,859	62,413,971
Foreign currency-denominated	74,774,458	83,056,988	123,642,741
Up to (including) 1 month	**57,340,108**	**175,306,075**	**229,725,126**
Turkish Lira-denominated	46,036,405	165,911,465	217,891,231
Foreign currency-denominated	11,303,703	9,394,610	11,833,895
From (excluding) 1 month to (including) 3 months	**99,363,344**	**86,196,589**	**88,340,410**
Turkish Lira-denominated	86,572,176	72,962,565	70,998,880
Foreign currency-denominated	12,791,168	13,234,024	17,341,530
From (excluding) 3 to (including) 12 months	**17,830,132**	**11,991,460**	**1,786,553**
Turkish Lira-denominated	17,516,119	11,890,808	1,495,529
Foreign currency-denominated	314,013	100,652	291,024
Over 1 year or greater	**4,651,205**	**4,107,635**	**3,478,277**
Turkish Lira-denominated	4,603,723	3,937,758	3,455,739
Foreign currency-denominated	47,482	169,877	22,538
Total deposits	**284,567,201**	**405,483,606**	**509,387,078**
Turkish Lira-denominated	185,336,376	299,527,455	356,255,350
Foreign currency-denominated	99,230,825	105,956,151	153,131,728

Operational Risk

Operational risk is defined as the risk resulting from the inadequacy or failure of internal processes, or from external events, that have led or could lead to a loss, a gain, a near-miss or an opportunity cost. Examples include human error, system failure, inadequate controls and procedures, internal and external fraud and natural disasters.

Operational risk is managed based upon a framework for identifying, measuring, monitoring and managing all risks within the scope of the definition of operational risk. All the activities and processes of the Bank are identified and documented, with activity-based operational risks being identified through "risk control self assessment", which is an annual base self-assessment process. While operational risk loss data (collection of which started in 2007) are accumulated to provide meaningful statistical data, business processes (where improvements are required) are defined based upon the results. A key risk indicators collection and monitoring

process aims to provide metrics that allow the proactive and/or retroactive monitoring of risk trends. The Bank's Operational Risk Committee (which is a management committee responsible for the management of non-financial risks in the Bank, which committee assesses the trend of risk metrics in operational risks and proposes to the Audit Committee and the Board of Directors the appetite that the Bank tolerates while executing its business; this committee is also responsible for considering operational risks and taking relating decisions, including those relating to cyber security, legal, human resources, reputation and outsourcing services) and the GRM define necessary improvement actions.

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

With respect to operational risks relating to money laundering and certain similar risks, please see "*The Group and its Business – Anti-Money Laundering, Combatting the Financing of Terrorism and Anti-Bribery Policies*"

Derivatives

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments, including to minimise certain of the risks described above (for example, foreign currency swaps). A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures and options.

All of these transactions are executed in line with the Bank's approved counterparty limits. PV01 (a measure of sensitivity) limits by currency and maturity breakdown and vega (i.e., sensitivity to volatility, the derivative of the option value with respect to the volatility of the underlying asset) limits are followed and reported on every business day.

The Bank uses netting to mitigate counterparty risk on its derivative transactions. As noted above, the Group uses bilateral or multilateral master agreements that comply with the general provisions of international master agreements such as those published by the International Swaps and Derivatives Association, Inc. (ISDA), which include closeout netting clauses and margining agreements. Additionally, for the most active counterparties in over-the-counter derivatives, credit support annexes have been put in effect so that on the basis of daily valuations, net current exposures are managed through margin accounts where cash collaterals can be reciprocally posted.

Capital Adequacy

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

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

	As of 31 December		
	2023	**2024**	**2025**
Capital:		(*TL thousands*)	
Total Common Equity Tier 1 Capital	35,654,216	45,994,087	61,907,240
Total Additional Tier 1 Capital	440	10,419,049	12,677,772
Total Tier 2 Capital	13,325,703	21,726,779	27,588,657
Total capital	**48,980,359**	**78,139,915**	**102,173,669**
Total risk-weighted amounts	**290,692,299**	**413,218,462**	**541,437,020**
Capital Adequacy Ratios:			
Common equity tier 1 capital adequacy ratio	12.27%	13.65%	13.78%
Total capital adequacy ratio	16.85%	18.91%	18.87%

The Bank maintains regulatory capital ratios (in accordance with BRSA calculations) on both a Bank-only and consolidated basis in excess of the regulatory minimum. The target total capital adequacy ratio determined by the BRSA is 12.0%, which (as noted in the table above) was surpassed by the Group as of each 31 December 2023, 2024 and 2025. The Bank's common equity tier 1 capital adequacy ratio and total capital adequacy ratio were 12.3% and 16.9%, respectively, as of 31 December 2023, 13.7% and 18.9%, respectively, as of 31 December 2024, 13.8% and 18.9%, respectively, as of 31 December 2025. See "*Turkish Regulatory Environment − Capital Adequacy*" for additional information.

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

MANAGEMENT

Overview

Pursuant to the provisions of the Turkish Commercial Code (Law No. 6102), and the articles of association of the Bank, the Board of Directors is responsible for the management of the Bank.

The articles of association provide that the Board of Directors shall consist of a minimum of 12 members, with the General Manager of the Bank (and the Deputy General Manager in his or her absence) serving as a delegated member of the Board of Directors, and all other members being elected by the shareholders of the Bank. Members of the Board of Directors can be elected for no more than three-year fiscal terms and can be re-elected or changed at any time. Meetings of the Board of Directors occur at the Bank's head office or (to the extent a written notice is served to the Bank's Chairman, Vice-Chairman and the members of the Board of Directors) at another location in İstanbul or in another city in Türkiye or abroad. The Chairman or Vice Chairman of the Board of Directors may call a meeting of the Board of Directors and must do so if requested by at least one other director. The required quorum at any Board of Directors meeting is 10 of the members. Resolutions must be passed with the positive votes of at least 10 of the members. In particular, the duties and powers of the Bank's Board of Directors are as follows:

(a) the high-level management of the Bank and the power to give relevant instructions,

(b) determining the management organisation of the Bank,

(c) establishing the necessary organisation for the accounting, financial planning and management and audit of the Bank,

(d) the appointment and dismissal of managers and other managerial level personnel and persons who hold representation and binding signatory powers,

(e) the high-level supervision of whether management staff comply with law, the Bank's articles of association, internal guidelines and instructions of the Board of Directors,

(f) keeping the Bank's share ledger, Board of Directors resolution ledger and General Assembly meeting minutes, issuing the Bank's annual activity report and statement regarding compliance with corporate governance rules and submitting the same to the General Assembly, preparing the General Assembly meetings and implementing General Assembly meeting resolutions, and

(g) notifying the court if the Bank's share capital is negative.

The Bank's senior management includes the Bank's Assistant General Managers and certain other officers, who are described below.

Board of Directors

The following table sets out the members of the Board of Directors, their position and the date of their appointment to the Board. The current term of all members of the Board of Directors is valid until 25 March 2026.

Name	Position	Date first appointed
Dr. Akın Akbaygil	Chairman	1982
François Andre Jesualdo Benaroya	Vice Chairman	2018
Ümit Leblebici	Board Member and General Manager (CEO)	2013
Ayşe Aşardağ	Board Member and Audit Committee Vice Chairman	2010
Patrick Philippe Poupon	Board Member and Audit Committee Chairman	2023
Hans Wilfried J. Broucke	Board Member	2020
Yavuz Canevi	Board Member	1996
Ayşe Meral Çimenbiçer	Board and Audit Committee Member	2022
Jean-Charles Joseph Gabriel Aranda	Board Member	2022
Özden Odabaşı	Board Member	2017
Metin Toğay	Board Member	2022
Didier Albert Nicole Van Hecke	Board and Audit Committee Member	2022

The business address of the members of the Board of Directors is İnkılap Mahallesi Sokullu Caddesi No:7A, Ümraniye 34768, İstanbul, Türkiye. Set forth below are brief biographies of each of the current members of the Board of Directors.

Chairman, Vice Chairman and CEO

Dr. Akın Akbaygil - Chairman of the Board of Directors

Dr. Akın Akbaygil, who served as General Manager (CEO) of the Bank from 1983 to 1988, a member of the Board of Directors of the Bank since 1982 and the Deputy Chairman of the Board of Directors of the Bank from 1988 to 2022, was elected as the Chairman of the Board of Directors of the Bank in March 2022. He also has served as the General Manager (CEO) of TEB Holding since 2011. Before joining the Bank in 1982, he worked in Akbank T.A.Ş. from 1965. He has also served as a member of the board, chairman of the board and/or general manager of various subsidiaries of the Bank and other unaffiliated institutions, including a member of the Banks Association of Türkiye from 1994 to 2002. Dr. Akbaygil is a 1967 graduate of the Faculty of Economics at İstanbul University, where he also earned an MBA and a Ph.D. degree.

François Andre Jesualdo Benaroya - Vice Chairman of the Board of Directors

Mr. François Andre Jesualdo Benaroya was elected as the Vice Chairman of the Board of Directors of the Bank in September 2021. He has served as a Senior Advisor to the CEO and Deputy Chairman of the Board of Directors of BNP PARIBAS since September 2004. Before joining BNP PARIBAS, Mr. Benaroya served at the French Ministry of Finance as a Deputy Head of Department from 1994 to 1997, the French Embassy in Moscow as the Economic Advisor on the Commonwealth of Independent States from 1997 to 1999, the French Ministry of the Economy as a Department Director from 1999 to 2002 and the French Ministry for Foreign Affairs as the Deputy Director of the Cabinet of the Minister for European Affairs from 2002 to 2004. He is a 1992 graduate of École Polytechnique's Engineering Department and received an advance degree from the Institut National de la Statistique et des Études Économiques in 1994. Mr. François Andre Jesualdo Benaroya also has an engineering degree from the École Polytechnique of the French Republic (1989-1992).

Ümit Leblebici - General Manager (CEO) and Member of the Board of Directors

Mr. Ümit Leblebici was elected as the General Manager (CEO) and a member of the Board of Directors of the Bank in September 2013, before which he served as a Director and Assistant General Manager of the ALM and Treasury Group of the Bank since 1999 and Deputy General Manager of the Bank from February to

September 2013. Mr. Leblebici also has served as the Chairman of TEB ARF Teknoloji A.Ş. since July 2020 and a member of the board of directors at Dış Ekonomik İlişkiler Kurulu (Foreign Economic Relations Board) since July 2017. Mr. Leblebici is a 1988 graduate of İstanbul University's Business Administration, from which he also received an MBA degree in 1994.

Other Board Members

Ayşe Aşardağ - Member of the Board of Directors and Vice Chairman of the Audit Committee

Ms. Ayşe Aşardağ was elected as a member of the Board of Directors of the Bank in 2010 and also serves as a member of the board of directors of TEB Faktoring A.Ş., Chairman of the board of directors of TEB SH.A, Deputy Chairman of the board of directors of TEB Yatırım Menkul Değerler A.Ş. and Deputy Chairman of the board of directors at TEB Finansman A.Ş. Ms. Aşardağ has acted as the Budget And Financial Control Coordinator of TEB Holding since 2001. Before starting her career at the Bank in 1995, Ms. Aşardağ worked at Price Waterhouse from 1987 to 1994 after graduating from Boğaziçi University's Department of Business Administration.

Patrick Philippe Poupon - Member of the Board of Directors and Chairman of the Audit Committee

Mr. Patrick Philippe Poupon was appointed as a member of the Bank's board of directors on 12 September 2023. Mr. Poupon has served as a Senior Advisor to the CEO and Chairman of the board of directors of BNP PARIBAS since April 1987. He graduated from Université Paris Dauphine's Economics Department in 1982 and has also obtained an MBA from the Conservatoire National des Arts et Métiers.

Hans Wilfried J. Broucke – Member of the Board of Directors

Mr. Hans Wilfried J. Broucke has served as a member of the Bank's board of directors since 2020, before which he held various roles with BNP PARIBAS Group and Fortis Bank entities from 2003 to 2020, including as country head in Bulgaria and the Czech Republic. From 1987 to 2003, he held various roles with banks in Belgium, the Czech Republic and Ukraine. Mr. Broucke is a 1985 graduate of UFSAL's Economical, Political and Social Sciences Department and also received an MBA from Catholic University of Louvain.

Yavuz Canevi - Member of the Board of Directors

Mr. Yavuz Canevi was elected as a member of the Bank's board of directors in 1996, serving as the Chairman of the board from 1996 to 2022. In Mr. Canevi's career, he has served as a member of the board, chairman of the board and/or executive of various subsidiaries of the Bank and other unaffiliated institutions, including as the General Manager (CEO) of Euroturk Bank from 1989 to 1995, a Governor of the Central Bank from 1984 to 1986 and Deputy Chairman of Borsa İstanbul from 1993 to 2005. Mr. Canevi is a 1960 graduate of Ankara University's Department of Public Finance and Economics, after which he worked in the United States until 1975, and also received a masters degree from the University of Southern California.

Ayşe Meral Çimenbiçer - Member of the Board of Directors and the Audit Committee

Ms. Ayşe Meral Çimenbiçer was elected as a member of the Bank's board of directors in 2022 and has served as a Coordinator at TEB Holding since 2004. She has served as a member of the board of directors in various subsidiaries of the Bank as the Assistant General Manager of the Bank's retail banking and organisation and IT departments. Prior to joining the Bank in 1997, Mr. Çimenbiçer worked at Türkiye İş Bankası A.Ş. from 1978 to 1997 after graduating from Middle East Technical University's Faculty of Business Administration.

Jean-Charles Joseph Gabriel Aranda - Member of the Board of Directors

Mr. Jean-Charles Joseph Gabriel Aranda was appointed as a member of the Bank's board of directors on 28 March 2023. Mr. Aranda has served as CFO, COO, Financial Director, Executive Director and General Inspector at BNP PARIBAS since 2004, before which he worked as a manager at KPMG. He is a 1994 graduate

of Université de Poitiers, where he received a degree in accounting, and then received an MBA from Montesquieu Bordeaux University.

Özden Odabaşı - Member of the Board of Directors

Ms. Özden Odabaşı was elected as a member of the Bank's board of directors in 2017 and also serves as Vice Chairman of the board of directors at TEB Faktoring A.Ş. She has worked for various companies since her graduation from Middle East Technical University's Department of Business Administration in 1980 and also holds a graduate degree from Bogazici University and an MBA from northern Illinois University.

Metin Toğay - Member of the Board of Directors

Mr. Metin Toğay was elected as a member of the Bank's board of directors in 2022 and also serves as a member of the board of directors of two of the Bank's shareholders - BNP Paribas Fortis Yatirimlar Holding A.Ş. and BNP Paribas Yatirimlar Holding A.Ş. Mr. Toğay previously served as a member of the Bank's board of directors from 2005 to 2011 and was a Consultant to the Bank's General Manager (CEO) from 2020 to 2022. He has served as the Chairman or other member of the board of directors of various Group companies, acted as BNP PARIBAS' representative in Türkiye from 1997 to 2020 and, before joining BNP PARIBAS in 1997, worked at other financial institutions. Mr. Togay is a 1980 graduate of Middle East Technical University's Department of Business Administration and obtained an MBA degree from the University of Wisconsin.

Didier Albert Nicole Van Hecke - Member of the Board of Directors and the Audit Committee

Mr. Didier Albert Nicole Van Hecke was elected as a member of the Bank's board of directors in 2022. He has worked within BNP PARIBAS and Fortis Bank group companies since 1999, including acting as the Head of Retail Banking Risk Management at BNP PARIBAS since 2014. He worked in General Bank before Fortis Bank in several positions from 1992 to 1999, including as Head of the Credit Analysis in the Corporate Loans Department from 1996 to 1999. Mr. Van Hecke is a 1989 graduate of Catholic University of Leuven, from which he also earned an MBA.

Senior Executives

Senior executives are responsible for supervising and coordinating the activities of their respective units, monitoring progress with regard to the Bank's business targets and goals, approving expenditures, investments and financing within set limits and contributing to the Bank's management regarding the design of the Bank's strategy, setting targets for the Bank and drawing up an annual budget for their respective divisions.

Senior Executive	**Title and Area of Responsibility**
Gökhan Mendi	Senior Assistant General Manager – Retail and Private Banking
Tolga Güler	Assistant General Manager – Financial Control Group
Osman Durmuş	Group Chief Risk Officer
Melis Coşan Baban	Assistant General Manager – Legal Affairs
Mehmet Ali Cer	Assistant General Manager – Information Technologies
Ali İhsan Arıdaşır	Assistant General Manager – Corporate and SME Credits Group
Hasan Onar	Head of Internal Audit Group - IG Hub Türkiye
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer
Göker Orhan	Assistant General Manager – Fixed Income
Ömer Abidin Yenidoğan	Assistant General Manager – Corporate Banking and Corporate Investment Banking
Tolga Gürdem	Assistant General Manager – ALM and Treasury
Ali Kağan Yaşa	Assistant General Manager – Commercial and SME Banking Group
Çiğdem Ünsal	Assistant General Manager – Human Resources
Orhan Hatipoğlu	Assistant General Manager – Banking Operations and Support Services
Ahu Atay	Assistant General Manager – Retail and Micro SME Credits

The business address of the Bank's Assistant General Managers is İnkılap Mahallesi Sokullu Caddesi No:7A, Ümraniye 34768, İstanbul, Türkiye. Set forth below are brief biographies of each of the Assistant General Managers.

Gökhan Mendi

Mr. Gökhan Mendi was appointed as the Assistant General Manager responsible for Retail and Private Banking upon joining the Bank in 2011, becoming the Senior Assistant General Manager in 2013. Before joining the Bank, he held various roles with other financial institutions and corporations. He has also served as a member of the board of directors of various Group companies and different private sector institutions. Mr. Mendi graduated from İstanbul Technical University with a degree in civil engineering in 1987, thereafter earning an MBA degree from the same university and an executive MBA degree from the London Business School.

Tolga Güler

Mr. Tolga Güler was appointed as the Assistant General Manager responsible for the Financial Affairs Group in 2024. He is a member of the board of directors of Bantaş A.Ş. Mr. Güler served as Credit Monitoring and Administrative Follow Up Group Director from 2019 to 2024. Before returning to the Bank in 2019, he worked at Odeabank from 2012 to 2019 and at the Bank in the Audit Group and Treasury Group from 1997 to 2012. Mr. Güler graduated from İstanbul University's Faculty of Business Administration.

Osman Durmuş

Mr. Osman Durmuş was appointed as the Group Chief Risk Officer in 2025, before which he worked as Assistant General Manager responsible of Retail and Micro SME Credits at the Bank, and at other financial institutions in Türkiye after his 1986 graduation from Marmara University's Press and Media, Journalism and Public Relations Department. He also serves as a member of the board of directors of various Group companies.

Melis Coşan Baban

Ms. Melis Coşan Baban was appointed as an Assistant General Manager and the Head of Legal Affairs in 2008 after having worked at law firms in Türkiye. She is a 1995 graduate of İstanbul University's Law School and received an LLM from Columbia University in 1997.

Mehmet Ali Cer

Mr. Mehmet Ali Cer was appointed as the Assistant General Manager responsible for Information Technologies in 2011, before which he worked for the Bank and Fortis from 2000 and other financial institutions and corporations from 1990 to 2000. He is a 1990 graduate of Hacettepe University with a degree in computer engineering and thereafter obtained a Master's degree from Southern Illinois University.

Ali İhsan Arıdaşır

Mr. Ali İhsan Arıdaşır, who joined the Bank in 1996 after working for three years at another Turkish bank, was appointed as the Assistant General Manager responsible for the Corporate and SME Credits Group in 2018. He is a 1992 graduate of Boğaziçi University's Faculty of Economics.

Hasan Onar

Mr. Hasan Onar was appointed as the Head of the Internal Audit Group in 2024 after having served as Deputy Head of Internal Audit - IT Audits since 2019. Prior to joining the Bank, he worked in Yıldız Holding, Turkcell, HSBC and İstanbul Kültür University in various positions. Mr. Onar graduated from Eastern

Mediterranean University's Department of Industrial Engineering in 2001 and completed a Master's degree in Information Technologies at İstanbul Technical University in 2003.

Birol Deper

Mr. Birol Deper, who joined the Bank in 2006 after five years as a bank auditor with the BRSA, was appointed as the Head of the Compliance Group and Internal Control Group in 2012 and, in 2023, also started serving as the Consumer Relations Coordination Officer. He is a 2000 graduate of Ankara University's Department of Business Administration and thereafter obtained an MBA from Galatasaray University.

Göker Orhan

Mr. Göker Orhan was appointed as the Assistant General Manager responsible for the Global Markets Group in 2024, before which he served as Trading Director in the Bank's Global Markets Group from 2012 to 2024. Prior to joining the Bank, he worked in Dışbank and Fortisbank in various positions. Mr. Orhan graduated from Boğaziçi University's Department of Electrical and Electronics and completed a Master's degree in International Securities, Investment and Banking at the University of Reading in England in 2004.

Ömer Abidin Yenidoğan

Mr. Ömer Abidin Yenidoğan, who joined the Bank in 1997 after working at another financial institution, was appointed as the Assistant General Manager responsible for Corporate Investment Banking in 2014 and added responsibility for the Corporate and Corporate Investment Banking Group in 2022. He is a 1994 graduate of Marmara University's Department of Political Sciences and thereafter earned an MBA from University of Nottingham.

Tolga Gürdem

Mr. Tolga Gürdem was appointed as the Assistant General Manager responsible for the Asset Liability Management and Treasury Group in 2024. He is a member of the boards of directors of TEB Finansman A.Ş. and Bantaş A.Ş. Mr. Gürdem served as Asset Liability Strategies Group Director from 2020 to 2024, before which he worked in the Bank's main branch and in the Treasury Group in various positions since 1992. He graduated from Anadolu University's Department of Business Administration.

Ali Kağan Yaşa

Mr. Ali Kağan Yaşa was appointed as Assistant General Manager of Commercial and SME Banking at TEB A.Ş. in December 2025, after briefly holding the Assistant General Manager position for SME Banking from August 2025 to December 2025. He has been a Board Member of TEB ARVAL Araç Filo Kiralama A.Ş. since May 2021 and concurrently acted as General Manager until August 2025. He was General Manager and Board Member of BNP Paribas Finansal Kiralama A.Ş. from July 2011 to April 2021. He graduated from Boğaziçi University Department of Mechanical Engineering.

Çiğdem Ünsal

Mrs. Çiğdem Ünsal, who was appointed as Deputy General Manager Responsible for Human Resources in 2022, previously served as Deputy General Manager Responsible for Human Resources at Şekerbank. Prior to her work at Şekerbank, she was Human Resources Coordinator at TEB Holding from 2020 to 2021. She served as Human Resources Strategy, Organisational Development and Compensation Management Executive Director in the Bank between 2015 and 2020. Before that, she worked as senior manager of Human Resources Compensation, Performance and Communication in the Bank. Mrs. Ünsal graduated from Middle East Technical University, Faculty of Economics in 1995. Mrs. Ünsal has a Master's degree in Action Research and Transformation from Sabancı University.

Orhan Hatipoğlu

Mr. Orhan Hatipoğlu was appointed as the Assistant General Manager responsible for Banking Operations and Support Services in 2021. He is a member of the boards of directors of TEB Arf Teknoloji A.Ş. and Bantaş A.Ş.. Mr. Hatipoğlu served as Group Director in the Bank's Core Banking, ADC and Payment Systems Operations Management Group from 2020 to 2021, before which he worked in Credit Europe, Akbank and Fibabank in several positions, including Director and Assistant General Manager. He is a 1992 graduate of Bogazici University with a degree in computer engineering.

Ahu Atay

Ms. Ahu Atay has been serving as Assistant General Manager of Retail and Corporate Credits in TEB A.Ş. since December 2025. Ms. Ahu Atay has a Master's degree in Business Administration from Desales University (2009-2010) and a Bachelor's degree in Statistics from Middle East Technical University (1990-1994).

Committees

As of the date of this Information Memorandum, there are various committees established under the Board of Directors of the Bank. Some information on each such committee, as well as the ALCO (which is not a committee of the Board of Directors) is set out below:

Audit Committee. Pursuant to Article 24 of the Banking Law, the Audit Committee (which consists of four non-executive Board Members) was established to monitor, on behalf of the Board of Directors, the effectiveness, functioning and adequacy of the Bank's internal controls and procedures and accounting and reporting systems, in accordance with applicable laws. The meetings of the Audit Committee are held at least five times in a year. The objectives of the Audit Committee are: (a) to establish an organisational structure concerning the Group's internal systems in accordance with the Banking Law and to enable the continuity of this structure, (b) to monitor the operation and efficiency of the Group's internal systems, (c) subject to applicable law, to facilitate harmonisation of the Group's risk, internal audit, and internal control organisation with BNP PARIBAS' model, and (d) evaluation of the entity's activities in terms of organisation and governance environment, existence and adequacy of procedural frameworks, effectiveness of control environment and compliance of activities with internal and external regulations.

The Audit Committee reports to the Board the results of its activities at least five times in a year, including recommendations for measures to be taken and practices to be introduced as well as other matters that it deems necessary for the safe performance of the Group's activities.

Board Executive Committee. The Board Executive Committee closely monitors and follows the operating performance of TEB and the TEB Group in each case on behalf, and pursuant to the instructions, of the Board of Directors of TEB.

Credit Committee. The Credit Committee evaluates and makes decisions on credit decisions in accordance with the Bank's rules and limits.

Risk Committee. The Risk Committee supervises and evaluates the Bank's risk policies and their implementation.

Selection and Compensation Committee. The Selection and Compensation Committee prepares the Bank's remuneration policy, determines and supervises their implementation (including with respect to salaries, bonuses, awards and benefits, including incentive payments) and sets the organisation structure, job descriptions, appointment, promotion, salary and bonuses of the Bank's Assistant General Managers and above titles.

Compliance Committee. The Compliance Committee supervises the Bank's compliance policies (including their alignment with requirements of law), including their implementation throughout the Bank.

Corporate Governance Committee. The Corporate Governance Committee monitors the Bank's adherence to its corporate governance policies and makes recommendations to the Board with respect to revisions thereof.

Data Sharing Committee. The Data Sharing Committee defines the Bank's policies for the sharing of the Bank's confidential information (including relating to customers) with third parties and assesses the appropriateness of requests for such information.

Financial Statements Committee. The primary role of the Financial Statements Committee is to monitor the preparation of the Bank's financial and accounting information, including the preparation of financial statements. This committee informs the Audit Committee and the full Board of Directors on such matters. The Bank's management regularly informs the Financial Statements Committee about decisions taken by the Bank's management, including the reasoning behind these decisions and the assessments that were made in forming such judgments, and this committee is then responsible for expressing its views on such topics and making recommendations in order to ensure the accuracy and integrity of the financial information to be published.

Asset and Liability Management Committee (**ALCO**). The ALCO has as its objective to structure the Bank's balance sheet in light of its liquidity risk, interest rate risk, maturity risk and foreign exchange risk, while also ensuring that the Bank has adequate capital and is using its capital to maximise its return. The asset and liability management policies devised by the ALCO are implemented by the ALM and Treasury Group. The ALCO meets weekly to review the Bank's balance sheet, its investment securities and inflation rates, its liquidity position and the macroeconomic environment, including domestic and international political and economic events. Technical issues, such as the Bank's current risk exposure arising from positions in respect of loans and other credits, deposits in terms of interest rate exposure, maturity risk, foreign exchange risk, exchange rate risk and capital adequacy are discussed in a sub-committee of the ALCO called the Market and Liquidity Risk Committee, which meets monthly; *however*, any decision is taken by the full ALCO.

Corporate Governance

The Bank's corporate governance practices meet the mandatory requirements imposed by the laws of Türkiye, the BRSA, the CMB and other applicable authorities, as well as the articles of association of the Bank. The Bank's corporate governance practices: (a) are based upon best international practices and form a framework that seeks to ensure consistency and efficiency in the Board's practices and the governance of the Bank and the Group and (b) seek to ensure strategic direction, management supervision and adequate control of the Bank with the ultimate goal of increasing the long-term value of the Bank and protecting the general corporate interest.

A Corporate Governance Committee has been established for the purpose of establishing and implementing the Bank's corporate governance policies. This committee devises appropriate corporate governance procedures to be implemented by the Bank in order to ensure compliance with corporate governance principles announced by the CMB and BRSA. The Corporate Governance Committee meets on an *ad hoc* basis when requested by the committee's chairman.

For information on the Group's risk management, see "*Risk Management – Risk Management Governance*".

Compensation

Members of the Board of Directors do not receive any compensation for acting as directors; *however*, certain directors are employees of the Bank and/or BNP PARIBAS Group and receive compensation for such employment.

Loans extended to Board members and managers are limited under Article 50 of the Banking Law. No loans are granted to Board members and managers above these limits. No members of the Board of Directors or any of the Bank's executive officers have any options in respect of the Bank's share capital.

The amount of remuneration and benefits provided to the Bank's senior executives in 2024 and 2025 was TL 461.9 million and TL 632.4 million, respectively.

Conflicts of Interests

There are no actual or potential conflicts of interest between the duties of any of the members of the Board of Directors or Senior Executives and their respective private interests or other duties.

Auditors

BRSA and CMB regulations require the Bank to undergo an external audit on a quarterly basis. Under the BRSA regulations, the external audit firms and external auditors must fulfil certain requirements to be qualified as "independent." A bank may retain the independent audit services of the same external audit firm for a maximum of seven consecutive financial years. The same individual auditors are not permitted to carry out audit services for the same bank for more than seven consecutive financial years. 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 limited review by independent audit firms.

EY was appointed as the Group's independent auditor for 2024 and 2025, in each case in the Bank's ordinary General Assembly Meeting in each of such years. The BRSA Financial Statements of the Group have been audited by EY as stated in its independent auditor's reports therein.

Internal Controls

Pursuant to the Banking Law, banks must establish internal control, risk management and internal audit systems, including adequate number of supervisors, which must be in compliance with the scope and structure of their activities, covering all their branches and undertakings subject to consolidation in order to monitor and control the risks that they encounter.

SHARE CAPITAL AND OWNERSHIP

The authorised share capital of the Bank is TL 2,204,390,000, represented by an equivalent number of registered ordinary shares, with a par value of TL 1.00 each. The total shareholder's equity of the Group as of 31 December 2025 amounted to TL 64.2 billion (see "*Capitalisation of the Group*"). The Bank's articles of association require that the Bank's shares are issued against cash payment and are registered.

Ownership

The following table sets forth certain information with respect to the Bank's principal shareholders as of 31 December 2025.

Name of owner	Number of shares	Percent of outstanding share capital
TEB Holding[(1)]	1,212,414,500.00	55.00%
BNP Paribas Yatirimlar Holding A.Ş.[(2)]	518,342,498.52	23.51%
BNP Paribas Fortis Yatirimlar Holding A.Ş. (BNPP FY Holding)[(2)]	467,879,148.84	21.23%
BNP PARIBAS[(2)]	5,253,352.00	0.24%
Kocaeli Ticaret Odası	500,500.64	0.02%
Total	**2,204,390,000.00**	**100.00%**

(1) 50/50 joint venture between BNPP FY Holding and members of the Çolakoğlu Group.
(2) BNP Paribas Group companies.

As noted previously, the Bank is a subsidiary of BNP PARIBAS, which directly or indirectly owns and controls 72.48% of the Bank's shares and consolidates the Bank into its consolidated financial statements.

BNP PARIBAS

With its integrated and diversified model, BNP PARIBAS is a leader in banking and financial services in Europe. The BNP PARIBAS Group leverages on strong customer franchises and business lines with strong positions in Europe and favourable positions internationally, which are strategically aligned to better serve customers and long-term partners.

The BNP PARIBAS Group operates in 64 countries and has almost 178,000 employees, including nearly 144,000 in Europe. BNP PARIBAS' activities are diversified and integrated within a distinctive model combining Commercial & Personal Banking activities in Europe and abroad, Specialised Businesses (consumer credit, mobility and leasing services, and new digital businesses), insurance, Private Banking and asset management, and banking for large corporates and institutions. BNP PARIBAS' organisation is based upon three operating divisions: Corporate & Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment & Protection Services (IPS).

Çolakoğlu Group

The "*Çolakoğlu Group*" consists of Çolakoğlu Metalurji A.Ş., Denak Depoculuk ve Nakliyecilik A.Ş., Galata Yatırım Holding A.Ş., members of the Çolakoğlu family and affiliated entities.

RELATED PARTY TRANSACTIONS

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

The Bank is controlled by BNP PARIBAS and the Çolakoğlu family through their 50/50 ownership of TEB Holdings. Set forth below is a summary of the Bank's material transactions and arrangements with the BNP PARIBAS Group, the Çolakoğlu Group and its other related parties.

Turkish banking regulations limit exposure to related companies, and the Group's exposure to the BNP PARIBAS Group, the Çolakoğlu Group and other related parties is within the limit permitted by such regulations. See "*Turkish Regulatory Environment – Lending Limits*".

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

The following table sets forth the Group's outstanding cash and non-cash loans and other receivables with related parties and the related interest and commission income earned therefrom, in each case, for the indicated date or applicable period.

	Direct and Indirect Shareholders of the Bank and Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		**Other Entities included in the Risk Group**	
	Cash	**Non-Cash**	**Cash**	**Non-Cash**
Loans and Other Receivables		*(TL thousands)*		
Balance				
31 December 2025.....	2,190,590	6,013,940	1,083,102	1,303,398
31 December 2024.....	1,131,304	3,472,218	876,108	1,645,151
31 December 2023.....	413,103	1,607,862	1,028,497	206,285
Interest and commission income				
2025.....	6,297	1,493	123,427	2,358
2024.....	16,970	2,707	213,684	4,005
2023.....	42,811	1,588	143,534	1,306

The following table sets forth information on the Group's deposits provided by related parties and the related interest paid thereon, in each case, for the indicated date or applicable period.

	Direct and Indirect Shareholders of the Bank and Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	Other Entities included in the Risk Group
Deposits	*(TL thousands)*	
Amount		
31 December 2025.....	8,031,617	4,064,473
31 December 2024.....	11,341,392	5,549,810
31 December 2023.....	5,872,042	2,519,918
Interest expense		
2025.....	3,073,744	1,878,290
2024.....	1,937,885	1,119,233
2023.....	718,703	198,928

The following table sets forth information on the Group's derivative transactions with related parties, including the related income or loss, in each case, for the indicated date or applicable period.

	Direct and Indirect Shareholders of the Bank and Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Other Entities included in the Risk Group	
	Financial Assets at Fair Value Through Profit or Loss	Hedging Transactions Purposes	Financial Assets at Fair Value Through Profit or Loss	Hedging Transactions Purposes
Derivatives		*(TL thousands)*		
Balance				
31 December 2025.....	165,072,837	64,017,486	10,237,305	-
31 December 2024.....	89,182,720	51,557,376	4,865,240	-
31 December 2023.....	93,842,978	21,460,631	4,740,236	-
Total income/loss				
2025.....	(42,994)	960,796	(293,095)	-
2024.....	(38,522)	(450,301)	(112,663)	-
2023.....	267,296	116,046	(14,052)	-

"Direct shareholders" are the shareholders listed in "*Share Capital and Ownership*". "Indirect shareholders" are BNP PARIBAS, Çolakoğlu family members, Denak Depoculuk ve Nakliyecilik A.Ş., Çolakoğlu Metalurji A.Ş., Galata Yatırım Holding A.Ş. "Others" are all other Çolakoğlu Group companies and BNP PARIBAS Group companies.

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 Bank PJSC acquired Sberbank's stake in Denizbank A.Ş. (**Denizbank**), a mid-sized bank in Türkiye, in 2019.

As of 31 December 2025, 67 banks (including domestic and foreign-owned 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-six of these were deposit-taking banks and the remainder were development banks and investment banks. Among the deposit-taking banks, four banks were state-controlled banks and, of the rest, nine were domestic banks, 21 were foreign-owned banks and one was under the administration of the SDIF. Among the development and investment banks, three were state-controlled and, of the rest, 15 were domestic banks and three were foreign-owned banks.

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.

Deposit-taking Turkish banks' total balance sheets have grown at a compound annual growth rate (**CAGR**) of 34.0% from 31 December 2015 to 31 December 2025, driven (including as a result of inflation and the depreciation of the Turkish Lira) by loan book expansion and customer deposits growth, which increased by a CAGR of 31.1% and 35.6%, respectively, during such period, in each case according to data from the BRSA. Despite strong growth of net loans and customer deposits, the Turkish banking sector remains relatively under-penetrated compared to the eurozone. Loans/GDP and customer deposits/GDP ratios of the Turkish banking sector were 37% and 43%, respectively, as of 31 December 2025 according to BRSA and Turkstat data, whereas 19 countries in the eurozone's banking sector had average loan and customer deposit penetration ratios of 129% and 136%, respectively, as of 30 September 2025 based upon data from the ECB.

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				
	2021	**2022**	**2023**	**2024**	**2025**
	(*TL millions, except percentages*)				
Balance sheet					
Total Loans	4,401,544	6,822,471	10,469,935	14,585,903	20,965,800
Total assets	7,880,575	12,337,664	20,166,457	28,125,384	39,727,578
Customer deposits	4,760,170	8,025,101	13,607,416	17,507,681	24,671,567
Shareholders' equity	610,363	1,227,326	1,854,220	2,414,578	3,408,103
Income statement					
Net interest income	244,622	699,117	624,642	819,191	1,476,297
Net fees and commission income	50,964	102,188	258,676	566,088	851,012
Total income	336,382	982,796	1,329,744	1,646,544	2,607,764
Net Profit	77,608	381,896	526,353	506,935	726,321
Key ratios					
Loans-to-customer deposits ratio	89.7%	83.7%	77.2%	81.8%	82.8%
Net interest margin[(1)]	2.9%	7.8%	4.6%	3.8%	4.0%
Return on average shareholders' equity[(2)]	13.7%	41.6%	34.2%	23.8%	24.9%
Capital adequacy ratio	18.0%	19.2%	18.6%	19.2%	19.0%

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 10 deposit-taking banks accounting for 94.3% of total assets of deposit-taking banks as of 31 December 2025 according to data from the BRSA. Among the top 10 Turkish banks, there are three large 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 45.5% of deposit-taking Turkish banks' performing loans and 48.0% of total deposits as of such date according to the BRSA. The top four non-government-owned banks as of such date were Türkiye İş Bankası A.Ş., Türkiye Garanti Bankaşı A.Ş., Yapı ve Kredi Bankası A.Ş. and Akbank T.A.Ş., which in total accounted for 37.5% of deposit-taking Turkish banks' performing loans and 37.0% of total 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 Bank A.Ş., Denizbank and the Bank, which were controlled by Qatar National Bank, Emirates NBD Bank PJSC and TEB Holding, 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, has been established in order to ensure the 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 damage 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 for banks. 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. Furthermore, effective 1 January 2020, the Central Bank was designated as the payment and e-money services regulator in Türkiye, replacing the BRSA, in accordance with the Law on Payment Systems and Securities Settlement Systems, Payment Systems and Electronic Money Institutions No. 6493.

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 obliged 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 and the Regulation on the Determination of Risk Groups and Credit Limits published in the Official Gazette dated 21 December 2023 and No. 32406 (the **Regulation on the Determination of Risk Groups and Credit Limits**) set 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); *however*, pursuant to Article 77 of the Banking Law, investment and development banks are not subject to such lending limits. 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 and the Regulation on the Determination of Risk Groups and Credit Limits restrict 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 capital and 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 capital and equity capital, subject to the BRSA's discretion to increase such lending limits up to 25% or to lower it to the legal limit. In addition, customers who are under the control of or economically dependent upon central management, central banks or governmental institutions that are subject to the same risk weight as receivables from central managements in accordance with the Capital Adequacy Regulation are not required to be considered in the same risk group merely because of such relationship; *provided* that there is no other relationship between those customers requiring them to be considered in the same risk group. Furthermore, on an exceptional basis and if the bank determines: (i) with regard to the risk group of individuals, partnerships and banks, the existence of special circumstances or protective corporate governance practices in relation to persons who are required to be in the same risk group, and (ii) with regard to persons who are required to be in the same risk group because of their economic dependence but that one party will not be affected by the default or financial difficulties of the other party by finding new sources of funds or business partners, such persons are not required to be in the same risk group.

(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 BRSA.

Pursuant to the Regulation on the Determination of Risk Groups and Credit Limits, the BRSA has determined that the following transactions are exempt from the above-mentioned lending limits:

(a) receivables from central administrations, 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 by central governments or protected with securities issued; *provided* that the conditions specified in the Communiqué on Credit Risk Reduction Techniques are met,

(b) intraday receivables arising from the transactions of banks with other banks, including foreign banks,

(c) receivables arising from clearing and settlement transactions with central counterparties performing qualified transactions within the scope of the Capital Adequacy Regulation, and

(d) amounts deducted from equity capital.

In addition, avals, guarantees and sureties from real or legal persons included in the same risk group as a borrower are not taken into account in the calculation of the credit limits of such risk group.

In addition to the transactions stated in the preceding paragraph, the following transactions also are not to be taken into account in the calculation of the credit limits extended to the risk group to which the applicable bank belongs:

(a) shareholding interests in consolidated banks and financial institutions,

(b) commitments given by a bank in Türkiye with the effect of unlimited guarantee given to the competent authorities of foreign countries (in accordance with the relevant country's law) to guarantee the obligations of entities that consolidated into such bank engaged in banking activities in foreign countries, and

(c) shares acquired free of charge as a result of capital increases and value increases of the applicable company's shares; *provided* that such do not require any outflow of funds.

Mandatory Credit Ratings for Large Borrowers

Pursuant to BRSA requirements introduced in February 2020 and most recently amended by BRSA Decision No. 11199 dated 17 April 2025, Turkish companies with total bank debt equal to or exceeding TL 750,000,000 must obtain and maintain credit ratings from authorised credit rating agencies in order to borrow from local banks. The BRSA requires these credit ratings to be updated on an annual basis (and upon the occurrence of certain material events), and a summary report in respect of the borrower must be prepared by the authorised credit rating agency. The amount of the loan requested by the Turkish borrower is included in the calculation of its aggregate exposure to the Turkish banking sector for purposes of this threshold.

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 TFRS 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 Information Memorandum):

(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. In addition, the Regulation on Loan Transactions of Banks published in the Official Gazette dated 21 December 2023 and effective as of 1 January 2024 (the **Regulation on Loan Transactions**) (which repealed the Regulation on Loan Transactions of Banks published in the Official Gazette dated 1 November 2006) provides that banks whose gross non-performing loans are equal to or exceed 0.5% of the total non-performing loans in the Turkish banking sector, calculated as per the data of the previous year, are required to implement a resolution mechanism and operational plans regarding restructured loans and non-performing loans and send such strategies and plans to the BRSA each year by the end of March.

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.

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. 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., CET1 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 CET1 Ratios are 4.5% and (ii) both unconsolidated and consolidated minimum tier 1 capital adequacy ratios are 6.0%.

The BRSA published several 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 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. On 24 December 2021, the Equity Regulation was amended to provide that the general reserve for possible loan losses be counted as supplementary capital (i.e., Tier 2 Capital) of the applicable bank; *however*, the portion of the general reserves exceeding 1.25% of the risk-weighted total of the possible loan losses cannot be included in the supplementary capital (i.e., Tier 2 Capital). If, during a fiscal period, free provisions recorded during previous fiscal periods are reversed, then the net profit for such later period is increased by the amount of such reversals, which thus increases shareholders' equity. On 27 June 2024, in announcing that it is implementing the "Basel III: Finalising Post Crisis Reforms" published by the Basel Committee, the BRSA published the: (i) Draft Communiqué on the Calculation of the Amounts Subject to Operational Risk, (ii) Draft Regulation on the Measurement and Evaluation of the Interest Rate Risk Originated from Banking Accounts in Accordance with the Standard Approach and (iii) Draft Guide on Management of the Interest Rate Risk Originated from Banking Accounts. The Regulation on the Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts with the Standard Approach was published in the Official Gazette dated 12 May 2025 numbered 32898, and entered into force on 1 October 2025. This regulation aims at regulating the procedures and principles for measuring and evaluating interest rate risk arising from banking book positions, both on- and off-balance sheet, using a standardised approach. According to the regulation, the standard ratio of interest rate risk arising from banking accounts will be calculated by dividing the "economic value change risk" amount by the common equity tier 1 capital. Such standard ratio of interest rate risk arising from consolidated or non-consolidated banking accounts shall not exceed 15%. In the calculation of "economic value change risk", future cash flows arising from all interest-sensitive positions, i.e., assets, liabilities, and off-balance sheet items, (except for assets deducted from common equity tier 1 capital, tangible assets, intangible assets and equity investments) will be taken into account. The "economic value change risk" is calculated in each reporting period by simulating six (6) interest rate shock scenarios for currencies/commodities with a more than 5% share in the total interest-sensitive assets or liabilities of the relevant bank. Interest-sensitive positions are classified as fully standardised (for example fixed-rate and floating-rate instruments with known re-pricing dates), not compatible with standardisation (for example demand deposits, time deposits that may be withdrawn early, and prepayable fixed-rate loans) and least standardised (i.e., positions with behavioural optionality or where risk profiles cannot be reliably modelled). Banks must report the standard ratio (both solo and consolidated) to the BRSA in each capital adequacy period. Violation of the threshold set out in the Regulation for the standard ratio (on a consolidated or unconsolidated basis) trigger deductions from equity of the relevant bank in capital adequacy calculations, if it occurs in two (2) consecutive periods, or occurs three (3) times in twelve (12) months. This

regulation repealed the Regulation on the Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts Using the Standard Shock Method, published in the Official Gazette dated 23 August 2011 and numbered 28034. The application of the Regulation on a consolidated basis will commence on 1 April 2026.

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, but then cancelled on 19 September 2024, 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 determination 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 (in Turkish: *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), auto loans for passenger cars, auto-secured loans, financial leasing transactions with consumers 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%. 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 retail 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.

Pursuant to BRSA Board Decision No. 10953 dated 15 August 2024, the Asian Infrastructure Investment Bank (AIIB) has been added to the list of multilateral development banks whose receivables may be subject to a 0% risk weight in capital adequacy calculations in accordance with Annex-1 paragraph 22 of the Capital Adequacy Regulation. 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 clause (iii) 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 (as per a decision dated 12 December 2023, the BRSA established that the negative net valuation differences related to securities held as of 1 January 2024 in the portfolio of financial assets at fair value through other comprehensive income may be disregarded in capital adequacy ratio calculations; whereas 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) and, as for the application of clause (i), 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; which was then amended again on 12 December 2023 to provide that banks may use the Central Bank's foreign exchange buying rates as of 26 June 2023 in such calculations starting as of 1 January 2024, which was then amended again on 19 December 2024 with the BRSA Board Decision No. 11038 to provide that banks may use the Central Bank's foreign exchange buying rates as of 28 June 2024 in such calculations starting as of 1 January 2025). This application was repealed on 13 November 2025 with the BRSA resolution numbered 11286 resolving that as of 1 January 2026, the forbearance measure allowing banks to use the Central Bank's foreign exchange buying rate as of 28 June 2024 when calculating risk-weighted amounts for credit risk exposures (for both monetary and non-monetary assets valued under Turkish Accounting Standards, except for items in foreign currency measured at historical cost) and related special provision amounts is terminated, and the existing provisions of the Regulation on the Measurement and Assessment of Banks' Capital Adequacy will apply; furthermore, the forbearance measure allowing banks to disregard negative net valuation differences for securities held in the 'Financial Assets at Fair Value Through Other Comprehensive Income' portfolio that were acquired before 1 January 2024 in equity calculations for capital adequacy ratios is also terminated, and the existing provisions of the Regulation on Banks' Equity will apply.

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.

On 23 June and 7 July 2022, the BRSA also increased the risk weights applicable to: (a) 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 (b) 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. The decision dated 7 July 2022 was subsequently revoked by the BRSA on 6 February 2025 with the decision numbered 11145.

On 31 July 2023, the BRSA increased the risk weightings for: (a) credit card exposures (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 were not applicable to customers located in the cities affected by such earthquakes until 1 January 2024. On 24 August 2023, but then cancelled on 19 September 2024, 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 determination 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 numbered 10630, which set 150% risk weight for exposures (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 numbered 10655, 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 (for example, 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 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.

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 Information Memorandum, the Bank is not classified as a 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 No. 6143 dated 26 December 2014 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 Capital 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 Capital 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 Capital 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)(ğ) 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.

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.

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 CET1 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 CET1 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. For further information, see "*Additional Tier 1 Capital Rules*".

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 Information Memorandum) results in a 100% 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. On 27 June 2024, and in line with the above, the BRSA announced that it is implementing the "Basel III: Finalising Post Crisis Reforms" published by the Basel Committee and published certain draft regulations for this purpose.

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.

Distributable Items and Restrictions on Dividend Distribution

Under the Turkish Commercial Code, joint stock companies may distribute dividends from their net profits or non-mandatory reserves. Distributable items are calculated after deducting all expenses, depreciation and similar payments, legally required reserves, taxes, and prior year losses, and are determined by reference to the lesser of the amounts derived from the company's statutory financial statements and its IFRS-compliant financial statements.

Pursuant to Article 6 of the Regulation on Capital Maintenance and Cyclical Capital Buffer, the amount of dividends that may be distributed by banks is calculated as the product of: (i) "distributable dividends" and (ii) the "maximum ratio of dividend distribution" under Article 5 of the Regulation. BRSA Decision No. 6602 dated 18 December 2015 (Article 19) defines "distributable dividends" as the sum of the bank's net profit for the relevant period under TFRS after deducting all statutory and contractual obligations, plus profit carried forward from prior periods.

Article 5 of the Regulation on Capital Maintenance and Cyclical Capital Buffer sets out a tiered table for determining the maximum ratio of dividend distribution (commonly referred to as the "Maximum Distributable Amount" or "MDA" mechanism). The maximum distribution ratio depends on the bank's additional core capital ratio relative to its additional core capital requirement: (a) where the additional core capital divided by the additional core capital requirement is less than 25%, the maximum distribution is 0%; (b) where this ratio is between 25% and 50%, the maximum distribution is 20%; (c) where this ratio is between 50% and 75%, the maximum distribution is 40%; and (d) where this ratio is between 75% and 100%, the maximum distribution is 60%.

Pursuant to Article 17 of BRSA Decision No. 6602 dated 18 December 2015, banks must obtain BRSA approval prior to making any dividend distribution. For this purpose, "dividend distribution" includes: (i) dividend payments to shareholders and share buybacks, (ii) payments on Additional Tier 1 instruments where the bank has the right to elect not to make such payments, and (iii) all discretionary payments to employees that fall within the scope of Turkish Financial Reporting Standard 2 (Share-Based Payment).

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 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.

As of the date of this Information Memorandum, the Central Bank permits Turkish banks to maintain 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 also 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 2.0% 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 13.5% 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.

On 15 January 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements so that (starting with the maintenance period starting on 3 February 2023), the reserve requirement rate for Turkish Lira deposit accounts and participation accounts held by certain customers with maturities longer than three months was 0%. 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 24 May 2024, the Central Bank amended such reserve requirement rates (effective retroactively to 10 May 2024) as follows: (a) the mandatory reserve requirement rate for on demand deposits, notice deposit, deposits with a maturity of up to (and including) three months was increased to 12% from 8% and (b) the mandatory reserve requirement rate for deposits and participation accounts with a maturity longer than three months was increased to 8% from 0%.

On 14 September 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 1 September 2023) to oblige banks to hold mandatory reserves at the rate of 25% for the foreign exchange protected Turkish Lira-denominated deposit accounts with an original maturity up to (and including) six months and 5% for those with a longer maturity; *however*, on 2 November 2023, the Central Bank further amended the Communiqué Regarding Reserve Requirements (effective as of 27 October 2023) and increased such rates by 500 basis points. On 30 January 2024, the Central Bank decreased back to 25% the mandatory

reserve rate for foreign exchange protected Turkish Lira-denominated deposit accounts with an original maturity up to (and including) six months. On 24 May 2024, the Central Bank further amended such rule (effective retroactively to 10 May 2024) as follows: (a) the mandatory reserve requirement rate for the foreign exchange protected Turkish Lira-denominated deposit accounts with an original maturity up to (and including) six months was increased to 33% from 25% and (b) the mandatory reserve requirement rate for foreign exchange protected Turkish Lira-denominated deposit accounts with an original maturity over six months was increased to 22% from 10%.

On 20 August 2023, the Central Bank again amended the Communiqué Regarding Reserve Requirements (effective as of 18 August 2023) to increase reserve requirement ratios for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) on demand or with a maturity up to (and including) one month from 25% to 29%, and on 2 November 2023 (effective as of 27 October 2023) increased again from 29% to 30%. In addition to such funds, on 2 November 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 27 October 2023) to increase reserve requirement ratios also for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) with a maturity of: (a) more than one month up to (but excluding) one year from 25% to 26% and (b) one year or greater from 19% to 20% and also introduced an additional reserve requirement of 4% (to be deposited in Turkish Lira) for all foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) regardless of their maturities, which was then increased to 8% by an amendment to the Communiqué Regarding Reserve Requirements on 30 January 2024. On 7 March 2024, the Central Bank again amended the Communiqué Regarding Reserve Requirements so that, if the growth rate for certain categories of cash loans (i.e., general purpose loans, vehicle loans and certain types of commercial loans) extended by a bank or financing company for any four-week calculation period (beginning with the first such period ending 29 March 2024 through the four-week calculation period) ending 2 January 2026 (extended to 31 December 2026 with the amendment to the communiqué) (which was amended to be an eight-week period as of 16 August 2025) exceeds 2% (which itself was amended on 20 July 2024 to 1.5% with respect to foreign currency loans) (which itself was amended on 4 January 2025 to 1% and subsequently decreased to 0.5% on 1 March 2025) (each category of loans being considered separately) when compared to the amount of such category of cash loans as of the end of the previous four-week calculation period, then such bank or financing company is required to maintain additional blocked Turkish Lira reserves in an amount equal to such excess (on 23 May 2024, the Central Bank announced that, if a bank's monthly foreign currency loan growth exceeds such threshold, then it will be required to set aside a mandatory reserve equal to the Turkish Lira-equivalent of the excess amount, with such excessing to be blocked for one year).

On 9 May 2024, the Central Bank further amended the Communiqué Regarding Reserve Requirements to exempt from these rules banks and financial institutions that do not meet a threshold based upon the proportion of loans to the size of the balance sheet as determined from time to time by the Central Bank.

On 24 May 2024, the Central Bank updated the mandatory reserve ratios and increased certain reserve ratios for Turkish lira liabilities. For deposits/participation funds (excluding foreign banks' deposits/participation funds), the rate for demand deposits, notice deposits and those with maturities up to and including 3 months was increased from 8% to 12%, while the rate for maturities up to and including 6 months was increased from 0% to 8%, the rate for maturities up to 1 year was increased from 0% to 8%, and the rate for maturities of 1 year and longer was increased from 0% to 8%. For accounts with Central Bank exchange rate/price protection support, the rate for maturities up to and including 6 months was increased from 25% to 33%, and the rate for maturities up to 1 year and longer than 1 year was increased from 10% to 22%.

On 28 June 2024, the Central Bank removed application of different rates based on leverage ratio. On 21 September 2024, the Central Bank amended the Communiqué Regarding Reserve Requirements and further increased certain reserve ratios for Turkish lira liabilities. For deposits/participation funds (excluding foreign banks' deposits/participation funds), the rate for demand deposits, notice deposits and those with maturities up to and including 3 months was increased from 12% to 15%, the rate for maturities up to and including 6 months was increased from 8% to 10%, the rate for maturities up to 1 year was increased from 8% to 10%, and the rate for maturities of 1 year and longer was increased from 8% to 10%.

On 22 November 2024, the Central Bank further amended the Communiqué Regarding Reserve Requirements to revise the reserve requirement ratios for Turkish Lira-denominated deposits and participation funds (excluding those obtained from banks abroad) by increasing the rate for demand deposits, notice deposits and those with maturities up to and including 3 months from 15% to 17% and to reduce the reserve requirement rate applicable to foreign exchange-denominated deposits/participation funds (excluding foreign banks' deposits/participation funds and precious metal deposit accounts) held as Turkish Lira required reserves from 5% to 4%.

On 21 December 2024, the Central Bank amended the Communiqué Regarding Reserve Requirements to exclude deposits and participation funds obtained from banks abroad from the reserve requirement ratios applicable to foreign currency liabilities and increased the minimum length for funds obtained from abroad in foreign currency other than deposits to be exempt from mandatory reserve allocation requirements from 6 months to one year until 19 December 2025.

On 4 January 2025, the Central Bank extended the loan growth-linked reserve requirement practice from 3 January 2025 to 2 January 2026 and provided that, subject to certain conditions determined by the Central Bank, a portion of the excess loan amount may be excluded from reserve requirement calculation for the following period, and that reductions may be applied to the mandatory reserve amounts required to be maintained under such rules.

On 20 January 2025, the Central Bank disallowed the opening and renewal of 6-month and 12-month term accounts in foreign currency protected and gold-converted currency-protected deposit and participation accounts (KKM/DDM), effective as of 20 January 2025.

On 4 February 2025, the Central Bank amended the Communiqué Regarding Reserve Requirements to introduce a new reserve requirement rate of 12% applicable to banks' other liabilities with maturities up to and including 1 year, specifically for foreign banks' deposits/participation funds, funds obtained from overseas repo transactions, and loans obtained from abroad. The Central Bank also amended the methodology for deducting credits extended by foreign branches to non-resident borrowers (excluding banks and other institutions authorised to extend credit) from the total of balance sheet items subject to reserve requirements, providing that such deduction will be made starting from the shortest-maturity other liabilities with the lowest reserve requirement ratio, rather than simply from the shortest-maturity other liabilities.

On 15 February 2025, the Central Bank disallowed the opening and renewal of foreign currency protected and gold-converted currency-protected deposit and participation accounts for legal entities, effective as of 15 February 2025, and narrowed the scope of the relevant conversion/support schemes to Turkish resident real persons (thereby excluding legal persons from further participation).

On 1 March 2025, the Central Bank amended the Communiqué on Required Reserves (No. 2013/15) to lower the credit growth threshold triggering Turkish lira required reserve blocking from 1% to 0.5%.

On 3 May 2025, the Central Bank amended the Communiqué on Required Reserves (No. 2013/15) by repealing the calculation required for funds obtained through repo transactions.

On 21 June 2025, the Central Bank amended the Communiqué on Required Reserves (No. 2013/15) to (i) introduce the possibility of a different calculation method for certain non-deposit required reserve liabilities, (ii) increase the required reserve ratio for FX-protected TL accounts with maturities up to six months from 33% to 40%, and (iii) reduce the additional required reserve ratio for certain foreign currency deposit/participation funds from 4% to 2.5%.

On 16 August 2025, the growth rate thresholds were revised for eight-week periods as follows: 4% for consumer loans and vehicle loans, 5% for SME commercial loans, 3% for other commercial loans, and 1% for foreign currency loans.

On 2 December 2025, the Central Bank: (a) amended Article 4 of the Communiqué Regarding Reserve Requirements to expand the scope of entities subject to reserve requirements (effective as of 21 November 2025), (b) revised the reserve requirement ratios for foreign currency-denominated liabilities (effective as of 2 January 2026), and (c) extended the loan growth-linked reserve requirement practice from 2 January 2026 to 31 December 2026.

On 24 January 2026, the Central Bank further amended the Communiqué Regarding Reserve Requirements to revise the reserve requirement ratios for Turkish lira-denominated liabilities by increasing the ratios applicable to banks' short-term foreign liabilities, raising (1) the ratio for foreign repo funding and external borrowings with maturities of up to one month (inclusive) from 18% to 20%, (2) the ratio for foreign repo funding and external borrowings with maturities of up to three months (inclusive) from 14% to 16%, and (3) the ratio for other foreign liabilities with maturities of up to one year (inclusive), including foreign bank deposits/participation funds, foreign repo funding, external borrowings and net liabilities to head offices, from 12% to 14%.

On 31 January 2026, the eight-week growth limit for foreign currency loans was further reduced to 0.5%, and an eight-week growth limit of 2% was introduced for overdraft account limits allocated to consumers.

On 31 January 2026, the Central Bank added temporary Article 17 to the Communiqué Regarding Reserve Requirements, introducing a reserve requirement linked to overdraft credit account limit growth for consumer credit accounts, whereby banks are required to maintain Turkish Lira blocked reserves for limit growth exceeding 2% per eight-week calculation period from 27 March 2026 through 31 December 2026, subject to certain exemptions and reductions as determined by the Central Bank.

Pursuant to the Regulation on the Maintenance of Securities, effective from 24 June 2022 to 9 May 2024, 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 the Regulation on the Maintenance of Securities, each Turkish bank was required to hold an amount of such securities equal to 1% (decreased from 4% to 1% pursuant to an amendment effective as of 29 March 2024) 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 actions 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:

> (a) 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,

(b) 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 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 10% *minus* the amount already held as of 30 December 2022 as required by clause (a), and

(c) if a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 27 January 2023 to 23 February 2024 compared to the previous calculation period was higher than 2.5% for commercial loans, 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 rate (the rate was reduced to 2% as of 29 March 2024).

Additionally, the 20 August 2022 amendment provides that, for Turkish Lira-denominated commercial loans extended from 20 August 2022 to and including 30 December 2022, a Turkish bank is required (based upon a calculation to be made on the last Friday of every month) to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to: (i) 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 (and including) 1.8 times higher than the Central Bank-released annual compound reference rate and (ii) 90% of the amount of such loans for which their annual compound interest rate is more than 1.8 times higher than such Central Bank rate.

The Regulation on the Maintenance of Securities was repealed as of 9 May 2024 and, as such, is only applicable to BRSA financial statements as of and for the year ended 31 December 2023.

With respect to commercial loans extended from (and including) 31 December 2022 to (and including) 29 December 2023, banks are required (based upon a calculation to be made on the last Friday of every month) 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% (depending upon the characteristics of the loan) 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 26 August 2023 to 29 December 2023 depending upon their annual compound interest rate.

Also 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%.

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 as of 25 July 2023 to 2.5% for Turkish Lira-denominated commercial cash loans (excluding export, investment, agricultural and tradesmen loans), 2.0% for vehicle loans and 2.5% for other Turkish Lira-denominated cash loans excluding consumer loans and then further reduced on 6 March 2024 to

2.0% for Turkish Lira-denominated commercial cash loans (excluding export, investment, agricultural and tradesmen loans) and 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 is 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 is 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 is less than 10% per monthly calculation period, (b) the renewal rate of foreign exchange protected accounts is less than 95% and/or (c) the share of Turkish Lira deposits/participation accounts (as calculated only for real persons) is 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) is less than the share calculated on 18 August 2023. In addition, the Central Bank announced that, from 27 October 2023, each Turkish bank is required 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. Effective from 16 March 2024, the Central Bank required each Turkish bank (except banks whose deposit/participation fund size is below an amount determined by the Central Bank from time to time) to pay a fee per four weekly calculation period if: (i) the renewal rate of foreign exchange protected accounts is less than 95% after 16 February 2024 and/or (ii) the increased share of Turkish Lira deposits/participation accounts (as calculated only for real persons) is less than various amounts between 0.4% and 1.2% below the share of to the previous calculation period and the increased share of Turkish Lira deposits/participation accounts (as calculated only for legal entities) is less than the share calculated for the previous period, which fee will be paid to the Central Bank after each calculation period with respect to renewal rate and/or Turkish Lira share of deposits/participation accounts and may be an amount up to 12% of the reserves required to be held by such bank with respect to its foreign exchange deposits. On 6 April 2024, the Central Bank reduced the securities maintenance ratio applicable to relevant liabilities from 4% to 1% and terminated the securities maintenance requirement based on credit growth; subsequently, on 9 May 2024, the securities maintenance regulation was abolished entirely.

In the second quarter of 2024, the Central Bank revised the remuneration rate for Turkish Lira-denominated required reserves as follows: (a) if a bank's renewal and conversion rate to Turkish Lira is at least 75% (later reduced to 70% and 60% via announcements dated 22 November 2024 and 20 December 2024, respectively), then the Central Bank will pay interest on such reserves for foreign exchange protected accounts at a rate equal to 40% of the Central Bank's then-existing policy rate, and (b) the Central Bank will pay interest on Turkish Lira required reserves deposited for up to three months at a rate equal to 80% of the Central Bank's then-existing policy rate.

With its announcement on 23 May 2024 (effective as of 24 May 2024), the Central Bank increased required reserve ratios for short-term Turkish Lira deposits from 8% to 12%, for long-term Turkish Lira deposits from 0% to 8%, for short-term foreign exchange-protected deposits from 25% to 33%, and for long-term foreign exchange-protected deposits from 10% to 22%; additionally, a monthly 2% growth limit was introduced for foreign currency loans, with excess amounts to be maintained as blocked Turkish Lira reserves for one year.

On 29 August 2024, the Central Bank raised the monthly increase target for banks with real person Turkish Lira deposit shares between 45% and 50% to 0.8 percentage points and removed the monthly increase target for banks exceeding 60%, replacing it with a requirement to maintain that level; the interest rate ceiling on Turkish Lira required reserves was raised to 84% of the policy rate, and the blocked reserve ratio was increased by 5 percentage points and legal entity foreign currency protected accounts were included in the total target calculation related to the transition and renewal of foreign currency protected accounts into Turkish Lira.

On 21 September 2024, the Central Bank increased required reserve ratios for short-term Turkish Lira deposits from 12% to 15% and for long-term Turkish Lira deposits from 8% to 10%, while reducing the Turkish Lira reserve ratio for foreign currency deposits from 8% to 5%; the Turkish Lira conversion rate condition for interest payments on Turkish Lira reserves was removed, and the maximum commission rate based on Turkish Lira conversion rate was raised from 5% to 8%.

On 22 November 2024, the Central Bank increased required reserve ratios for short-term Turkish Lira deposits from 15% to 17%, reduced the Turkish Lira reserve ratio for foreign currency deposits from 5% to 4%, eliminated the legal entity Turkish Lira deposit share target, and reduced the total target for foreign exchange-protected deposit conversion and renewal from 75% to 70%.

On 20 December 2024, the Central Bank further reduced the total target for foreign exchange-protected deposit conversion and renewal from 70% to 60%, lowered the minimum interest rate for foreign exchange-protected deposits from 70% to 50% of the policy rate, and eliminated interest or compensation payments on required reserves for newly opened and renewed foreign exchange-protected accounts.

On 4 January 2025, the Central Bank reduced the monthly growth limit for foreign currency commercial loans from 1.5% to 1% and differentiated Turkish Lira commercial loan growth limits by setting SME loans at 2.5% and other commercial loans at 1.5%, while exempting Turkish Lira loans to SMEs provided through KOSGEB support or international development finance institutions for sustainability purposes.

On 4 February 2025, the Central Bank increased the required reserve ratio for Turkish Lira liabilities up to one year (including funds from foreign repo transactions, loans from abroad, and foreign bank deposits/participation funds) from 8% to 12%.

On 1 March 2025, the Central Bank reduced the monthly growth limit for foreign currency loans from 1% to 0.5% and narrowed the scope of loans exempt from the foreign currency loan growth limit.

On 3 May 2025, the Central Bank increased required reserve ratios for foreign currency deposits by 200 basis points across all maturities, increased the ratio for funds from domestic foreign currency repo transactions up to one year by 400 basis points, introduced a 0.3 percentage point monthly increase target for banks with legal entity Turkish Lira deposit shares below 60%, raised the interest or compensation payment rate on Turkish Lira required reserves from 84% to 86% of the Central Bank's weighted average funding cost, increased the minimum sale ratio of export proceeds to the Central Bank to 35% through 31 July 2025, and raised the foreign exchange conversion support rate to 3% through 31 July 2025.

On 24 May 2025, the Central Bank differentiated required reserve ratios for Turkish Lira foreign repo funds and loans from abroad by maturity, setting 18% for up to one month and 14% for up to three months (previously 12% for up to one year).

On 21 June 2025, the Central Bank increased Turkish Lira deposit share targets for banks below 60% and introduced a 0.4 percentage point monthly increase target for banks between 60% and 65%, raised the required reserve ratio for foreign exchange-protected deposits from 33% to 40%, reduced the minimum interest rate for foreign exchange-protected deposits from 50% to 40% of the policy rate, eliminated the foreign exchange-protected deposit conversion target while maintaining the combined conversion and renewal target, permitted variable-rate Turkish Lira deposit accounts for maturities exceeding one month, and set the required reserve ratio for CPI, PPI, and TLREF-indexed deposits at 10% across all maturities; the Turkish Lira reserve ratio for foreign currency deposits was reduced from 4% to 2.5%.

On 23 August 2025, the Central Bank terminated the opening and renewal of foreign exchange-protected deposit accounts (excluding YUVAM accounts) and with this announcement the Central Bank announced that it removed the overall target for the conversion and renewal of foreign-currency protected accounts into Turkish lira, while reviewing the reserve requirement interest and commission regulations within this framework.

On 2 December 2025, the Central Bank did not extend the temporary zero percent required reserve application for increases in foreign currency liabilities with maturities exceeding one year obtained directly from abroad, and adjusted foreign currency required reserve ratios as follows: for foreign currency deposits/participation funds, the ratio was reduced from 32% to 30% for demand and up to one month maturities, while longer maturities were standardized at 26% (previously 22%-28%); for precious metal deposit accounts, the ratio was increased from 28% to 30% for demand and up to one month maturities, while longer maturities were standardized at 26% (previously 24%-28%); for other foreign currency liabilities, ratios were reduced for maturities exceeding one year (from 16% to 10% for up to two years, from 11% to 8% for up to three years, from 7% to 3% for up to five years, and from 5% to 0% for over five years).

On 24 January 2026, the Central Bank abolished the support scheme that allows Turkish resident legal entities with documented foreign currency liabilities (such as import payments or FX loan repayments) to convert their foreign currency into protected Turkish lira (TRY) deposit or participation accounts by abolishing the Communiqué on Support to Be Provided for Foreign Currency or Turkish Lira Deposit and Participation Accounts of Legal Entities with Foreign Currency Liabilities and also increased required reserve ratios for Turkish Lira foreign repo funds and loans from abroad by 2 percentage points to 20% for up to one month, 16% for up to three months, and 14% for up to one year; the ratio for foreign bank deposits/participation funds and liabilities to foreign head offices up to one year was also increased to 14%.

On 31 January 2026, the Central Bank reduced the eight-week growth limit for foreign currency loans from 1% to 0.5% and introduced a 2% eight-week growth limit for overdraft account limits allocated to consumers.

Foreign Exchange Requirements

According to the Regulation on Foreign Exchange Net Position/Capital Base issued by the BRSA and published in the Official Gazette No. 26333 dated 1 November 2006 (and amendments thereto effective as of 9 March 2023), for both the bank-only and consolidated financial statements, the weekly arithmetic mean of the ratio of a bank's foreign exchange net position to its capital base should not exceed (+/-) 10%, which calculation is required to be made on a weekly basis for unconsolidated and monthly basis for consolidated financial statements. 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 (including its foreign branches), its foreign exchange-indexed assets and its subscribed forward foreign exchange purchases; and 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. In addition, a bank must include any general and special provisions it has set aside pursuant to the Classification of Loans and Provisions Regulation for the calculation of the standard ratio of its foreign exchange net position to its capital base. If such ratio exceeds (+/-) 10%, 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 this ratio up to six times per calendar year.

Under the amendments to the Foreign Exchange Positions Regulation dated 3 May 2025, companies with either a total cash loan balance exceeding TL 250 million or annual net sales revenue or asset size over TL 1.5 billion are required to report their foreign currency positions to the Central Bank on quarterly basis.

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. Audit committees are required to consist of a minimum of two members, both of whom must be appointed from among the members of the board of directors who do not have executive duties. 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 limited review by independent audit firms.

Pursuant to the ICAAP Regulation, banks are obliged 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 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 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. As of 1 January 2026, an amount of up to TL 1,200,000 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 premia 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: (a) in the event of the occurrence of an event described in clause (a), (b), (c), (d) or (h) of the preceding paragraph, to:

(i) strengthen its financial structure, increase its liquidity and/or increase its capital adequacy,

(ii) dispose of its fixed assets and long-term assets within a reasonable time determined by the BRSA,

(iii) decrease its operational and management costs,

(iv) postpone its payments under any name whatsoever, excluding the regular payments to be made to its employees, and/or

(v) limit or prohibit extension of any cash or non-cash loans to certain third persons, legal entities, risk groups or sectors, and

(b) in the event of the occurrence of an event described in clause (e), (f) or (g) of the preceding paragraph, to:

(i) 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

(ii) 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 banks and Turkish banks issuing securities in Türkiyie must also follow CMB's accounting principles and procedures as well.

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 to the extent applicable, 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 financial 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 2027 (as most recently extended by a communiqué dated 10 December 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.

See "*Presentation of Financial and Other Information*" with respect to accounting requirements resulting from the recent high inflationary environment.

Pursuant to BRSA Board Decision No. 10825 dated 11 January 2024, banks and financial institutions were originally required to adopt inflation accounting from 1 January 2025. However, pursuant to BRSA Board Decision No. 11021 dated 5 December 2024, the application of inflation accounting by banks was suspended for the 2025 financial year. Subsequently, BRSA Board Decision No. 11340 dated 18 December 2025 formally revoked the original Decision No. 10825, and banks are not required to apply inflation accounting.

The Regulation on the Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts Using the Standard Approach was published in Official Gazette No. 32898 dated 12 May 2025 and entered into force on 1 October 2025. This regulation introduces Basel III standardised approach requirements for measuring and managing interest rate risk in the banking book (IRRBB), requiring banks to calculate an IRRBB standard ratio using prescribed interest rate shocks and supervisory parameters. Banks must use risk-free yield curves based on overnight index swap (OIS) rates, including TLREF for Turkish Lira, SOFR for US dollars, and €STR for euros. The regulation prescribes specific interest rate shocks for economic value calculations: for Turkish Lira positions, parallel shocks of 400 basis points, short-term shocks of 500 basis points, and long-term shocks of 300 basis points.

Calculation of the Green Asset Ratio of Banks

The Regulation on Banks' Green Asset Ratio Calculation entered into force upon publication in April 2025, with mandatory reporting to the BRSA commencing on 30 June 2025. A supplementary guide named Guide on Management of Climate-Related Financial Risks was published in March 2025, which came into effect as of 1 July 2025. The Green Asset Ratio is calculated as the ratio of "compliant assets" (*uyumlu varlıklar*) to total assets within the scope of the green asset ratio calculation. Compliant assets are those financing economic activities that: (a) significantly contribute to one or more environmental objectives, (b) do not significantly harm other environmental objectives, and (c) meet minimum social safeguard standards. The environmental objectives include: climate change mitigation, climate change adaptation, 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. Initially, only the climate change mitigation objective is considered in determining compliant assets, though the BRSA is authorised to expand the scope to other environmental objectives. The BRSA is authorised to set minimum thresholds and targets for the green asset ratio, differentiate these by individual bank, and impose measures including additional capital requirements on banks that fail to meet established thresholds and targets.

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. A decision of the POA dated 25 December 2025 allowed companies having started reporting in 2024 for an additional year. The Bank started reporting in accordance with TSRS in 2025 for the 2024 financial year and anticipates continuing fulfilling this reporting requirement for 2025 financial year within 2026 as well.

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.

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. Pursuant to the Credit Cards Law and Regulation on Credit Cards, banks must establish minimum payment requirements for credit cards. As of 26 September 2024, pursuant to BRSA Board Decision No. 10970, a tiered minimum payment structure has been introduced: for credit cards with credit limits of TL 50,000 or less, the minimum payment requirement is 20% of the period debt; for credit cards with credit limits exceeding TL 50,000, 40% of the period debt. As of 29 January 2026, pursuant to BRSA Board Decision No. 11367, the BRSA decided that credit card limits must now be determined solely based on cardholders' verified monthly or annual average income. The decision mandates immediate limit reductions for high-limit cardholders: those with total limits between TL 400,000 and TL 750,000 will have their limits reduced by 50% of the lowest available limit recorded between January 2025 and the decision date, while those with limits exceeding TL 750,000 will face an 80% reduction. These reductions must be completed by 15 February 2026. Cardholders whose post-reduction limits fall to TL 400,000 or below may request increases up to that threshold without income verification after 15 February 2026. All card issuers must bring existing credit card limits into compliance with the new income-based framework by 1 January 2027, and they are required to report the income figures used for limit allocations to the Banks Association of Türkiye Risk Center on the same day. Furthermore, pursuant to BRSA Board Decision No. 11365 dated 29 January 2026, new limits have been imposed on overdraft accounts (*kredili mevduat hesabı - KMH*) for individual customers. For KMH account openings and increases to existing KMH limits, the maximum KMH limit that may be granted is capped at twice the customer's average monthly income as determined by banks based on verifiable documentation. KMH limits granted to individual customers for education payment purposes pursuant to agreements between banks and educational institutions are exempted from this limitation. Additionally, effective from 1 April 2026, for capital adequacy ratio calculations, banks must apply a minimum 10% credit conversion factor to the unused portion of KMH limits granted to individual customers, regardless of which approach is used for credit risk exposure calculation. The BRSA is authorised to increase this conversion factor up to three times (i.e., to 30%) if necessary.

Loan Transactions

On 31 December 2013, the BRSA adopted rules on LTV 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 LTV 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 LTV 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 LTV 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 LTV requirements for housing loans utilised for new and existing homes, again with respect to a house's sales value and energy efficiencies. Pursuant to BRSA Board Decision No. 11364 dated 29 January 2026, the LTV ratios for housing loans and housing-collateralised consumer loans (excluding vehicle loans) have been restructured based on property value thresholds and energy efficiency classifications. The maximum LTV ratios are: for property value of TL 5,000,000 or less, 90% for Energy Class A-B, 80% for Energy Class C, and 70% for other classes; for property value exceeding TL 5,000,000 to TL 7,000,000 or less, 80% for Energy Class A-B, 70% for Energy Class C, and 60% for other classes; for property value exceeding TL 7,000,000 to TL 10,000,000 or less, 70% for Energy Class A-B, 60% for Energy Class C, and 50% for other classes; for property value exceeding TL 10,000,000 to TL 20,000,000 or less, 50% for Energy Class A-B, 40% for Energy Class C, and 30% for other classes; for property value exceeding TL 20,000,000, 40% for Energy Class A-B, 30% for Energy Class C, and 20% for other classes. Energy efficiency classifications are determined according to the Energy Performance Certificate issued pursuant to Energy Efficiency Law No. 5627 dated 18 April 2007

and its implementing regulations. The provisions of BRSA Board Decision No. 10656 dated 24 August 2023 regarding the ratio of maximum loan amount to the value of the collateralised property continue to apply based on the ratios set forth in this Decision. In addition, the Regulation on Loan Transactions provides that the maximum loan collateral ratios for housing loans and other loans secured by a mortgage extended to consumers will be determined by the BRSA from time to time with the opinion of the Turkish Presidency (*Strateji ve Bütçe Başkanlığı*) and the Turkish Treasury, as is also the case for auto loans extended to consumers, loans secured by autos and autos leased under financial lease transactions. On 24 August 2023, but then cancelled on 19 September 2024, 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 determination 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.

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. Pursuant to BRSA Board Decision No. 11152 dated 13 February 2025, the current tiered consumer loan maturity limits are as follows: for loans of TL 125,000 or less, maximum maturity of 36 months; for loans exceeding TL 125,000 but not exceeding TL 250,000, maximum maturity of 24 months; for loans exceeding TL 250,000, maximum maturity of 12 months. These maturity limits also apply to loan restructurings within the scope of this Decision.

Pursuant to BRSA Board Decision No. 11158 dated 6 March 2025, special provisions apply to loans for electric motor vehicles produced by taxpayers within the scope of Temporary Article 12 of Corporate Tax Law No. 5520. For electric motor vehicles qualifying under this Decision, the LTV ratios are: TL 2,500,000 or less, maximum LTV of 70%; exceeding TL 2,500,000 but not exceeding TL 5,000,000, maximum LTV of 50%; exceeding TL 5,000,000 but not exceeding TL 6,500,000, maximum LTV of 30%; exceeding TL 6,500,000 but not exceeding TL 7,500,000, maximum LTV of 20%; exceeding TL 7,500,000, 0% (no financing available). The maturity limits are: TL 2,500,000 or less, maximum maturity of 48 months; exceeding TL 2,500,000 but not exceeding TL 5,000,000, maximum maturity of 36 months; exceeding TL 5,000,000 but not exceeding TL 6,500,000, maximum maturity of 24 months; exceeding TL 6,500,000 but not exceeding TL 7,500,000, maximum maturity of 12 months. For loan restructurings, the maturity limits applicable at the original loan disbursement date apply.

The BRSA adopted the following decisions in its meeting of 10 July 2025 numbered 11240: (i) individual credit cards with outstanding balances partially or fully unpaid by the due date or those already restructured can be restructured again for a maximum of forty-eight (48) months if requested by the cardholders within three (3) months from the decision date; (ii) the monthly instalment amount of the restructuring will be added to the minimum payment amount of the respective month; (iii) until fifty percent (50%) of the restructured credit card debt is paid, the credit limit of the cards allocated to the cardholder by the respective bank will not be increased, (iv) if the restructuring amount exceeds the credit card limit, the portion exceeding the limit will not be considered as a limit exceedance; and consumer loans (including overdraft accounts) disbursed before 10 July 2025 and with principal and/or interest payments overdue or already restructured can be restructured again for a maximum of forty-eight (48) months if requested by the borrower within 3 months from 10 July 2025, without granting additional credit. In relation to the foregoing, when restructuring credit card debts under Decision No. 11240, the monthly contractual interest rate applied cannot exceed the monthly reference rate announced by the Central Bank. This reference rate is calculated and announced by the Central Bank in accordance with the procedures and principles outlined in the Communiqué on Commercial Customer Fees (See "*Caps on Fees, Commissions and POS Commission Rates*"). For these transactions, the maximum monthly default interest rate that can be applied is the highest default interest rate determined under Article 5 of the aforementioned Communiqué.

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 1 January 2024 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 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. Pursuant to an amendment to the Communiqué on Commercial Customer Fees on 22 December 2023, the monthly reference rate determined by the Central Bank cannot exceed 3.11%. 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. Pursuant to amendments effective as of 1 July 2024, prepayment fees for fixed-rate loans are calculated using Central Bank-determined formulae based on interest rates and remaining maturity, whilst variable-rate loan prepayment fees are capped at 2% of the prepaid amount. Different caps apply to loans disbursed before 1 March 2021 and between 1 March 2021 and 30 June 2024. Furthermore, pursuant to amendments to the Communiqué on Commercial Customer Fees published on 18 September 2025, the maximum credit allocation fee was reduced to 0.20% of the allocated credit limit, the maximum credit underwriting fee for revolving credits is applied at 1.10% annually over the average credit utilisation balance, the maximum merchant fee for bank card purchases of goods and services where the transaction amount is transferred to the merchant for free use on the next day cannot exceed 1.04%, and for transactions where the transaction amount is not transferred to the merchant for free use on the next day, the period for such transfer is capped at 40 days from the day following the transaction date for credit card transactions and 15 days for bank card transactions. Pursuant to amendments published on 31 January 2026, the caps on credit underwriting fees apply only to Turkish lira cash loans, whilst credit underwriting fees for other cash loans may be freely determined effective as of 1 February 2026.

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).

Caps on Credit Card Interest Rates

The Communiqué on Maximum Interest Rates in Credit Card Transactions (*Kredi Kartı İşlemlerinde Uygulanacak Azami Faiz Oranları Hakkında Tebliğ*) published in the Official Gazette dated 31 October 2020 and numbered 31290 (the **Communiqué on Maximum Interest Rates in Credit Card Transactions**), sets out the Central Bank's methodology of determination of interest caps applicable to the cash withdrawal and cash utilisation transactions from credit cards (and overdraft accounts) (including corporate credit cards). After the changes made to the Communiqué on Commercial Customer Fees on 23 June 2023, the monthly caps are expected to be published by the Central Bank on each day the Central Bank publishes the reference rate on its official website and are applicable as of the first day of the next month. The reference rate is expected to be published on the 5th last business day of any given month; however, if the monetary policy committee of the Central Bank meets on a date in any month after the 5th last business day of such month, the reference rate is to be published with the most recent data on the date of such meeting and the reference rate calculated as at the date of such publication is to be updated if it deviates more than 5% compared to the most recently published reference rate.

The Central Bank made an amendment to the Communiqué on Maximum Interest Rates in Credit Card Transactions on 27 September 2024, introducing a tiered system for determining the monthly cap on credit card interest rates for Turkish Lira transactions (excluding cash withdrawal or usage transactions and corporate credit card transactions) based on the amount of current debt, with different basis points added to the monthly reference rate published in accordance with the Communiqué on Commercial Customer Fees for debts under TL 25,000, between TL 25,000 and TL 150,000, and over TL 150,000. Corporate credit card transactions in Turkish lira (excluding cash withdrawal or usage transactions) and cash withdrawal or cash utilisation transactions in Turkish lira via credit cards are subject to separate caps determined by adding specified basis points to the monthly reference rate. The maximum monthly contractual interest rate for credit card transactions in foreign currency is determined by rounding to two decimal places 70% of the maximum monthly contractual interest rate applied to cash withdrawal or cash utilisation transactions in Turkish lira via credit cards. The applicable basis points have been reduced through subsequent amendments dated 25 July 2025, 18 September 2025, and 13 December 2025. As of 1 January 2026, the monthly cap on credit card interest rates for Turkish Lira transactions (excluding cash withdrawal or usage transactions and corporate credit card transactions) is determined by adding: (i) 14 basis points for debts under TL 30,000; (ii) 64 basis points for debts between TL 30,000 and TL 180,000; and (iii) 114 basis points for debts over TL 180,000, to the monthly reference rate. The rates applicable to corporate credit card transactions in Turkish lira (excluding cash withdrawal or usage transactions) and cash withdrawal or cash utilisation transactions in Turkish lira via credit cards are each determined by adding 114 basis points to the monthly reference rate.

Foreign Currency Restrictions

F/X Loan Restriction. Decree 32 and the Capital Movements Circular of the Central Bank 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 financial 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. Additionally, effective 16 January 2025, legal entities holding an 'A' or 'B' class certificate under the Industrial Competence Evaluation and Support Program (EYDEP) qualify for the Activity Exemption and are permitted to utilise foreign currency loans domestically and internationally. In the case of Corporate Borrowers, the Activity Exemption must relate to an activity performed in the last three financial 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 "*Subscription and Sale – 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.

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).

Derivatives

As clarified by the amendments to the Communiqué (No. 32/34) Regarding Decree No. 32 dated 28 March 2025, the purchase and sale of securities, other capital market instruments, and all types of derivative instruments — including futures and options contracts — traded in foreign markets must be conducted through Turkish banks and brokerage firms authorised by the Capital Markets Board (CMB), provided that the transfer of funds is carried out through Turkish banks. However, where no promotional, advertising, or marketing activities are directed at 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 Turkish banks or brokerage firms. Nevertheless, the transfer of funds relating to such transactions must still be carried out through Turkish banks.

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.

On 24 December 2025, the President has extended the application period for the Regulation on Restructuring of Debts in the Financial Sector until 28 December 2027.

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 of the Turkish Treasury to the credit guarantee institutions. Such amount was increased to TL 25 billion on 18 January 2017 and then increased to TL 100 billion on 5 July 2022. 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 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 and the limit of allocated amount by the Turkish Treasury was increased to TL 100 billion. Additional increases have been implemented that are tailored to specific sectors. Pursuant to an amendment to such Decree that was published in the Official Gazette dated 17 December 2024, banks that are shareholders of credit guarantee institutions were added among the eligible lenders.

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.

TAXATION

Prospective purchasers of the Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of the Notes, including, but not limited to, the consequences of receipt of payments under the Notes and the disposal or redemption.

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 Information Memorandum, 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 commercial 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 commercial 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 400,000 (for the income derived in 2026) 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 2030) of the Turkish Income Tax Law, as amended by laws numbered 6111, 6655, 7256, 7491 and 7566, 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 realized 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 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 "minimum corporate income tax" shall not be less than an amount of tax to be calculated at a flat rate of 10% based upon pre-exemption and pre-deduction net corporate income. As part of the OECD Pillar Two initiative, Türkiye has implemented global and domestic corporate top-up tax rules, effective for income earned in 2024 and subsequent financial years, requiring corporations that exceed prescribed thresholds to pay a top-up tax if their effective tax rate falls below 15%. 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 bilateral tax treaty is in effect between Türkiye and the jurisdiction of which the holder of the notes is a resident for the purpose of such treaty (in some cases, for example, pursuant to the treaties Türkiye has with the UK and the United States, the term "beneficial owner" is used) and such treaty provides for the application of a lower withholding tax rate than the local rate to be applied by the issuer corporation, then such lower rate may be applicable. For the application of withholding at such a reduced rate, an original copy of the certificate of residence signed by the competent authority (if any) referred to in the treaty is required, together with a certified apostilled copy as translated and certified by a notary or the Turkish embassy in the relevant jurisdiction, to verify that the investor is subject to taxation over its worldwide income in the relevant jurisdiction on the basis of resident taxpayer status, as a resident of such jurisdiction to the related tax office directly or through the banks and intermediary institutions prior to the application of withholding tax. 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 to the beneficial owner pursuant to the provisions of the relevant 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 Disclosure

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as 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 Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes—Further Issues*") 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 may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 12 March 2026, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. 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 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. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Programme Agreement prior to the closing of the issue of a Tranche of Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the issue date of such Tranche. In this situation, the issuance of the Notes may 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.

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. 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 and related legislation, the Capital Markets Law and related regulations. In addition, Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye in accordance with the CMB Approval. Under the CMB Approval, the CMB has authorised the offering, sale and issue of any Notes within the scope of such CMB Approval on the condition that no transaction that qualifies as a sale or offering of Notes (or beneficial interests therein) by way of public offering or private placement in Türkiye may be engaged in.

Notwithstanding the foregoing, pursuant to the BRSA Decision No. 3665 dated 6 May 2010, the BRSA Decision No. 3875 dated 30 September 2010 and in accordance with Decree 32, residents of Türkiye: (a) in the secondary markets only, may 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) in both the primary and secondary markets, may 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 the CMB regulations and the purchase price is transferred through such licensed banks. As such, Turkish residents should use such licensed banks or licensed brokerage institutions while purchasing the Notes (or beneficial interests therein) and transfer the purchase price through such licensed banks.

An issuance certificate (*ihraç belgesi*) and/or a tranche issuance approval (*tertip ihraç onayı*) in respect of each Tranche of Notes shall be prepared by, and the CMB approval thereof shall be obtained by, the Issuer prior to the issue date of each such Tranche of Notes. The Issuer shall maintain the authorisation and approval of the CMB as necessary for the offer, sale and issue of Notes under the Programme. In particular, in order to issue any further Tranche of Notes after 10 March 2027 the Bank will be required to renew its CMB approval which, in line with the relevant regulations, was granted for a one-year period. Furthermore, until 10 March 2027, if and when the aggregate nominal amount of all Notes issued and sold following 10 March 2026 under the Programme exceeds U.S.$2,000,000,000, the Bank will be required to obtain a new CMB approval prior to the issuance and sale of any further tranche of Notes.

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

United States

The Notes have not been and will not be registered under the Securities Act 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may 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.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **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**); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (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 Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) at any time 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 or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above 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 this provision:

- the expression **an offer of Notes to the public** in relation to any Notes 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 to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; 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 to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes

which are the subject of this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer:

(A) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(B) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes; and

- the expression **POATRs** means the Public Offers and Admissions to Trading Regulations 2024.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it 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 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 Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;

(b) it 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 in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it 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 United Kingdom.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes 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 from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that 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.

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 and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, 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.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) and any rules made under the SFO; or (ii) in other circumstances which 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

(b) it 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 which 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 Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. 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 caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA or (ii) 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.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations 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 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 such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 13 February 2026.

Listing of Notes

Application has been made to the Vienna Stock Exchange for Notes issued under the Programme to be included in trading on the Vienna MTF. The Vienna MTF is not a regulated market for the purposes of MiFID II. The approval of the Programme in respect of Notes is expected to be granted on or before 12 March 2026. It is expected that each Tranche of the Notes which is to be admitted to the Vienna MTF will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche.

Documents Available

For so long as any Notes remain outstanding, copies of the following documents will, when published, (i) be available for inspection at the specified office of the Principal Paying Agent or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent)

(a) the articles of association (an English translation thereof) of the Issuer;

(b) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(c) this Information Memorandum; and

(d) any future Information Memorandum, supplements to this Information Memorandum and Pricing Supplements (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent as to its holding of Notes and identity) and any other information incorporated herein or therein by reference.

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 for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer or the Group since 31 December 2025. There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2025.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Information Memorandum which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Independent Auditors

The BRSA Financial Statements, incorporated by reference in this Information Memorandum, have been audited by EY, independent auditors, in accordance with the "*Regulation on Independent Audit of Banks*" published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and the Standards on Independent Auditing that are part of the Turkish Auditing Standards promulgated by the POA, as stated in the convenience translation in English of EY's independent auditor's reports thereon incorporated by reference herein.

EY is an independent auditor in Türkiye and 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.

The independent auditor's report issued on the 2025 BRSA Financial Statements contains the following Basis for Qualified Opinion paragraph:

> "As explained in Section Five Part II.8.d and IV.6.a, the accompanying consolidated financial statements as at December 31, 2025 include a free provision at an amount of TL 1,230,000 thousands of which TL 1,500,000 thousands was provided in prior years and TL 270,000 thousands reversed in the current period by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of "Turkish Accounting Standard" (TAS) 37 "Provisions, Contingent Liabilities and Contingent Assets"."

The independent auditor's report issued on the 2024 BRSA Financial Statements contains the following Basis for Qualified Opinion paragraph:

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

Dealers transacting with the Issuer

Certain of the Dealers and their 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.

APPENDIX 1 – OVERVIEW OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND BRSA ACCOUNTING PRINCIPLES

The BRSA Financial Statements are prepared in accordance with the BRSA Accounting Principles. The BRSA Accounting 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 (for example, 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 the most important differences between IFRS and the BRSA Accounting 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 verifying whether 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. As such, as indicated in TAS 29, in order to ensure application compatibility within Türkiye, all reporting entities are expected to start to use TAS 29 at the same time following an announcement to do so by the POA. On 23 November 2023, the POA published an announcement requiring entities that apply TFRS to present their financial statements by adjusting for the impact of inflation for the annual period ending on or after 31 December 2023 in accordance with the principles set out in TAS 29; however, this announcement also provided that institutions authorised to regulate and supervise Turkish companies (for example, the BRSA) may determine a different transition date.

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. On 18 December 2025, the BRSA repealed its prior decision regarding the application of inflation accounting and determined that banks and other financial institutions subject to BRSA supervision shall not apply inflation accounting.

As a result, financial statements complying with the BRSA Accounting 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 Accounting 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 Accounting Principles, whereas other associates are accounted for using the equity method as defined in TAS 28 (“Investments in Associates and Joint Ventures”). The BRSA Accounting 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.

Related Party Disclosures

Related party transactions and balances are disclosed in IFRS based on the definition provided in IAS 24, whereas in BRSA such disclosures are based on "risk group" as defined in the Banking Law.

Similar differences with IFRS also exist in the accounting policies and disclosure requirements applied to consolidated subsidiaries, especially those providing factoring and leasing services which are subject to specific BRSA Accounting Principles.

Modified Financial Assets

Following the implementation of IFRS 9 as of 1 January 2018, the BRSA Accounting 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 Accounting Principles through communiqués and other laws, which amendments resulted in some differences in terms of staging and expected credit loss calculations between the BRSA Accounting 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 Accounting 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.

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