

Yapı ve Kredi Bankası A.Ş.

**Publicly announced consolidated interim financial statements and
related disclosures at March 31, 2025 together with
auditor's review report**

**(Convenience translation of publicly announced consolidated interim financial statements and review
report originally issued in Turkish)**

Convenience Translation of the Auditor’s Review Report Originally Issued in Turkish

Independent Auditor’s Report on Review of Consolidated Interim Financial Information

To the Board of Directors of Yapı ve Kredi Bankası Anonim Şirketi

Introduction

We have reviewed the consolidated statement of financial position of Yapı ve Kredi Bankası Anonim Şirketi (“the Bank”) and its subsidiaries (together will be referred as “the Group”) at March 31, 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three months period then ended. The Group Management is responsible for the preparation and fair presentation of interim consolidated financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of the Group at March 31, 2025 and the results of its consolidated operations and its consolidated cash flows for the three months period then ended in all material respects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial information provided in the accompanying interim activity report in Section VII, are not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

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

Emre Çelik, SMMM
Partner

April 28, 2025
İstanbul, Türkiye

Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF
YAPI VE KREDİ BANKASI A.Ş. AS OF MARCH 31, 2025**

Address	:Yapı Kredi Plaza D Blok Levent 34330 İstanbul
Telephone	: 0212 339 70 00
Fax	: 0212 339 60 00
Website	: www.yapikredi.com.tr
E-mail	: financialreports@yapikredi.com.tr

The consolidated financial report for the three months which is prepared in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” as regulated by the Banking Regulation and Supervision Agency includes the following sections.

- **GENERAL INFORMATION ABOUT THE PARENT BANK**
- **CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK**
- **EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD**
- **INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP**
- **EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**
- **INDEPENDENT AUDITOR’S REVIEW REPORT**
- **INTERIM ACTIVITY REPORT**

Investments in subsidiaries and associates, whose financial statements have been consolidated in these consolidated financial statements are as follows.

Subsidiaries	Associates
1. Yapı Kredi Finansal Kiralama A.O.	1. Banque de Commerce et de Placements S.A.
2. Yapı Kredi Faktoring A.Ş.	2. Allianz Yaşam ve Emeklilik A.Ş.
3. Yapı Kredi Yatırım Menkul Değerler A.Ş.	
4. Yapı Kredi Portföy Yönetimi A.Ş.	
5. Yapı Kredi Holding B.V.	
6. Yapı Kredi Bank Nederland N.V.	
7. Stichting Custody Services YKB	
8. Yapı Kredi Bank Azerbaijan CJSC	
9. Yapı Kredi Bank Deutschland OHG	

Although Yapı Kredi Diversified Payment Rights Finance Company (the Structured Entity) is not a subsidiary of the Bank, it has been included in the consolidation since the Bank has 100% control.

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

Y. Ali KOÇ
Chairman of the
Board of
Directors

Gökhan ERÜN
Executive Director and
CEO

Demir KARAASLAN
Chief Financial Officer

Barış SAVUR
Financial Reporting and
Accounting Executive Vice President

Dr. Ahmet ÇİMENÖĞLU
Chairman of the Audit
Committee

Nevin İPEK
Member of the Audit
Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname / Title	: Deniz MÜDERRİSOĞLU / International Reporting and Consolidation Manager
Telephone	: 0212 339 62 35
Fax	: 0212 339 61 05

Section one – General information		
1.	History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status,	1
2.	Explanation about the Parent Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank	1
3.	Explanations regarding the board of directors, members of the audit committee, chief executive officer and executive vice presidents and their areas of responsibility and shares if any	2
4.	Information on the individual and corporate shareholders having control shares of the Parent Bank	3
5.	Summary information on the Parent Bank's activities and service types	3
6.	Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods	3
7.	The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities	3
Section two - Consolidated financial statements		
1.	Consolidated balance sheet (Statement of Financial Position)	4
2.	Consolidated off-balance sheet commitments	6
3.	Consolidated statement of profit or loss	7
4.	Consolidated statement of profit or loss and other comprehensive income	8
5.	Consolidated statement of changes in shareholders' equity	9
6.	Consolidated statement of cash flows	11
Section three – Accounting policies		
1.	Explanations on basis of presentation	12
2.	Explanations on strategy of using financial instruments and foreign currency transactions	13
3.	Information on consolidation principles	13
4.	Explanations on forward and option contracts and derivative instruments	15
5.	Explanations on interest income and expense	17
6.	Explanations on fee and commission income and expense	17
7.	Explanations on financial assets	17
8.	Explanations on impairment of financial assets	21
9.	Explanations on offsetting financial assets	23
10.	Explanations on sales and repurchase agreements and securities lending transactions	23
11.	Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets	24
12.	Explanations on goodwill and other intangible assets	24
13.	Explanations on property and equipment	24
14.	Explanations on leasing transactions	25
15.	Explanations on provisions, contingent assets and liabilities	25
16.	Explanations on obligations related to employee benefits	26
17.	Explanations on taxation	27
18.	Explanations on borrowings	29
19.	Explanations on issuance of share certificates	29
20.	Explanations on confirmed bills of exchange and letter of acceptances	29
21.	Explanations on government grants	29
22.	Profit reserves and profit distribution	30
23.	Earnings per share	30
24.	Related parties	30
25.	Explanations on operating segments	30
26.	Explanations on other matters	30
Section four- Financial Position and Risk Management		
1.	Explanations on consolidated equity	31
2.	Explanations on consolidated risk management	35
3.	Explanations on consolidated currency risk	36
4.	Explanations on consolidated interest rate risk	38
5.	Explanations on share certificates position risk from banking book	39
6.	Explanation on consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio	39
7.	Explanations on consolidated leverage ratio	46
8.	Explanations on hedge accounting	47
9.	Explanations on the activities carried out on behalf of others and fiduciary transactions	49
10.	Explanations on consolidated operating segments	49
Section five - Explanations and notes related to consolidated financial statements		
1.	Explanations and notes related to consolidated assets	51
2.	Explanations and notes related to consolidated liabilities	62
3.	Explanations and notes related to consolidated off-balance sheet accounts	68
4.	Explanations and notes related to consolidated income statement	69
5.	Explanations and notes related to Group's risk group	73
6.	Explanations and notes related to subsequent events	74
Section six – Explanations on independent auditor's review report		
1.	Explanations on independent auditor's review report	74
2.	Explanations and notes prepared by independent auditor	74
Section seven – Interim activity report		
1.	Explanations on interim activity report	75

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Section One

General Information

1. History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status:

Yapı ve Kredi Bankası A.Ş. ("the Bank", "Yapı Kredi" or "the Parent Bank"), was established and started operations on September 9, 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

2. Explanation about the Parent Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:

The Parent Bank's publicly traded shares are traded on the Borsa Istanbul ("BIST") since 1987. As of March 31, 2025, 38,83% of the shares of the Bank are publicly traded (December 31, 2024 - 38,83%). 40,95% of the shares out of the remaining 61,17% is owned by Koç Finansal Hizmetler A.Ş. ("KFS") which is owned by Koç Group, 20,22% is owned by Koç Holding A.Ş.

KFS was established on March 16, 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. On October 22, 2002, Koç Group established a strategic partnership with UniCredit Group ("UCG") over KFS.

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from BIST and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. As a result of the merger and the share transfer procedures in 2007 and of a capital increase by TL 920 million in 2008, KFS shares in the Parent Bank increased to 81,80%. KFS shares increased to 81,90% with the capital increase by TL 4,1 billion in 2018.

As of November 30, 2019, Koç Group and UCG have reached a deal to exchange their shares in the Parent Bank and KFS.

Accordingly, all the shares of KFS, which was a joint venture, were transferred to Koç Group. Besides, after the shares were transferred, KFS held 40,95%, UCG held 31,93% directly and Koç Group held a total of 49,99% directly and indirectly of the Parent Bank shares and became controlling shareholder.

In addition, as of February 6, 2020, UniCredit also announced the placement of an 11,93% shares in Parent Bank to institutional investors. The transaction completed on February 13, 2020. As a result UCG held directly 20,00% of the Parent Bank shares.

In year 2021, UCG completed the sale of 2,00% shares in stock market and for the sale of remaining 18,00% shares UCG came to an agreement with Koç Group as per the Share Sale and Purchase Agreement relating to the sale of the Parent Bank publicly disclosed on November 30, 2019. Accordingly, it was announced that Koç Group used its right of first offer for the sale of the Parent Bank shares which were planned to be sold by UCG on November 9, 2021. The sale of the relevant shares was completed on April 1, 2022, and Koç Holding A.Ş.'s share ratio increased from 9,02% to 27,02%.

As of July 28, 2023, Koç Holding A.Ş sold its 6,81% share in the Bank to institutional investors through off-exchange sale. After the sale, shareholding of Koç Holding A.Ş in the Bank decreased to 20,22%.

In 2006 and 2007, with the acquisition of Yapı Kredi and its subsidiaries, KFS Group launched structural reorganisation and the following subsidiaries is still under the control of group were legally merged:

Merging entities	Merger date	Merged entity
Yapı Kredi	October 2, 2006	Yapı Kredi
Yapı Kredi Finansal Kiralama A.O. ("Yapı Kredi Leasing")	December 25, 2006	Yapı Kredi Leasing
Yapı Kredi Faktoring A.Ş. ("Yapı Kredi Faktoring")	December 29, 2006	Yapı Kredi Faktoring
Yapı Kredi Portföy Yönetimi A.Ş. ("Yapı Kredi Portföy")	December 29, 2006	Yapı Kredi Portföy
Yapı Kredi Yatırım Menkul Değerler A.Ş. ("Yapı Kredi Menkul")	January 12, 2007	Yapı Kredi Menkul
Yapı Kredi Bank Nederland N.V. ("Yapı Kredi NV")	July 2, 2007	Yapı Kredi NV

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

3. Explanations regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:

As of March 31, 2025 the Parent Bank's Board of Directors, Members of the Audit Committee, General Manager and Assistant General Managers are as follows:

Board of Directors Members:

Name	Responsibility
Y. Ali KOÇ	Chairman
Levent ÇAKIROĞLU	Vice Chairman
Gökhan ERÜN	Executive Director and CEO
A. Ümit TAFTALI	Member
Ahmet ÇİMENÖĞLU	Independent Member
Ahmet Fadıl ASHABOĞLU	Member
Nevin İPEK	Independent Member
Polat ŞEN	Member
Virma SÖKMEN	Independent Member

Audit Committee Members:

Name	Responsibility
Ahmet ÇİMENÖĞLU	Chairman
Nevin İPEK	Member

General Manager:

Name	Responsibility
Gökhan ERÜN	Executive Director and CEO

Assistant General Managers:

Name	Responsibility
Abdullah GEÇER	Internal Audit
Akif Cahit ERDOĞAN	Commercial and SME Banking Management
Demir KARAASLAN	Financial Planning and Administration
Hakan KAYA	Chief Legal Officer
Mehmed Erendiz Kürşad KETECİ	Strategy Management
Mehmet Erkan AKBULUT	Corporate Banking
Mehmet Erkan ÖZDEMİR	Compliance, Internal Control and Risk Management / Consumer Relations Coordination Officer
Nursezil KÜÇÜK KOÇAK	Credits
Özden ÖNALDI	Human Resources, Organization and Internal Services Management
Saruhan YÜCEL	Treasury Management
Serkan ÜLGEN	Retail Banking
Uğur Gökhan ÖZDİNÇ	Technology, Data and Process Management
Yakup DOĞAN	Limitless Banking

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

4. Information on the individual and corporate shareholders having control shares of the Parent Bank:

Name/Commercial title	Share amounts (nominal)	Share percentage (%)	Paid-in capital (nominal)	Unpaid portion
Koç Finansal Hizmetler A.Ş.	3.459.065.642,23	40,95	3.459.065.642,23	-
Koç Holding A.Ş.	1.707.666.574,00	20,22	1.707.666.574,00	-

Koç Finansal Hizmetler A.Ş. is owned by Koç Group and Temel Ticaret ve Yatırım A.Ş.

5. Summary information on the Parent Bank's activities and service types:

The Parent Bank's activities summarized in the section 3 of the articles of association are as follows:

The Parent Bank's purpose and subject matter in accordance with the Banking Law, regulations and existing laws include:

- The execution of all banking activities,
- The execution of all economic and financial activities which are allowed by the regulation,
- The execution of the representation, attorney and agency activities related to the subjects written above,
- The purchase and sale of share certificates, bonds and all the capital market instruments, in accordance with Capital Market Law and regulations.

In case of necessity for performing activities which are useful and required but that are not specified in the articles of association, a Board of Directors' proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the approvals required by law.

As of March 31, 2025, the Parent Bank has 772 branches operating in Türkiye and 1 branch in overseas (December 31, 2024 - 771 branches operating in Türkiye, 1 branch in overseas).

As of March 31, 2025, the Parent Bank has 14.701 employees (December 31, 2024 – 14.402 employees). The Parent Bank together with its consolidated subsidiaries is referred to as the "Group" in these consolidated financial statements. As of March 31, 2025 the Group has 15.663 employees (December 31, 2024 – 15.311 employees).

6. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods:

According to Communiqué of the Preparation Consolidated Financial Statements and Turkish Accounting Standards, Banque de Commerce et de Placements SA, the associate of the Bank is consolidated through "Equity Method" in the accompanying consolidated financial statements of the Group. Allianz Yaşam ve Emeklilik A.Ş., on which the Bank has indirect participation, is also consolidated through "Equity Method" in the consolidated financial statements of the Group.

Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., Enternasyonal Turizm Yatırım A.Ş., Yapı Kredi Teknoloji A.Ş. and Yapı Kredi Finansal Teknolojiler A.Ş., which are subsidiaries and Tanı Pazarlama ve İletişim Hizmetleri A.Ş., which is an associate of the Bank are not consolidated into the Bank's consolidated financial statements in accordance with Communiqué on Preparation of Consolidated Financial Statements since these entities are not financial institutions.

All other subsidiaries are fully consolidated.

7. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities:

None.

Yapı ve Kredi Bankası A.Ş.**Consolidated financial statements as of March 31, 2025 and December 31, 2024**

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

Section Two - Consolidated financial statements**1. Consolidated balance sheet (Statement of Financial Position)**

			Current Period (31/03/2025)			Prior Period (31/12/2024)		
		Note (Section Five)	TL	FC	Total	TL	FC	Total
ASSETS								
I.	FINANCIAL ASSETS (Net)		327.874.800	381.215.736	709.090.536	331.294.428	301.020.584	632.315.012
1.1	Cash and Cash Equivalents	1.1	211.283.204	342.518.296	553.801.500	219.513.565	259.413.668	478.927.233
1.1.1	Cash and Balances with Central Bank		201.814.203	241.360.510	443.174.713	210.221.739	205.294.473	415.516.212
1.1.2	Banks	1.4.1	9.575.852	101.425.676	111.001.528	9.402.784	54.343.315	63.746.099
1.1.3	Money Markets Receivables	1.4.2	-	-	-	-	-	-
1.1.4	Expected Credit Losses (-)		106.851	267.890	374.741	110.958	224.120	335.078
1.2	Financial Assets Measured at Fair Value Through Profit Or Loss	1.2	1.213.108	1.903.420	3.116.528	1.203.080	1.700.282	2.903.362
1.2.1	Government debt securities		-	255.181	255.181	-	292.948	292.948
1.2.2	Share certificates		91.167	-	91.167	9.264	-	9.264
1.2.3	Other financial assets		1.121.941	1.648.239	2.770.180	1.193.816	1.407.334	2.601.150
1.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1.5,1.6	102.574.041	27.129.028	129.703.069	104.395.790	29.293.722	133.689.512
1.3.1	Government debt securities		98.621.205	26.848.723	125.469.928	104.125.343	29.036.704	133.162.047
1.3.2	Share certificates		204.694	25.505	230.199	204.694	22.563	227.257
1.3.3	Other financial assets		3.748.142	254.800	4.002.942	65.753	234.455	300.208
1.4	Derivative Financial Assets	1.3	12.804.447	9.664.992	22.469.439	6.181.993	10.612.912	16.794.905
1.4.1	Derivative financial assets measured at fair value through profit or loss		12.727.432	7.936.354	20.663.786	5.637.670	8.771.398	14.409.068
1.4.2	Derivative financial assets measured at fair value through other comprehensive income		77.015	1.728.638	1.805.653	544.323	1.841.514	2.385.837
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		1.142.905.274	649.655.658	1.792.560.932	1.119.765.719	588.148.948	1.707.914.667
2.1	Loans	1.7	913.969.586	498.001.463	1.411.971.049	873.801.596	430.397.373	1.304.198.969
2.2	Receivables From Leasing Transactions (Net)	1.12	13.001.350	31.578.743	44.580.093	13.288.115	26.997.956	40.286.071
2.3	Factoring Receivables		20.835.763	7.102.162	27.937.925	17.789.116	6.593.152	24.382.268
2.4	Financial Assets Measured at Amortised Cost	1.8	234.870.684	127.271.244	362.141.928	250.375.315	137.550.062	387.925.377
2.4.1	Government debt securities		228.849.787	119.280.115	348.129.902	241.778.828	122.375.621	364.154.449
2.4.2	Other financial assets		6.020.897	7.991.129	14.012.026	8.596.487	15.174.441	23.770.928
2.5	Expected Credit Losses (-)		39.772.109	14.297.954	54.070.063	35.488.423	13.389.595	48.878.018
III.	ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	1.15	589.183	48.710	637.893	560.125	59.186	619.311
3.1	Held for Sale Purposes		589.183	48.710	637.893	560.125	59.186	619.311
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		1.729.658	8.616.647	10.346.305	1.577.432	7.820.018	9.397.450
4.1	Investments in Associates (Net)	1.9	1.697.342	8.616.647	10.313.989	1.545.116	7.820.018	9.365.134
4.1.1	Consolidated based on Equity Method		1.458.086	8.616.647	10.074.733	1.506.670	7.820.018	9.326.688
4.1.2	Unconsolidated		239.256	-	239.256	38.446	-	38.446
4.2	Subsidiaries (Net)	1.10	32.316	-	32.316	32.316	-	32.316
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		32.316	-	32.316	32.316	-	32.316
4.3	Joint Ventures (Net)	1.11	-	-	-	-	-	-
4.3.1	Consolidated based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated		-	-	-	-	-	-
V.	PROPERTY AND EQUIPMENT (Net)		35.005.563	460.267	35.465.830	30.515.068	417.471	30.932.539
VI.	INTANGIBLE ASSETS (Net)		3.965.000	359.801	4.324.801	3.170.046	233.175	3.403.221
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		3.965.000	359.801	4.324.801	3.170.046	233.175	3.403.221
VII.	INVESTMENT PROPERTY (Net)	1.13	-	-	-	-	-	-
VIII.	CURRENT TAX ASSETS		5.009.195	7.179	5.016.374	4.228.487	-	4.228.487
IX.	DEFERRED TAX ASSETS	1.14	12.049.662	1.669	12.051.331	13.185.424	1.102	13.186.526
X.	OTHER ASSETS (Net)	1.16	118.371.917	47.542.845	165.914.762	98.992.057	52.891.514	151.883.571
TOTAL ASSETS			1.647.500.252	1.087.908.512	2.735.408.764	1.603.288.786	950.591.998	2.553.880.784

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.**Consolidated financial statements as of March 31, 2025 and December 31, 2024**

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

1. Consolidated balance sheet (Statement of Financial Position)

		Current Period (31/03/2025)			Prior Period (31/12/2024)		
	Note (Section Five)	TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	2.1	852,814.431	673.329.244	1.526.143.675	812.228.502	562.028.901	1.374.257.403
II. BORROWINGS	2.3.1	88.065.161	231.328.467	319.393.628	91.489.493	205.840.908	297.330.401
III. MONEY MARKETS PAYABLES		133.997.630	5.732.843	139.730.473	179.579.140	16.431.455	196.010.595
IV. MARKETABLE SECURITIES ISSUED (Net)	2.3.3	10.827.879	180.259.998	191.087.877	10.527.536	140.642.182	151.169.718
4.1 Bills		10.480.694	42.999.310	53.480.004	10.198.915	51.438.572	61.637.487
4.2 Asset backed Securities		-	18.791.453	18.791.453	-	17.806.761	17.806.761
4.3 Bonds		347.185	118.469.235	118.816.420	328.621	71.396.849	71.725.470
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	2.3.4	-	77.023.804	77.023.804	-	75.234.394	75.234.394
VII. DERIVATIVE FINANCIAL LIABILITIES	2.2	10.649.640	5.581.823	16.231.463	13.383.546	5.582.709	18.966.255
7.1 Derivative liabilities measured at fair value through profit or loss		10.649.640	5.581.823	16.231.463	13.383.546	5.582.709	18.966.255
Derivative liabilities measured at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	2.5	5.501.720	365.865	5.867.585	5.046.173	353.613	5.399.786
X. PROVISIONS	2.6	21.410.929	864.745	22.275.674	20.857.723	716.643	21.574.366
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Provisions for Employee Benefits	2.6.1	4.490.709	20.743	4.511.452	3.922.614	14.281	3.936.895
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions	2.6.3	16.920.220	844.002	17.764.222	16.935.109	702.362	17.637.471
XI. CURRENT TAX LIABILITIES	2.7	11.147.372	387.393	11.534.765	9.443.366	246.863	9.690.229
XII. DEFERRED TAX LIABILITIES		-	16.855	16.855	-	6.810	6.810
LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	2.8	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	2.9	1.256.001	63.490.954	64.746.955	1.301.664	60.629.934	61.931.598
14.1 Loans		-	-	-	-	-	-
14.2 Other Facilities		1.256.001	63.490.954	64.746.955	1.301.664	60.629.934	61.931.598
XV. OTHER LIABILITIES	2.4	138.528.741	17.146.042	155.674.783	132.329.936	17.165.747	149.495.683
XVI. SHAREHOLDERS' EQUITY	2.10	204.528.373	1.152.854	205.681.227	191.341.717	1.471.829	192.813.546
16.1 Paid in Capital		8.447.051	-	8.447.051	8.447.051	-	8.447.051
16.2 Capital Reserves		2.321.158	-	2.321.158	2.268.850	-	2.268.850
16.2.1 Share premium		556.937	-	556.937	556.937	-	556.937
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.764.221	-	1.764.221	1.711.913	-	1.711.913
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		9.691.679	208.979	9.900.658	6.620.513	77.931	6.698.444
Other accumulated comprehensive income that will be reclassified in profit or loss		(1.142.614)	985.282	(157.332)	(230.396)	1.435.305	1.204.909
16.5 Profit Reserves		172.148.179	(41.407)	172.106.772	143.574.250	(41.407)	143.532.843
16.5.1 Legal Reserves		3.473.904	-	3.473.904	3.473.904	-	3.473.904
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		168.639.021	(41.407)	168.597.614	140.065.092	(41.407)	140.023.685
16.5.4 Other Profit Reserves		35.254	-	35.254	35.254	-	35.254
16.6 Profit or loss		13.058.102	-	13.058.102	30.656.777	-	30.656.777
16.6.1 Prior years' profits or losses		1.639.954	-	1.639.954	1.639.954	-	1.639.954
16.6.2 Current period net profit or loss		11.418.148	-	11.418.148	29.016.823	-	29.016.823
16.7 Minority interest		4.818	-	4.818	4.672	-	4.672
TOTAL LIABILITIES		1.478.727.877	1.256.680.887	2.735.408.764	1.467.528.796	1.086.351.988	2.553.880.784

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.**Consolidated financial statements as of March 31, 2025 and December 31, 2024**

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

2. Consolidated off-balance sheet commitments

		Current Period (31/03/2025)			Prior Period (31/12/2024)		
	Note (Section Five)	TL	FC	Total	TL	FC	Total
Off-balance sheet commitments							
A. Off-balance sheet commitments (I+II+III)		2,532,382.750	2,061,426.477	4,593,809.227	2,063,658.228	1,742,657.307	3,806,315.535
I. Guarantees and warranties	3.1.2.1.2	317,610.613	307,254.124	624,864.737	280,167.247	269,241.397	549,408.644
1.1. Letters of guarantee	3.1.2.2	298.345.029	200.421.788	498.766.817	261.058.918	178.626.002	439.684.920
1.1.1. Guarantees subject to state tender law		31.995.759	7.396.666	39.392.425	2.740.324	1.737.545	4.477.869
1.1.2. Guarantees given for foreign trade operations		105.599.177	189.303.177	294.902.354	92.074.311	173.381.096	265.455.407
1.1.3. Other letters of guarantee		160.750.093	3.721.945	164.472.038	166.244.283	3.507.361	169.751.644
1.2. Bank acceptances		-	3.592.752	3.592.752	-	3.164.183	3.164.183
1.2.1. Import letter of acceptance		-	3.592.752	3.592.752	-	3.164.183	3.164.183
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		3.614	76.567.019	76.570.633	45.163	63.737.737	63.782.900
1.3.1. Documentary letters of credit		3.614	76.555.996	76.559.610	45.163	63.727.501	63.772.664
1.3.2. Other letters of credit		-	11.023	11.023	-	10.236	10.236
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Purchase guarantees for Securities issued		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		19.261.970	16.591.809	35.853.779	19.063.166	15.796.931	34.860.097
1.9. Other warranties		-	10.080.756	10.080.756	-	7.916.544	7.916.544
II. Commitments		1,630,062.241	155,124.521	1,785,186.762	1,424,646.503	138,934.512	1,563,581.015
2.1. Irrevocable commitments	3.1.1	1,613,578.849	100.122.783	1,713.701.632	1,408.265.714	94.870.707	1,503.136.421
2.1.1. Asset purchase and sale commitments		13.608.263	97.737.058	111.345.321	11.334.397	92.109.874	103.444.271
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		180.494.211	1.068.106	181.562.317	162.430.150	589.329	163.019.479
2.1.5. Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve requirements		-	-	-	-	-	-
2.1.7. Commitments for checks payments		15.086.183	-	15.086.183	10.835.555	-	10.835.555
2.1.8. Tax and fund liabilities from export commitments		8.666	-	8.666	4.749	-	4.749
2.1.9. Commitments for credit card expenditure limits		1,065.114.520	-	1,065.114.520	968.083.268	-	968.083.268
2.1.10. Commitments for credit cards and banking services promotions		76.577	-	76.577	76.560	-	76.560
2.1.11. Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12. Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		339.190.429	1.317.619	340.508.048	255.501.035	2.171.504	257.672.539
2.2. Revocable commitments		16.483.392	55.001.738	71.485.130	16.380.789	44.063.805	60.444.594
2.2.1. Revocable loan granting commitments		16.483.392	54.448.700	70.932.092	16.380.789	43.526.072	59.906.861
2.2.2. Other revocable commitments		-	553.038	553.038	-	537.733	537.733
III. Derivative financial instruments		584,709.896	1,599,047.832	2,183,757.728	358,844.478	1,334,481.398	1,693,325.876
3.1. Derivative financial instruments held for hedging		1,450.000	38.664.977	40.114.977	6.150.000	35.896.539	42.046.539
3.1.1. Fair value hedges		-	4.232.509	4.232.509	-	3.820.124	3.820.124
3.1.2. Cash flow hedges		1,450.000	34.432.468	35.882.468	6.150.000	32.076.415	38.226.415
3.1.3. Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2. Trading transactions		583.259.896	1,560.382.855	2,143.642.751	352.694.478	1,298.584.859	1,651.279.337
3.2.1. Forward foreign currency purchase and sale transactions		112.294.114	129.439.328	241.733.442	71.733.823	82.283.713	154.017.536
3.2.1.1. Forward foreign currency purchase transactions		17.872.819	98.497.227	116.370.046	12.337.757	61.452.452	73.790.209
3.2.1.2. Forward foreign currency sale transactions		94.421.295	30.942.101	125.363.396	59.396.066	20.831.261	80.227.327
3.2.2. Currency and interest rate swaps		441.652.815	1,042.537.751	1,484.190.566	253.282.672	894.720.341	1,148.003.013
3.2.2.1. Currency swap purchase transactions		2.692.631	277.630.011	280.322.642	296.085	191.916.920	192.213.005
3.2.2.2. Currency swap sale transactions		132.589.184	162.441.744	295.030.928	93.505.587	110.341.047	203.846.634
3.2.2.3. Interest rate swap purchase transactions		153.185.500	301.232.998	454.418.498	79.740.500	296.231.187	375.971.687
3.2.2.4. Interest rate swap sale transactions		153.185.500	301.232.998	454.418.498	79.740.500	296.231.187	375.971.687
3.2.3. Currency, interest rate and securities options		20.198.463	54.248.110	74.446.573	15.752.451	36.608.527	52.360.978
3.2.3.1. Currency purchase options		3.983.902	28.935.529	32.919.431	4.887.351	18.318.819	23.206.170
3.2.3.2. Currency sale options		16.214.561	18.289.115	34.503.676	10.865.100	13.988.297	24.853.397
3.2.3.3. Interest rate purchase options		-	5.890.498	5.890.498	-	4.301.411	4.301.411
3.2.3.4. Interest rate sale options		-	1.132.968	1.132.968	-	-	-
3.2.3.5. Securities purchase options		-	-	-	-	-	-
3.2.3.6. Securities sale options		-	-	-	-	-	-
3.2.4. Currency futures		7.966.182	6.982.973	14.949.155	11.037.994	9.557.292	20.595.286
3.2.4.1. Currency purchase futures		3.945.262	3.259.285	7.204.547	19.620	9.542.510	9.562.130
3.2.4.2. Currency sale futures		4.020.920	3.723.688	7.744.608	11.018.374	14.782	11.033.156
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate purchase futures		-	-	-	-	-	-
3.2.5.2. Interest rate sale futures		-	-	-	-	-	-
3.2.6. Other		1.148.322	327.174.693	328.323.015	887.538	275.414.986	276.302.524
B. Custody and pledges received (IV+V+VI)		2,478,166.894	951,969.129	3,430,136.023	2,351,470.750	787,425.481	3,138,896.231
IV. Items held in custody		411,286.261	154,011.569	565,297.830	403,748.130	131,626.795	535,374.925
4.1. Assets under management		166.510.466	92.717.158	259.227.624	161.814.516	73.077.971	234.892.487
4.2. Securities held in custody		47.245.657	55.434.393	102.680.050	56.565.682	55.933.123	112.498.805
4.3. Checks received for collection		160.115.534	109.654	160.225.188	149.667.722	114.867	149.782.589
4.4. Commercial notes received for collection		37.356.460	5.199.598	42.556.058	35.642.066	2.000.146	37.642.212
4.5. Other assets received for collection		-	438.247	438.247	-	397.747	397.747
4.6. Securities received for public offering		-	-	-	-	-	-
4.7. Other items under custody		58.144	112.519	170.663	58.144	102.941	161.085
4.8. Custodians		-	-	-	-	-	-
V. Pledges received		2,014,911.312	703,672.083	2,718,583.395	1,900,352.335	569,976.070	2,470,328.405
5.1. Marketable securities		133.966.973	1,065.948	135.032.921	133.967.935	992.899	134.960.834
5.2. Guarantee notes		22.669.943	4.306.894	26.976.837	22.849.215	3.888.983	26.738.198
5.3. Commodity		8.270	-	8.270	8.270	-	8.270
5.4. Warrant		-	-	-	-	-	-
5.5. Immovables		1,065.368.128	6.723.070	1,072.091.198	993.881.069	6.052.203	999.933.272
5.6. Other pledged items		792.897.998	691.508.802	1,484.406.800	749.645.846	558.979.247	1,308.625.093
5.7. Depositories receiving pledged items		-	67.369	67.369	-	62.738	62.738
VI. Accepted independent guarantees and warranties		51,969.321	94,285.477	146,254.798	47,370.285	85,822.616	133,192.901
Total off-balance sheet commitments (A+B)		5,010,549.644	3,013,395.606	8,023,945.250	4,415,128.978	2,530,082.788	6,945,211.766

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.**Consolidated financial statements as of March 31, 2025 and 2024**

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

3. Consolidated statements of profit or loss

Income and expense items		Note (Section Five)	Current Period (01/01/2025 - 31/03/2025)	Prior Period (01/01/2024 - 31/03/2024)
I.	INTEREST INCOME	4.1	135.083.143	97.228.846
1.1	Interest on Loans	4.1.1	86.861.463	60.720.614
1.2	Interest Received from Reserve Deposits		11.157.912	1.635.177
1.3	Interest Received from Banks	4.1.2	7.767.658	2.510.472
1.4	Interest Received from Money Market Transactions		168.716	60.715
1.5	Interest Received from Marketable Securities Portfolio	4.1.3	24.501.676	28.554.692
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		37.651	47.169
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		8.506.013	8.607.964
1.5.3	Financial Assets Measured at Amortised Cost		15.958.012	19.899.559
1.6	Financial Lease Income		1.949.865	1.716.270
1.7	Other Interest Income		2.675.853	2.030.906
II.	INTEREST EXPENSE (-)	4.2	105.329.103	71.872.540
2.1	Interest on Deposits	4.2.6	64.490.493	52.506.495
2.2	Interest on Funds Borrowed	4.2.1	13.300.944	4.498.307
2.3	Interest expense on money market transactions	4.2.4	19.852.087	7.275.093
2.4	Interest on Securities Issued	4.2.3	7.109.734	5.934.586
2.5	Interest on Lease Payables		238.542	122.837
2.6	Other Interest Expense	4.2.5	337.303	1.535.222
III.	NET INTEREST INCOME/EXPENSE (I - II)		29.754.040	25.356.306
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		24.114.653	16.757.430
4.1	Fees and Commissions Received		34.749.034	24.972.256
4.1.1	Non-cash Loans		1.386.611	1.197.169
4.1.2	Other	4.1.1	33.362.423	23.775.087
4.2	Fees and Commissions Paid		10.634.381	8.214.826
4.2.1	Non-cash Loans		28.497	42.153
4.2.2	Other	4.1.1	10.605.884	8.172.673
V.	DIVIDEND INCOME		118.482	1.117
VI.	TRADING PROFIT/LOSS (Net)	4.3	(6.408.395)	(10.020.627)
6.1	Trading Gains/Losses on Securities		1.552.125	1.431.744
6.2	Derivative Financial Transactions Gains/Losses		7.830.798	5.210.938
6.3	Foreign Exchange Gains/Losses		(15.791.318)	(16.663.309)
VII.	OTHER OPERATING INCOME	4.5	7.919.735	9.049.788
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		55.498.515	41.144.014
IX.	ALLOWANCE FOR EXPECTED CREDIT LOSSES (-)	4.4	15.017.824	12.237.144
X.	OTHER PROVISION EXPENSES (-)	4.4	40.194	87.453
XI.	PERSONNEL EXPENSES (-)		9.964.895	6.971.993
XII.	OTHER OPERATING EXPENSES (-)	4.6	16.527.476	10.371.008
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		13.948.126	11.476.416
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		427.495	325.141
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	4.7	14.375.621	11.801.557
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	4.8	2.956.624	1.499.177
18.1	Current Tax Provision		725.458	983.566
18.2	Expense effect of deferred tax (+)		2.231.166	515.611
18.3	Income effect of deferred tax (-)		-	-
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)		11.418.997	10.302.380
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from assets held for sale		-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3	Other income from discontinued operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on assets held for sale		-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3	Other expenses from discontinued operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX - XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
XXIV.	NET PROFIT/ LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	4.9	11.418.997	10.302.380
25.1	Group's profit/loss		11.418.148	10.301.888
25.2	Minority shares	4.10	849	492
	Earnings/(loss) per share (full TL)		0,0135	0,0122

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.

Consolidated financial statements as of March 31, 2025 and 2024

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

4. Consolidated statement of profit or loss and other comprehensive income

	Current Period (01/01/2025 - 31/03/2025)	Prior Period (01/01/2024 - 31/03/2024)
I. PROFIT / (LOSS)	11.418.997	10.302.380
II. OTHER COMPREHENSIVE INCOME	1.839.973	1.609.680
2.1 Other comprehensive income that will not be reclassified to profit or loss	3.202.214	3.174.195
2.1.1. Gains (losses) on Revaluation of Property, Plant and Equipment	4.238.542	4.237.602
2.1.2. Gains (losses) on Revaluation of Intangible Assets	-	-
2.1.3. Gains (losses) on Remeasurements of Defined Benefit Plans	-	-
2.1.4. Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	4.748	45.605
2.1.5. Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(1.041.076)	(1.109.012)
2.2. Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(1.362.241)	(1.564.515)
2.2.1. Exchange Differences on Translation	3.596.249	1.902.101
Valuation and/or Reclassification Profit or Loss from Financial Assets Measured at Fair Value Through Other		
2.2.2. Comprehensive Income	(4.031.479)	(4.034.529)
2.2.3. Income (loss) Related with Cash Flow Hedges	(416.381)	318.532
2.2.4. Income (loss) Related with Hedges of Net Investments in Foreign Operations	(2.642.280)	(1.202.269)
2.2.5. Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	3.762	(23.836)
2.2.6. Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	2.127.888	1.475.486
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	13.258.970	11.912.060

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.

Consolidated statement of changes in shareholders' equity as of March 31, 2025

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

5. Consolidated statement of changes in shareholders' equity

Current Period (31/03/2025)					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit or Loss								
Changes in shareholder's equity	Paid in capital	Share premium	Share certificate cancellation profits	Other capital reserves							Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total equity except minority interest	Minority Interest	Total shareholders' equity
					1	2	3	4	5	6						
I. Balance at the beginning of the period	8.447.051	556.937	-	1.711.913	17.506.703	(10.898.501)	90.242	23.528.740	(12.810.095)	(9.513.736)	143.532.843	1.639.954	29.016.823	192.808.874	4.672	192.813.546
II. Adjustment in accordance with TAS 8																
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	8.447.051	556.937	-	1.711.913	17.506.703	(10.898.501)	90.242	23.528.740	(12.810.095)	(9.513.736)	143.532.843	1.639.954	29.016.823	192.808.874	4.672	192.813.546
IV. Total comprehensive income (loss)	-	-	-	-	3.197.466	-	4.748	3.596.249	(2.821.982)	(2.136.508)	-	-	11.418.148	13.258.121	849	13.258.970
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes	-	-	-	-	-	-	-	-	-	-	(390.586)	-	-	(390.586)	-	(390.586)
XI. Profit distribution	-	-	-	52.308	-	-	-	-	-	-	28.964.515	-	(29.016.823)	-	(703)	(703)
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(703)	(703)
11.2. Transfers to legal reserves	-	-	-	52.308	-	-	-	-	-	-	28.964.515	-	(29.016.823)	-	-	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+.....+X+XI)	8.447.051	556.937	-	1.764.221	20.704.169	(10.898.501)	94.990	27.124.989	(15.632.077)	(11.650.244)	172.106.772	1.639.954	11.418.148	205.676.409	4.818	205.681.227

1. Tangible assets revaluation reserve,
2. Accumulated gains / losses on remeasurements of defined benefit plans,
3. Other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will not be reclassified to profit or loss,
4. Exchange differences on translation reserve,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Accumulated gains or losses on cash flow hedges, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and net investment hedges.

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.

Consolidated statement of changes in shareholders' equity as of March 31, 2024

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

5. Consolidated statement of changes in shareholders' equity

Prior Period (31/03/2024)					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit or Loss								
Changes in shareholder's equity	Paid in capital	Share premium	Share certificate cancellation profits	Other capital reserves	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total equity except minority interest	Minority Interest	Total shareholders' equity
I. Balance at the beginning of the period	8.447.051	556.937	-	1.660.596	10.912.237	(8.268.035)	130.987	19.723.960	(2.937.085)	(6.750.823)	85.753.704	1.639.954	68.008.836	178.878.319	2.674	178.880.993
II. Adjustment in accordance with TAS 8																
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	8.447.051	556.937	-	1.660.596	10.912.237	(8.268.035)	130.987	19.723.960	(2.937.085)	(6.750.823)	85.753.704	1.639.954	68.008.836	178.878.319	2.674	178.880.993
IV. Total comprehensive income (loss)	-	-	-	-	3.128.590	-	45.605	1.902.101	(2.824.164)	(642.452)	-	-	10.301.888	11.911.568	492	11.912.060
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	28.697	-	-	-	-	-	-	-	-	-	-	-	-
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	57.779.139	-	(68.008.836)	(10.201.000)	(171)	(10.201.171)
11.2. Transfers to legal reserves	-	-	-	28.697	-	-	-	-	-	-	57.779.139	-	(10.201.000)	(10.201.000)	(171)	(10.201.171)
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	(57.807.836)	-	-	-
Period end balance (III+IV+.....+X+XI)	8.447.051	556.937	-	1.689.293	14.040.827	(8.268.035)	176.592	21.626.061	(5.761.249)	(7.393.275)	143.532.843	1.639.954	10.301.888	180.588.887	2.995	180.591.882

1. Tangible assets revaluation reserve,
2. Accumulated gains / losses on remeasurements of defined benefit plans,
3. Other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will not be reclassified to profit or loss,
4. Exchange differences on translation reserve,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Accumulated gains or losses on cash flow hedges, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and net investment hedges.

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Yapı ve Kredi Bankası A.Ş.**Consolidated financial statements as of March 31, 2025 and 2024**

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

6. Consolidated statement of cash flows

	(Notes section Five)	Current Period (31/03/2025)	Prior Period (31/03/2024)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		16.152.635	5.741.841
1.1.1 Interest received		123.285.663	70.124.666
1.1.2 Interest paid		(107.221.371)	(63.919.316)
1.1.3 Dividend received		118.482	1.117
1.1.4 Fees and commissions received		34.749.034	24.972.256
1.1.5 Other income		(8.176.937)	(3.894.188)
1.1.6 Collections from previously written-off loans and other receivables		5.261.156	3.361.218
1.1.7 Cash Payments to personnel and service suppliers		(25.404.032)	(18.848.692)
1.1.8 Taxes paid		(1.109.222)	(79.567)
1.1.9 Other		(5.350.138)	(5.975.653)
1.2 Changes in operating assets and liabilities subject to banking operations		(30.989.663)	(37.233.004)
1.2.1 Net (increase) decrease in financial assets measured at fair value through profit or loss		(223.223)	(1.214.669)
1.2.2 Net (increase) decrease in due from banks		(11.487.322)	(71.317.527)
1.2.3 Net (increase) decrease in loans		(119.674.257)	(161.144.020)
1.2.4 Net (increase) decrease in other assets		(15.816.857)	(14.693.203)
1.2.5 Net increase (decrease) in bank deposits		(10.661.947)	1.241.221
1.2.6 Net increase (decrease) in other deposits		162.454.769	123.301.753
1.2.7 Net increase (decrease) in financial liabilities measured at fair value through profit or loss		904.768	2.599.052
1.2.8 Net increase (decrease) in funds borrowed		(26.503.910)	86.845.141
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(9.981.684)	(2.850.752)
I. Net cash provided from banking operations		(14.837.028)	(31.491.163)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		31.208.758	(34.474.346)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(200.810)	-
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		-	-
2.3 Cash paid for the purchase of tangible and intangible asset		(1.155.715)	(684.709)
2.4 Cash obtained from the sale of tangible and intangible asset		76.099	26.774
2.5 Cash paid for the purchase of financial assets measured at fair value through other comprehensive income		(14.456.315)	(41.136.286)
2.6 Cash obtained from the sale of financial assets measured at fair value through other comprehensive income		20.318.367	14.544.056
2.7 Cash paid for the purchase of financial assets at amortised cost		(5.686.820)	(10.854.319)
2.8 Cash obtained from sale of financial assets at amortised cost		32.313.952	3.630.138
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities		34.362.819	26.710.168
3.1 Cash obtained from funds borrowed and securities issued		63.815.310	42.350.130
3.2 Cash outflow from funds borrowed and securities issued		(28.806.321)	(15.149.566)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(703)	-
3.5 Payments for finance lease liabilities		(645.467)	(490.396)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		16.017.467	23.351.567
V. Net increase (decrease) in cash and cash equivalents		66.752.016	(15.903.774)
VI. Cash and cash equivalents at beginning of the period		287.776.844	228.510.865
VII. Cash and cash equivalents at end of the period		354.528.860	212.607.091

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Section Three - Accounting policies

1. Explanations on basis of presentation:

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code ("TCC") and Turkish Tax Legislation.

The consolidated financial statements prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated November 1, 2006 and other communiqués, interpretations and legislations published by the Banking Regulation and Supervision Agency ("BRSA") and Turkish Accounting Standards ("TAS 34") – Interim Financial Reporting Standards and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the matters not regulated by the aforementioned legislations published by BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" and changes and notes to this communiqué published in the Official Gazette No. 28337 dated June 28, 2012.

The accompanying consolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

The financial statements of subsidiaries operating abroad have been prepared in accordance with legislations and regulations of the country in which they are operating, however in order to provide fair presentation according to TFRS, necessary adjustments and reclassifications are reflected to those financial statements.

The accompanying consolidated financial statements are prepared in accordance with the historical cost basis (restated for the changes in the general purchasing power of TL until December 31, 2004), except for financial assets and liabilities measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, derivative financial assets/liabilities, buildings and art objects and paintings in tangible assets. Besides, the carrying values of assets carried at amortized cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

The accounting policies and valuation principles employed for the preparation of consolidated financial statements are in compliance with TFRS requires the use of certain accounting estimates by the Group management to exercise its judgment on the assets and liabilities on the balance sheet and contingent assets and liabilities as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

The preparation and fair presentation of the financial statement and used principles of valuation in accordance with "Accounting and Reporting Legislation" published in the regulation, communiqué, interpretations and circular published by BRSA and If no specific regulation has been made by BRSA, it has been determined and applied according to the principles of TFRS. The accounting policies applied are consistent with the accounting policies applied in the annual consolidated financial statements for the year ended December 31, 2024.

On November 23, 2023, POA announced that entities reporting under the TFRS should begin implementing "TAS 29 - Financial Reporting in Hyperinflationary Economies" standard in their financial statements from periods ending on and after December 31, 2023. Besides, regulatory and auditing bodies that are authorized in their respective areas have flexibility to determine alternative transition dates for the application of TAS - 29.

Within the scope of decisions dated December 12, 2023 numbered 10744 and December 5, 2024 numbered 11021 respectively by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments in their financial statements required under TAS 29 in 2023, 2024 and 2025.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

2. Explanations on strategy of using financial instruments and foreign currency transactions:

The general strategy of the Group in using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Group is deposits. For non-deposit items, the Group maintains longer-term funding structure especially through long-term foreign borrowings. Funds obtained from deposits and other sources are invested in quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed in accordance with the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilised for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is monitored within limits determined levels by the Board of Directors under the context of Banking Act.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognised in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency participations, subsidiaries and foreign currency non-performing loans.

The Group hedges part of the currency translation risk of net investments in foreign operations through currency borrowings. The effective portion of the foreign exchange difference of these financial liabilities is recognised in "Other accumulated comprehensive income that will be reclassified in profit or loss" in equity.

In order to eliminate the inconsistency in the recognition, the Group, might classify its financial liabilities as the financial liabilities classified at fair value through profit/loss upon the initial recognition.

3. Information on consolidation principles:

3.1. Consolidation principles applied:

The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqué related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated November 8, 2006 and "TFRS 10 - Consolidated Financial Statements".

3.1.1. Consolidation principles of subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Parent Bank's returns.

Subsidiaries are consolidated with full consolidation method by considering the results of their activities and the size of their assets and shareholders' equity. Financial statements of the related subsidiaries are included in the consolidated financial statements from the date control is transferred to the Group and they are taken out of consolidation scope when control no longer exists. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In accordance with the full consolidation method, balance sheet, income statement and off balance sheet items of the subsidiaries have been consolidated line by line with the balance sheet, income statement and off balance sheet of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains and losses and balances resulting from the transactions among the entities included in consolidation have been eliminated. In the consolidated balance sheet and income statement, minority interest has been presented separately from the shares of the Group shareholders.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Incorporation (City/ Country)	Main activities	Effective rates (%) March 31, 2025	Direct and indirect rates (%) March 31, 2025
Yapı Kredi Leasing	Istanbul/Türkiye	Leasing	99,99	99,99
Yapı Kredi Faktoring	Istanbul/ Türkiye	Factoring	99,96	99,96
Yapı Kredi Menkul	Istanbul/ Türkiye	Investment Management	99,98	99,98
Yapı Kredi Portföy	Istanbul/ Türkiye	Portfolio Management	99,95	99,97
Yapı Kredi Holding B.V.	Amsterdam/Netherlands	Financial Holding	100,00	100,00
Yapı Kredi Bank NV	Amsterdam/Netherlands	Banking	100,00	100,00
Yapı Kredi Azerbaijan	Baku /Azerbaijan	Banking	100,00	100,00
Yapı Kredi Bank Deutschland OHG	Frankfurt/Germany	Banking	100,00	100,00
Stiching Custody Services YKB	Amsterdam/Netherlands	Custody services	100,00	100,00
Yapı Kredi Diversified Payment	George Town/	Special Purpose		
Rights Finance Company ⁽¹⁾	Cayman Islands	Company	-	-

(1) It is a special purpose entity established for securitization transactions and is included in the consolidation although it is not a subsidiary of the Parent.

3.1.2. Consolidation principles of associates:

The associates are entities in which the Parent Bank participates in their capital and has significant influence on them, although the Parent Bank has no capital or management control, is established in domestic and abroad. The related associates are consolidated with equity method.

Significant influence refers to the participation power on the constitution of the financial and management policies of the participated associate.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changes in the participated associate's shareholders' equity during the period attributable to the portion of the investor and the deduction of the dividend received from the associate from the revised value of the associate amount.

The associates included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	(City/ Country)	Main activities	Effective rates % March 31, 2025	Direct and indirect rates % March 31, 2025
Banque de Commerce et de Placements S.A.	Geneva/Switzerland	Banking	30,67	30,67
Allianz Yaşam ve Emeklilik A.Ş.	Istanbul/Türkiye	Insurance	20,00	20,00

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

3.1.3. Transactions with minority shareholders:

The Group applies a policy of treating transactions with minority interests as transactions within the Group. The difference between the acquisition cost and net asset acquired is recognised under equity. Disposals from minority interests are also considered as equity transactions and result in changes in the equity of the Group.

3.1.4. Presentation of unconsolidated subsidiaries, associates and joint ventures in consolidated financial statements:

Turkish Lira denominated investments in unconsolidated associates, subsidiaries and joint ventures are accounted at cost value, less any impairment, in accordance with "TAS 27 - Individual Financial Statements" in the consolidated financial statements.

Foreign currency denominated investments in unconsolidated associates, subsidiaries and joint ventures are accounted at their original foreign currency costs translated into Turkish Lira using the exchange rates prevailing at the transaction date less impairment, if any.

When the cost of associates, subsidiaries and joint ventures is higher than the net realizable value, the carrying amount is reduced to the net realizable or fair value considering whether the value decrease is temporary or permanent and the ratio of the value decrease.

4. Explanations on forward and option contracts and derivative instruments:

The Group's derivative transactions mainly consist of money and interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. As a result, the fair value of derivatives is reflected as net liability or net asset on a contract by contract basis. The accounting method applied to the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Group documents the relationship between hedging instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Group regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

Changes in the fair value of derivative instruments subject to fair value hedges are recognized under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities.

The ineffective portion of the mentioned hedging transactions is reflected to the income statement. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortized cost) of the hedged item, for which the risk is hedged by a portfolio hedge, are amortized with the straight line method within the time to maturity and recognized in profit or loss accounts. Fair value adjustments are recognized directly in the income statement in an event of repayment and/or unwinding and/or the recognition of the hedged item.

The Parent Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using interest rate and currency swaps. The effective portion of the fair value changes of the hedging instruments are recorded in "Other accumulated comprehensive income that will be reclassified in profit or loss" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization for sale of the hedging instrument, or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit or loss accounts as these cash flows of the hedged item are realized (considering the original maturity of the hedging instrument).

Some of the trading purpose derivative transactions, even though they provide effective economic hedges under the Group's risk management policy, do not qualify for hedge accounting under the specific rules in "IFRS 9- Financial Instruments" and are therefore treated as "Derivative financial assets measured at fair value through profit or loss".

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

"Derivative financial assets measured at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Derivative financial assets measured at fair value through profit or loss" and if the fair value difference is negative, it is disclosed under "Derivative financial liabilities measured at fair value through profit or loss". Fair value changes are recorded under "Derivative Financial Transactions Gains/ (Losses)" in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Parameters used for the valuation of the option portfolio of the Parent Bank are determined by market risk management and the confirmation of the accuracy of fair value calculations are monitored periodically by market risk management.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to "TFRS 9 – Financial Instruments"; in case, (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another.

As of March 31, 2025, the Parent Bank's credit derivatives portfolio included total return swaps.

Credit linked notes are bonds that have repayments depending on a credit event or the credit risk evaluation of a reference asset or asset pool. Depending on whether the reference assets are included in the balance sheet of the issuer or the owner of the assets, these transactions can be accounted by the party assuming the credit risk as insurance or as an embedded derivative. As per the Bank's management evaluation, the embedded derivatives included in the credit linked notes are separated from the host contracts in accordance with "TFRS 9 - Financial Instruments" and recorded and evaluated as credit default swaps. The bond itself (host contract) is valued in accordance with the valuation principles of the category it is classified.

Total return swaps are contracts, in which the seller commits to pay the contract value for all cash flows of the reference assets of the seller and the changes of the market values of these reference assets to the buyer during the contract maturity and bear all the decreases in the market value of these reference assets. The Bank uses the total return swaps to generate long term funding.

Market risks of these products are monitored using the Parent Bank's internal modeling system for the Value-at-Risk and basis points sensitivity analysis; the liquidity risks are monitored using the short term liquidity report on daily and the long term liquidity report on monthly basis.

According to the regulations of BRSA, currency exchange transactions which are realized at value date in the initial phase of currency swaps are recorded and followed as irrevocable commitments in off-balance sheet accounts until the value date.

A Credit Valuation Adjustment (CVA) is applied to the Bank's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. CVA is the mark-to-market cost of protection required to hedge credit risk from counterparties in the Bank's over-the-counter derivatives portfolio. The Bank calculates CVA based on collective provisioning methodology calculated in accordance with Turkish Financial Reporting Standards, "TFRS 9 – Financial Instruments", comprising the product of Exposure, Probability of Default (PD) and Loss Given Default (LGD). CVA is calculated based on the exposure of each counterparty.

Within the scope of TFRS 13 – Fair Value Measurement standard; (i) if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); (ii) when the transaction or quoted price does not represent fair value; and / or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) when the price is stale, the Bank makes an adjustment to the transactions or quoted prices and reflects this adjustment to the fair value measurement. In this context, the Bank determines the point within the range that is most representative of fair value under current market conditions.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

5. Explanations on interest income and expense:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method periodically.

Retrospective rediscount calculation and foreign exchange evaluation is performed for non-performing loans, and accrued interest and discounts as of transfer to non-performing loan accounts are accounted under loan accrual/rediscount accounts as per Uniform Chart of Accounts ('UCA'). The Bank ceases accruing interest after non-performing loan classification. In place of that, interest amount representing the time value of future collections is recognized under interest income instead of provision expense.

6. Explanations on fee and commission income and expenses:

Fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized or deferred based on the type of the underlying transaction. Other commission income and fees from various banking services are recorded as income at the time of realization.

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 - "Revenue from Contract with Customers".

7. Explanations on financial assets:

As of January 1, 2018, the Group has applied TFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)
- Financial assets measured at amortised cost

According to TFRS 9 classification of financial assets is based on two criterias; business model under which the financial asset is being managed and contractual cash flows representing solely payments of principal and interest of the financial asset. This evaluation incorporates whether there is any clause that may change timing or amount of contractual cash flows of the financial asset.

Classification of financial assets reflects the business model of how the Group manages the assets in order to generate cash flows. Bank's business model may be to collect solely the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL.

Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

The Parent Bank owns Consumer Price Indexed (CPI) Government Bonds which are classified under "Fair value through other comprehensive income" and "measured at amortised cost" securities portfolio. Related securities are valued using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Assessment of the business model

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not a single instrument basis approach for classification and should be determined on a higher level of aggregation.

During the assessment of the business model for management of financial assets, all relevant evidences at the assessment date have been taken into consideration. Such relevant evidence includes below:

- How the performance of the portfolio is evaluated and reported to the Group's management;
- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets with duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

If cash flows are realised in a way that is different from the expectations on the date of the assessment of the business model, that does not give rise to a prior period error in the financial statements nor does it change the classification of the remaining financial assets held in that business model as long as all relevant information that was available at the time of business model assessment were. However, when the business model is assessed for newly originated or newly purchased financial assets, it must be considered information about how cash flows were realised in the past, along with all other relevant information. The business models are divided into three categories. These categories are defined below:

- Business model whose objective is to hold assets in order to collect contractual cash flows

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. That is, the Group manages the assets held within the portfolio to collect those particular contractual cash flows.

Although the objective of Group's business model may be to hold financial assets in order to collect contractual cash flows, the Group does not need to hold all of those instruments until the maturity. Thus Group's business model can be to hold financial assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future.

The business model may be to hold assets to collect contractual cash flows even if the Group sells financial assets when there is an increase in the assets' credit risk. The Group considers reasonable and supportable information, including forward looking information in order to determine whether there has been an increase in the assets' credit risk. Regardless of their frequency and value, sales due to an increase in the assets' credit risk are not inconsistent with a business model whose objective is to hold financial assets to collect contractual cash flows because the credit quality of financial assets is relevant to the Group's ability to collect contractual cash flows.

- A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

The Group may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In this type of business model, the Group's management has made a decision on both collecting contractual cash flows and selling financial assets are necessary for achieving the objective of the business model. There are various objectives that may be consistent with this type of business model. For example, the objective of the business model may be to manage liquidity needs on daily basis, to maintain a particular interest yield profile or to match the duration of the financial assets to the duration of the liabilities funding those assets. To achieve such an objective, the Group will both collect contractual cash flows and sell financial assets.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Compared to a business model whose objective is to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective instead of being only incidental to it.

➤ **Other business models**

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

A portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Group is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

7.1. Financial assets measured at fair value through profit or loss:

Financial assets, which are classified as "Financial assets measured at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be measured reliably and fair values are calculated by alternative models. All gains and losses arising from these valuations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

The principles regarding the accounting of derivative financial instruments are explained in detail in Note 4 of this section.

7.2. Financial assets measured at amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost. These financial assets are initially recognized at total of acquisition and transaction cost. After their initial recognition they are carried at "Amortized cost" using the "Effective interest method".

7.3. Loans:

Loans are financial assets raised through lending without having the intention to trade in the short term. Loans are non derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on active market. Loans are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

Retail, commercial and corporate loans included in cash loans are accounted for with their original maturities in accounts which are mentioned in the UCA. Foreign currency indexed loans are initially measured at local currency accounts with the foreign exchange rate prevailing at date of the initial recognition and re-valued with the relevant foreign currency rates prevailing at the date of the financial statements. Increase or decrease in the value of the principal amount of the loan due to changes in foreign exchange rates is accounted in the related income and expense accounts. Repayment amounts are translated with the foreign exchange rates prevailing at the repayment dates and the valuation differences are accounted for in foreign exchange gain/loss accounts.

The Parent Bank provides provision for expected credit losses based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 29750 dated June 22, 2016 and in line with "TFRS 9 - Financial Instruments". In this context, the management estimates are determined, on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture.

As of March 31, 2025, the Bank has made its classifications in accordance with the TFRS 9 standard and reflected them in its financial statements. In this context; the Group has evaluated many reasonable and supportable qualitative and quantitative data in assessing whether there is a significant increase in credit risk in the classification of loans according to stages and determining the moment when the default situation occurs. It has classified the loans according to their stages according to its best judgment under the current conditions.

Expected Credit Losses are accounted for as an expense in the accounting period they are incurred. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under "Other operating income". The write off policy is described in the explanations and notes related to assets, fifth section.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

7.4. Financial assets measured at fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI).

Financial assets measured at fair value through other comprehensive income are subsequently re-measured at fair value. When fair values based on market prices cannot be observed reliably, the financial assets at fair value through other comprehensive income are carried at fair values determined by using alternative models. "Unrealized gains and losses" arising from changes in the fair value of financial assets classified as financial assets at fair value through other comprehensive income are recognized in the shareholders' equity as "Other accumulated comprehensive income that will be reclassified in profit or loss", until the related assets are impaired or disposed. When these financial assets are disposed or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Interest and dividends received from financial assets at fair value through other comprehensive income are recorded in interest income and dividend income as appropriate.

Interest income on financial assets at fair value through other comprehensive income are calculated by effective interest rate method and are accounted for in interest income account. At the time of sale of financial assets at fair value through other comprehensive income before the maturity, the difference between the profit, which is the difference between the cost and sales price of the financial assets, and the interest income accrual are accounted under "Profit/losses from capital market transactions".

7.5. Equity instruments measured at fair value through other comprehensive income:

At initial recognition, Group can make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an equity instrument within the scope of TFRS 9. Such election is made on an instrument basis. Fair value differences recognized in other comprehensive income are not transferred to profit or loss in the following periods and transferred to prior years' profit/loss. The equity instruments measured at fair value through other comprehensive income, are not subject to impairment calculation.

8. Explanations on impairment of financial assets:

The Parent Bank assesses the expected credit losses ("ECL") related with its debt instrument assets carried at amortised cost and at fair value through other comprehensive income, with the exposure arising from loan commitments and financial guarantee contracts on a forward-looking basis. The Parent Bank recognises a loss allowance for such losses at each reporting date. The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the expected credit loss allowance:

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and at fair value through other comprehensive income is an area that requires the use of advanced models and significant assumptions about future economic conditions and credit behaviour.

These financial assets will be divided into three categories depending on the gradual increase in credit risk observed since their initial recognition. Impairment shall be recognized on outstanding amounts in each category, as follows:

Stage 1:

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

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to this stage. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognized and interest revenue is calculated on the net carrying amount.

Life-time expected credit loss is calculated on an individual or collective basis for the financial assets in stage 2 and stage 3.

General provisions represent ECLs for the first stage and the second stage, specific provisions represent ECLs for the third stage.

The Parent Bank has developed specific models for calculating the expected loss; such models are based on the parameters of PD, LGD and EAD and on the effective interest rate. In particular:

- The PD (Probability of Default), represents the customer's probability of more than 90 days delay, within 12-months;
- The LGD (Loss Given Default), represents the percentage of the estimated loss, and thus the expected rate of recovery, at the date of occurrence of the default event of the credit exposure;
- The EAD (Exposure at Default), represents the measure of the exposure at the time of the event of default of the credit exposure;
- The Effective interest rate is the discount rate that expresses of the time value of money.

Such parameters are calculated starting from the corresponding parameters used for IRB preparation purposes, with specific adjustments in order to ensure consistency between accounting and regulatory treatment despite different regulatory requirements.

The main adjustments aimed at:

- Removal of prudency principal used for IRB preparation phase;
- Introducing "point-in-time" adjustments to replace "through-the-cycle" adjustments required for IRB preparation phase (TFRS-9 parameters developed over these parameters.);
- With reference to lifetime PD, through-the-cycle PD curves obtained by adjusting observed cumulated default rates were calibrated in order to reflect point-in-time on portfolio default rates.

Recovery rate incorporated into through-the-cycle LGD was adjusted in order to remove prudency principle and to reflect the most updated trend of recovery rates discounted at effective interest rate or at its best approximation.

The lifetime EAD has been obtained by converting the 1 year regulatory or managerial model to life-time, removing margin of prudency and including the expected discounted cash flow.

The stage allocation model is a key aspect of the accounting model required to calculate expected credit losses which is aimed at transferring credit exposures from Stage 1 to Stage 2.

With reference to the quantitative component of the model for stage allocation, the Parent Bank has adopted a statistical approach based on a quantiles regression whose objective is to define a threshold in terms of maximum variation acceptable between the PD at the time of origination and the PD assessed at the reporting date.

The stage allocation model was based on a combination of relative and absolute elements. The main elements were:

- Comparison, for each transaction, between the PD measured at the time of recognition and PD as at the reporting date, both calculated according to internal models, through thresholds set in a way considering all key variables of each transaction that can affect the Bank's expectation of PD changes over time;
- Absolute elements such as the backstops required by law;
- Additional internal evidence.

Significant increase in credit risk

In the assessment of significant increase in credit risk quantitative and qualitative assessments are made;

Quantitative Assessment:

As a result of quantitative assessment, related financial asset is classified as stage 2 (Significant Increase in Credit Risk) when any of the following criterias are satisfied.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

As of reporting date:

- Lifetime expected credit losses shall be recognized on a transaction base, when more than 30 days past due status is passed. The Parent Bank can abandon this estimation when it has reasonable and supportable information about customers' contractual repayments.
- In case a loan has been restructured, it will be followed up under Stage 2 during the follow-up period mentioned in the related regulations. The loan can be transferred back to Stage 1 at end of the follow-up period if there is no significant deterioration.
- Provisions on non-funded non cash loans are evaluated as significant increase in credit risk.

Qualitative Assessment:

The probability of significant increase in credit risk under qualitative assessment is based on the comparison of probability of default of a loan in the origination and as of reporting date.

The Group uses distribution regression on segment basis in order to calculate the thresholds used in defining the significant increase in credit risk.

Low credit risk

Financial instruments defined as low risk for TFRS 9 are;

- Receivables from Central Bank of the Republic of Türkiye ("CBRT");
- Loans with counterparty of Treasury of the Republic of Türkiye;
- The issued securities or guaranteed marketable securities from central banks of the countries where Group's subsidiaries, associates are resident;
- Bank placements;
- Other money market transactions;
- Transactions of Group's associates and subsidiaries.

Forward Looking Macroeconomic Information:

Forward-looking macroeconomic information is incorporated into credit risk parameters during assessment of significant increase in credit risk and expected credit loss calculation.

For the calculation of expected credit loss, Bank uses macroeconomic estimation method which is developed during creation of various scenarios. Macroeconomic variables prevailing during these estimates are gross domestic product (GDP), CPI and unemployment rate.

When expected credit losses are estimated in accordance with the forward looking macroeconomic information, the Bank evaluates three scenarios (base, pessimistic and optimistic) with various weights based. The Bank has reviewed the macroeconomic model used in the process and has been the subject of provision calculations using the data considered to reflect the current situation in the best way.

In the light of macroeconomic expectations, the Parent Bank reflected the calculations made to its financial statements considering the probability of default values and the possible changes in the exposure at default. In this context, the Bank has measured the effect of the change in macroeconomic data used in the calculation of expected credit loss such as gross domestic product and unemployment rate, on the non performing loans under different scenarios and reflected the increase coefficient, which was considered to be the most accurate, to its provision calculations by projecting it on the loan parameters within the range of NPL ratio obtained throughout the calculations.

9. Explanations on offsetting financial assets:

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

10. Explanations on sales and repurchase agreements and securities lending transactions:

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost" according to the investment purposes of the Group and measured according to the portfolio to which they belong.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Funds obtained from repurchase agreements are accounted under "Money market funds" in liabilities and the difference between the sale and repurchase price is accrued over the life of the repurchase agreements using the "Effective interest method". Interest expense on repo transactions are recorded under "Interest expense on money market transactions" in the income statement.

Funds given against securities purchased under agreements to resell ("reverse repo") are accounted under "Money markets receivables" on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method.

The Group has no securities lending transactions.

11. Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets:

According to the "TFRS-5 Non-current Assets Held for Sale and Discontinued Operations" a tangible asset (or a group of assets to be disposed) classified as "Asset held for sale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as "Asset held for sale" only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

A discontinued operation is a part of the Group's business classified as sold or held for sale. The operating results of the discontinued operations are disclosed separately in the income statement.

12. Explanations on goodwill and other intangible assets:

12.1. Goodwill:

The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The acquirer also recognises assets that are capable of being individually identified and separately recognised, intangible assets (e.g. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognised by the acquire before the business combination, if it can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

As of March 31, 2025, there is no goodwill (December 31, 2024 - None).

12.2. Other intangible assets:

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for impairment.

The Group evaluates the possibility of existence of impairment of intangible assets at the end of each reporting period. If there is an evidence of impairment, the Group estimates a recoverable amount in accordance with the "TAS 36 - Impairment of Assets". The recoverable amount is the higher of net sales price or the value in use. When the book value of another intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

Intangibles are amortized over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit from the asset.

13. Explanations on property and equipment:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement in accordance with "TAS 16- Property, Plant and Equipment". Subsequently, properties and equipments, except art objects, paintings and buildings, are carried at cost less accumulated depreciation and provision for impairment.

The Group adopted fair value accounting method for its buildings since March 31, 2015 in tangible assets in accordance with "TAS 16 - Property, Plant and Equipment".

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

The depreciation rate for buildings is 2-4%; for movables and movables acquired under financial leasing depreciation is calculated over estimated useful life by using the straight-line method. The depreciation charge for items remaining in property and equipment for less than a full accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

In accordance with "TAS 36 - Impairment of Assets", where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down to its "recoverable amount" and the provision for impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales proceeds.

Expenditures for the repair and maintenance of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

14. Explanations on leasing transactions:

The Group performs leasing transactions in the capacity of the lessee and lessor.

14.1. Accounting of leasing operations according to lessee:

The Group has adopted "TFRS 16 - Leases" in the accounting of leasing transactions.

In accordance with "TFRS 16 - Leases", the Group calculates "right-of-use" amount using the present value of the lease payments of fixed asset at the beginning of the leasing period and recognizes under "property and equipment". Unpaid leasing payments are calculated at their net present value and recognized under "lease payables" in liabilities. Lease payments are discounted using related borrowing rates.

Fixed assets that are subject to leasing is amortised on the basis of leasing period. Interest expense related to lease payables is classified under "interest on lease payables" under "interest expense" and exchange rate changes are classified under "foreign exchange gains/losses". Leasing payments are deducted from lease payables.

14.2. Accounting of leasing operations according to lessee:

Assets that are subject to financial leasing are reflected as a receivable equal to the net leasing amount in the consolidated financial statements. Interest income is earned to form a fixed periodical interest rate on net investment amount of the related leased asset by the lessor and the portion relating to subsequent periods is followed in the unearned interest income account.

14.2.1. Provision for doubtful lease receivables

The lease receivables provision for the impairment of investments in direct finance leases is established based on a credit review of the receivables portfolio. The Group has set this provision in accordance with the TFRS 9 rules.

Finance lease receivables and accounts receivables that cannot be recovered are written off and charged against the allowance for the impairment of lease and accounts receivables. Such receivables are written off after all the necessary legal proceedings have been completed and the amount of loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from the provision for the impairment of the lease receivable and are recognized as income.

15. Explanations on provisions, contingent assets and liabilities:

Provisions and contingent liabilities, except for the expected credit loss recognized for financial instruments within the scope of TFRS 9 standards, are accounted in accordance with "TAS – 37 Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions for contingent liabilities arisen from past events are recognised in the period of occurrence in accordance with the "Matching principle".

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

A provision is recognised when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made, or it is not probable that an outflow of resources will be required to settle the obligation, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

16. Explanations on obligations related to employee benefits:

16.1. Employee benefits

Obligations related to employee termination and vacation rights are accounted for in accordance with "TAS 19 - Employee Benefits" and are classified under "Provisions for employee benefits" account in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employee termination represents the present value of the estimated total liability for the future probable obligation of the Group determined by using certain actuarial assumptions. Actuarial gains and losses are accounted for under equity in accordance with the "TAS – 19 Employee Benefits" standard.

16.2. Pension rights

The Parent Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("the Fund") which was established in accordance with the 20th temporary article of the Social Security Law No. 506. As of December 31, 2024, the defined benefit obligations of the Fund have calculated in the actuarial valuation report prepared by the registered actuary.

Temporary article 23th paragraph 1 of the Banking Act published in the Official Gazette No 25983 dated November 1, 2005 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the publication date of the article.

The article of the Law related to the transfer was cancelled (pursuant to the application by the President on November 2, 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated March 22, 2007) published in the Official Gazette No. 26479 dated March 31, 2007, and the effect of the law article was suspended from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26731. With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period was extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011. According to the "Amendment of Social Insurance and General Health Insurance Law No. 6283" published in the Official Gazette dated March 8, 2012, Council of Ministers was authorized to increase the two-year extension period mentioned above to four years.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

According to the decision of The Council of Ministers dated February 24, 2014, the transfer date is set as May 2015. The Council of Ministers was authorized to determine the transfer date of pension funds in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated April 23, 2015 and numbered 29335. The president was authorized to determine the transfer date of pension funds in accordance with the last amendment by the Law No. 30473 published in the Official Gazette dated July 9, 2018.

A commission (whose members are the representatives of the SSI, Ministry of Treasury and Finance of the Republic of Türkiye, State Planning Organization, BRSA, Saving Deposit Insurance Fund ("SDIF"), one member representing the Fund and one member representing the Fund members) is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% by law taking into consideration income and expenses by insurance branches of the funds and the excess of salaries and income paid by the funds over the salaries and income to be paid in accordance with the SSI arrangements which should not be less than SSI arrangements, related to the members of the Fund as of the date of the transfer including the members who have left the scheme.

In accordance with the New Law, after the transfer to SSI, any social rights and payments to Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will continue to be provided by the Fund and the employers of the Fund members.

The Parent Bank accounts for a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law and in accordance with the "TAS 19 - Employee Benefits" standard.

16.3. Short term benefits of employee:

Within the scope of "TAS 19 - Employee Benefits", the Group measures the expected costs of accumulated paid leaves as expected payments it will make due to unused leave rights as at the end of the reporting date.

17. Explanations on taxation:

17.1. Current tax:

The corporate tax rate is 20% in accordance with the article number 32 of the New Corporate Tax Law no.5520 which is published in the official Gazette dated June 21, 2006 and numbered 26205. In accordance with the 11 and 14th articles of the Law numbered 7316 on "Amendment of Law on Collection Procedure of Public Receivables and Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462, corporate tax rate will be applied as 25% for enterprises' corporate income belonging to the taxation periods of 2021 and 23% for enterprises' corporate income belonging to the taxation periods of 2022. Standard corporate tax rate for financial sector is increased to 25% starting from the declarations as of July 1, 2022 and to be valid for the taxation periods of 2022 according to the Law numbered 7394 published in the Official Gazette No. 31810 dated April 15, 2022. In accordance with the Law numbered 7456 which is published in Official Gazette dated July 15, 2023 and numbered 32249, corporate tax rate is increased to 30% for banks starting from the declarations of October 1, 2023 and to be valid for the taxation periods from January 1, 2023.

Corporate tax rate business income tax in accordance with the laws of the institutions to be added as unacceptable the reduction of costs in the tax laws, exemptions and reductions to the tax base found as a result of the reduction that will be applied.

Under the additional articles added to the Corporate Tax Law by Law No. 7524 dated August 2, 2024, the earnings of affiliates of multinational enterprise groups are subject to a global minimum corporate tax rate of at least 15%. In addition, with the Corporate Tax Law ("Law"), corporate taxpayers have been in scope of Domestic Minimum Corporate Tax Application on their earnings, effective from January 1, 2025. According to the regulation, the corporate tax calculated by the corporate taxpayers within general rules of Law will be compared with 10% of the corporate income before deductions and exceptions specified in the Law, and the higher amount will be taken into account in the declaration as the calculated corporate tax.

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

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Dividends paid to non-resident corporations, which have a place of business in Türkiye or to resident corporations are not subject to withholding tax. Dividends paid to individuals and institutions other than those listed above are subject to a withholding tax of 10% until December 22, 2024, and 15% thereafter. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

In accordance with the Corporate Tax Law, three quarterly temporary corporate tax statements are submitted in total in the first nine months of reporting year. Advance tax is declared and paid by the 17th day of the second month following each calendar quarter end.

Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

75% of the profits arising from the sale of equity shares that are held for at least two years, before November 27, 2024 and 50% thereafter are exempt from tax if they are added to the capital as defined in the Corporate Tax Law or kept in equity for five years.

In accordance with the Law numbered 7456 which is published in the Official Gazette dated July 15, 2023 and numbered 32249, the tax exemption on profits from the sales of immovables has been terminated as of July 15, 2023. For immovables that were a part of company's assets before the date of July 15, 2023, the exemption rate on profits arising from their sales has been set as 25%.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

Tax returns are required to be filled and delivered to the related tax office until the last evening of the fourth month following the balance sheet date and the accrued tax is paid same day. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Non-monetary items on the financial statements must have been restated for inflation according to the repeated article 298/A of Tax Procedure Law. In law numbered 7352 published on January 29, 2022 in the Official Gazette numbered 31734, 2021 and 2022 accounting periods including advance tax periods are deemed as the periods in which the requirements for inflation adjustment are not met. In the fiscal year of 2023, quarterly advance tax periods were not subject to inflation adjustment, but the financial statements prepared in accordance with Tax Procedure Law are subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met. Profit/loss difference arising from inflation adjustment is recognized in retained earnings but has no effect on the corporate tax base. The profit/loss differences arising from the inflation adjustment for the accounting periods in 2024 and 2025, including the temporary tax periods, will not be taken into account in the determination of taxable income. The President is authorized to extend the determined tax periods by one accounting period.

Tax rates that are used in tax calculations before the exemptions by foreign subsidiaries by taking current tax regulations in their countries into consideration as of March 31, 2025 are as follows:

Netherlands	25,80%
Azerbaijan	20,00%
Germany	15,83%

Amendments to Tax Procedure Law was published with the Law numbered 7338 published in the Official Gazette dated October 26, 2021. These amendments provide the opportunity to revalue the real estates and depreciable assets.

With the change in the communiqué published in the Official Gazette on January 14, 2023, conditions have been clarified for the taxpayers, who are subject to different accounting and financial reporting standards rules than those determined by the General Communiqué on Accounting System Implementation, is able to benefit from the revaluation specified in paragraph (Ç) of the duplicate article 298 and temporary article 32 in Law Numbered 213.

Within the scope of the temporary article 32 of the Tax Procedure Law Numbered 213, depreciable assets were revalued and additional tax amount of 2% is levied over the revaluation difference. Assets that are included in the scope pursuant to paragraph (Ç) of the duplicate article 298 are valued with the revaluation rate announced in the relevant year and no tax is levied over this revaluation increase.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

17.2. Deferred tax:

The Group calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "TAS 12 - Income Taxes" and in accordance with BRSA's explanations and circulars and the tax legislation. The Group calculates deferred tax on deductible temporary differences, to the extent that future taxable income is estimated to be available.

In the deferred tax calculation, the enacted tax rate is used as of the balance sheet date by estimating when the temporary differences will be taxable / deductible in accordance with the current tax legislation.

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

Deferred tax assets and liabilities of subsidiaries subject to consolidation have been netted of in their standalone financial statements in accordance with "TAS 12 - Income Taxes". The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

Tax effects of the transactions that are directly accounted under equity are also reflected to equity.

17.3. Transfer pricing:

The article no.13 of the Corporate Tax Law No.5520 describes the issue of transfer pricing under the title of "Disguised profit distribution" by way of transfer pricing (previously included as "Disguised profit" in the Corporate Tax Law No.5422). "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at November 18, 2007/26704, explains the application related issues on this topic effective from January 1, 2007, also taking into account the regulations in Article 41 of the Income Tax Law.

"Arm's length principle", which is the basis for the transfer pricing rule, is the pricing system to be followed for purchase or sale activities between related parties for any product or service transactions as if the transaction is realized with any other third party. According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As discussed in the relevant section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

18. Explanations on borrowings:

The financial liabilities classified at fair value through profit/loss, trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortized cost" including costs of transactions using the "effective interest method".

The Group classifies some of its financial liabilities as the financial liabilities classified at fair value through profit/loss in order to eliminate the accounting mismatch at the initial recognition. For the related liabilities until the maturity, the Bank presents interest expenses paid and the difference between amortized cost and acquisition cost in the interest expense, the difference between the fair value of the financial liabilities and amortized cost presents under the trading gain/(loss) in the income statement.

The Group utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued. Also, Group obtains funds by issuing bonds and bills.

19. Explanations on issuance of share certificates:

When shares are issued above their nominal value, the excess over the nominal value is accounted under shareholders' equity as "Share premium".

20. Explanations on confirmed bills of exchange and letter of acceptances:

Confirmed bills of exchange and acceptances are included in the "Off-balance sheet commitments".

21. Explanations on government grants:

None (December 31, 2024 - None).

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

22. Profit reserves and profit distribution:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the TCC. The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

No dividend payments of the Parent Bank were announced after the balance sheet date.

23. Earnings per share:

Earnings per share disclosed in the income statement are calculated by dividing net profit/loss for the year to the weighted average number of shares outstanding during the period concerned.

	Current Period	Prior Period
Net income/(loss) to be appropriated to ordinary shareholders	11.418.148	10.301.888
Weighted average number of issued ordinary shares (thousand)	844.705.128	844.705.128
Earnings per share (full TL)	0,0135	0,0122

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares were issued during 2025 (2024 - None).

24. Related parties:

For the purpose of these financial statements, shareholders having control shares of the Bank, key management personnel and board members together with their families and companies controlled by/affiliated with them, associated companies and joint ventures and the Fund providing post employment benefits are considered and referred to as related parties in accordance with "TAS 24 - Related Parties". The transactions with related parties are disclosed in detail in Note 5 of Section Five.

25. Explanations on operating segments:

Information about operating segments which are determined in line with "TFRS 8 - Operating Segments" together with organizational and internal reporting structure of the Bank, are disclosed in Note 10 of Section Four.

26. Explanations on other matters:

None.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Section Four - Information related to financial position and risk management of the Group**1. Explanations on consolidated equity:**

The calculation of the own funds and the capital adequacy standard ratio are performed in accordance with the communiqués such as “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio”, “Regulation Credit Risk Mitigation Techniques”, “Regulation on calculation of Risk-Weighted Amounts of Securitization” and “Regulation Regarding Banks’ Shareholders’ Equity”.

The consolidated capital adequacy ratio of the Group is 15,70% (December 31, 2024 – 17,32%) and the Parent Bank is 16,81% (December 31, 2024 – 18,55%).

1.1. Information on equity:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in Capital	8.447.051	8.447.051
Share premiums	556.937	556.937
Retained earnings	173.816.684	145.190.447
Other comprehensive income and other disclosed reserves which defined in the Turkish Accounting Standards	49.694.500	43.187.698
Profit	13.058.102	30.656.777
Net profit of the period	11.418.148	29.016.823
Profit of the previous years	1.639.954	1.639.954
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled subsidiaries and cannot be recognised within profit for the period	54.309	54.309
Minority interest	4.818	4.672
Common Equity Tier 1 capital before regulatory deductions	245.632.401	228.097.891
Common Equity Tier 1 capital: regulatory deductions		
Valuation adjustments	-	-
The sum of the net loss for the current period and the previous years which could not be absorbed by the retained earnings and losses recognised in equity in accordance with TAS	28.639.375	24.311.665
Leasehold improvements for operating leasing	862.220	865.790
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	3.961.600	3.069.583
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	1.214.219	1.534.172
Total expected losses calculated according to the Internal Ratings Based Approach that exceed total provision	6.489.027	5.700.289
Securitization gain on sale	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Investments in own capital	-	-
Credits extended contrary to the fourth paragraph of Articles 56 of the Banking Law	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank owns more than 10% of the issued share capital (amount above 10% threshold)	-	-
Mortgage servicing rights (amount above 10% threshold)	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amount exceeding the 15% threshold (-) of the common equity Tier 1 in accordance with the second paragraph of the provisional article 2 in the regulation regarding the Banks’ Shareholders’ Equity	-	-
The amount above threshold for the investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank owns more than 10% of the issued share capital	-	-
The amount above threshold for mortgage servicing rights	-	-
The amount above threshold for deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
Total regulatory deductions to Common equity Tier 1	41.166.441	35.481.499
Common Equity Tier 1 capital (CET1)	204.465.960	192.616.392

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

ADDITIONAL TIER 1 CAPITAL	Current Period	Prior Period
Preferred shares that are not included in Common Equity Tier 1 capital and related shares issue premiums	-	-
Eligible debt instruments and relevant share issue premiums that are approved by the BRSA	18.882.800	17.640.150
Eligible debt instruments and relevant share issue premiums that are approved by the BRSA (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-	-
Third parties' share in the Additional Tier 1 capital	-	-
Third parties' share in the Additional Tier 1 capital (Temporary Article 3)	-	-
Additional Tier 1 capital before regulatory deductions	18.882.800	17.640.150
Additional Tier 1 capital: regulatory deductions		
Investments in own Additional Tier 1 instruments	-	-
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Regulatory Adjustments which will be deducted from Tier 1 capital during the transition period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Total Additional Tier 1 capital	18.882.800	17.640.150
Total Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	223.348.760	210.256.542
TIER 2 CAPITAL		
Eligible debt instruments and relevant share issue premiums that are approved by the Agency	44.070.440	41.212.345
Eligible debt instruments and relevant share issue premiums that are approved by the Agency (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-	-
Shares of Third Parties in Additional Tier I Capital	-	-
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.801.264	1.267.281
Tier 2 capital before regulatory adjustments	47.871.704	42.479.626
Tier 2 capital: regulatory adjustments		
Direct and indirect investments of the Bank on its own Tier 2 Capital (-)	-	-
Investments of the Bank to banks that invest on the Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) (-)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Total Tier 2 capital	47.871.704	42.479.626
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	271.002.758	252.547.121
The Sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Credits extended contrary to the provisions of Articles 50 and 51 of the Banking Law	27.722	24.375
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years ⁽¹⁾	-	-
National specific regulatory adjustments which shall be determined by the BRSA	189.984	164.672
Regulatory Adjustments which will be deducted from Total Capital during the transition period		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Significant investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold), mortgage servicing rights (amount above 10% threshold), deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

OWN FUNDS	Current Period	Prior Period
Total Capital (The sum of Tier 1 capital and Tier 2 capital) ⁽²⁾	271.002.758	252.547.121
Total Risk Weighted Assets ⁽³⁾	1.725.938.499	1.458.076.711
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	11,85	13,21
Tier 1 Capital Adequacy Ratio (%)	12,94	14,42
Capital Adequacy Ratio (%)	15,70	17,32
BUFFERS		
Institution specific buffer requirement of the Bank (a+b+c)	3,562	3,556
a)Capital conservation buffer requirement (%)	2,500	2,500
b)Bank's specific countercyclical buffer requirement (%)	0,062	0,056
c)Systemically important Bank buffer (%)	1,000	1,000
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	6,941	8,420
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	1.691.584	1.449.439
Significant investments in the common stock of financials	10.074.733	9.326.688
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	12.034.477	13.179.716
Applicable caps on the inclusion of provisions in Tier 2 capital		
General provisions for standard based receivables (before ten thousand twenty five limitation)	5.430.377	1.810.401
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	3.801.264	1.267.281
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-

- (1) According to the "Regulation Regarding to changes on Regulation on Banks' Shareholders' Equity" published in Official Gazette No.30121 on July 11, 2017, related article has been abolished.
- (2) In the calculation of Capital Adequacy Ratios, the negative valuation differences on securities acquired before January 1, 2024 classified under "securities at fair value through other comprehensive income" are not taken into consideration in the calculation of own funds according to BRSA numbered 10747 dated December 12, 2023.
- (3) In the calculation of credit risk, foreign exchange rate is the rate that used in the preparation of financial statements as of June 28, 2024, according to BRSA numbered 11038 dated December 19, 2024.

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

1.2. Information on debt instruments included in the calculation of equity:

	1	2	3	4	5
Lender (1,2), Issuer (3,4,5)	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2796491681 / US984848AS09	XS2741069996 / US984848AR26	XS2286436451 / US984848AN12	TRSYKKBK62914	TRSYKKBK92911
Governing law(s) of the instrument	English Law /Turkish Law	English Law /Turkish Law	English Law /Turkish Law	BRSA /CMB / Turkish Law	BRSA /CMB / Turkish Law
Regulatory treatment					
Transitional Basel III rules	No	No	No	No	No
Eligible at stand-alone / consolidated	Stand-alone –Consolidated	Stand-alone –Consolidated	Stand-alone –Consolidated	Stand-alone –Consolidated	Stand-alone –Consolidated
Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Bond	Bond
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	18.883	24.547	18.883	400	240
Par value of instrument	18.883	24.547	18.883	500	300
Accounting classification	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost
Original date of issuance	April 4, 2024	January 17, 2024	January 22, 2021	July 3, 2019	October 3, 2019
Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
Original maturity date	-	10 years	10 years	10 years	10 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	In case of not calling within the period of April 4, 2029 - July 4,2029, call option is available every six months following the coupon payment dates	5 years	5 years	After 5th year	After 5th year
Subsequent call dates, if applicable	-	-	-	After 5th year	After 5th year
Coupons / dividends					
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Floating	Floating
Coupon rate and any related index	First 5 years 9,743% fixed, second 5 years U.S. five year treasury bond rate +549,90 basis points	First 5 years 9,25% fixed, second 5 years U.S. five year treasury bond rate +527,80 basis points	First 5 years 7,875% fixed, second 5 years U.S. five year treasury bond rate +741,50 basis points	TLREF index change +1,93%	TLREF index change + 1,30%
Existence of a dividend stopper	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount
Fully discretionary, partially discretionary or mandatory	Discretionary	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	-	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible					
If convertible, conversion trigger (s)	-	-	-	-	-
If convertible, fully or partially	-	-	-	-	-
If convertible, conversion rate	-	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-	-
Write-down feature					
If write-down, write-down trigger(s)	In case of default/ Common Equity Tier 1 capital adequacy ratio of the bank falls below 5,125%	In case of default	In case of default	In case there is a possibility that the official authorization of the Bank is cancelled or the Bank shares are transferred to SDIF	In case there is a possibility that the official authorization of the Bank is cancelled or the Bank shares are transferred to SDIF
If write-down, full or partial	Partial and complete	Partial and complete	Partial and complete	Partial and complete	Partial and complete
If write-down, permanent or temporary	Temporary	Permanent	Permanent	Permanent	Permanent
If temporary write-down, description of write-up mechanism	In case of cancellation of default/ Common Equity Tier 1 capital adequacy ratio of the bank is higher than 5,125%	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, and the TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	No	No	No
Details of noncompliances with article number 7 and 8 of "Own fund regulation"	-	-	-	-	-

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

- 1.3. There are differences between the figures in the own funds and their corresponding amounts in the balance sheet. Within this context; gains that are related to cash flow hedge transactions are not considered in the own funds. The subordinated liabilities are considered after the adjustments made in accordance with the ninth paragraph of the eight article of the "Regulation Regarding Banks' Shareholders' Equity". In addition, the negative valuation differences on securities acquired before January 1, 2024 classified under "securities at fair value through other comprehensive income" are not taken into consideration in the calculation of own funds according to BRSA numbered 10747 dated December 12, 2023.

2. Explanations on Consolidated Risk Management:

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

2.1. General Information on Risk Management and Risk Weighted Amount

As of June 30, 2021, the Parent Bank has started to calculate its credit risk, which is subject to the regulatory capital adequacy ratio reporting, with the Internal Rating-Based (IRB) approach. Foundation IRB approach is used for the corporate exposure class and advanced IRB approach is used for the retail exposure class as determined by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

2.1.1 Overview of Risk Weighted Assets

	Risk Weighted Assets		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	1,440,683.526	1,240,744.211	115,254.682
2 Of which standardised approach (SA)	245,672.899	195,455.322	19,653.832
3 Of which internal rating-based (IRB) approach	1,195,010.627	1,045,288.889	95,600.850
4 Counterparty credit risk	14,334.224	10,256.788	1,146.738
5 Of which standardised approach for counterparty credit risk (SA-CCR)	14,334.224	10,256.788	1,146.738
6 Of which internal model method (IMM)	-	-	-
7 Equity positions in banking book under market-based approach	-	-	-
8 Equity investments in funds - look-through approach	149,057	306,034	11,925
9 Equity investments in funds - mandate-based approach	-	-	-
10 Equity investments in funds - fall-back approach	-	-	-
11 Settlement risk	-	-	-
12 Securitisation exposures in banking book	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	24,257.465	18,634.498	1,940.597
17 Of which standardised approach (SA)	24,257.465	18,634.498	1,940.597
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	224,498.290	169,906.912	17,959.863
20 Of which Basic Indicator Approach	224,498.290	169,906.912	17,959.863
21 Of which Standardised Approach	-	-	-
22 Of which Advanced Measurement Approach	-	-	-
23 Amounts below the thresholds for deduction (subject to 250% risk weight)	22,015.937	18,228.268	1,761.275
24 Floor adjustment	-	-	-
25 TOTAL (1+4+7+8+9+10+11+12+16+19+23+24)	1,725,938.499	1,458,076.711	138,075.080

2.1.2 RWA Movement Table Under IRB Approach⁽¹⁾

	Current Period	Prior Period
1 Previous Period Closing Amount	1,045,288.889	849,958.363
2 Changes in Volume	83,756.532	334,808.972
3 Changes in Asset Quality	14,576.510	(44,867.320)
4 Model Updates	-	-
5 Policy and Regulatory Changes	51,388.696	(94,611.126)
6 Purchasing and Selling	-	-
7 FX Difference	-	-
8 Other	-	-
9 Current Period Closing Amount	1,195,010.627	1,045,288.889

(1) Counterparty credit risk is not included in the table.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

3. Explanations on consolidated currency risk:

The difference between the Group's foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Cross currency risk is also taken into consideration for the currency risk calculations and measurements.

The Group keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular basis. In addition, although the internal exchange position limit is lower when compared to the related legal limit, there has not been any limit exceeding during the period. As an instrument of currency risk management, derivatives such as swap and forwards are used to reduce risk whenever needed. In order to guard against extreme volatility during the year stress tests are applied. Value at risk method is used for the measurement of foreign exchange risk.

The details of hedging of the foreign currency debt instruments and net foreign currency investment risk with derivative instruments are disclosed in section four Note 8.

The Parent Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five working days prior to that date are as follows:

(Exchange rates presented as full TL)	USD	EUR
Balance sheet evaluation rate:	37,7656	40,7019
First day current bid rate	37,9323	40,8740
Second day current bid rate	37,9287	40,9326
Third day current bid rate	37,9086	40,9489
Fourth day current bid rate	37,8600	41,0400
Fifth day current bid rate	37,8502	41,0195
Arithmetic average of the last 31 days:	37,0406	39,9427
Evaluation rate as of prior period:	35,2803	36,7362

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Information on currency risk of the Group:

Current Period	EUR	USD	Other FC⁽⁴⁾	Total
Assets				
Cash (Cash in hand, effectives, cash in transit, cheques purchased) and balances with the CBRT	80.532.438	121.289.333	39.436.512	241.258.283
Banks	27.639.487	71.466.644	2.153.882	101.260.013
Financial assets measured at fair value through profit or loss	4.841	1.898.579	-	1.903.420
Money markets receivables	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1.327.415	24.154.494	1.647.119	27.129.028
Loans ⁽¹⁾	277.641.718	215.416.697	29.475.828	522.534.243
Investments in associates, subsidiaries and joint ventures	-	-	8.616.647	8.616.647
Financial assets measured at amortised cost	20.303.062	106.891.908	-	127.194.970
Hedging derivative financial assets	367.508	1.528.456	-	1.895.964
Tangible assets	83.357	-	376.910	460.267
Other assets ⁽²⁾	11.037.850	30.716.575	10.832.662	52.587.087
Total assets	418.937.676	573.362.686	92.539.560	1.084.839.922
Liabilities				
Bank deposits	508.680	619.204	3.456	1.131.340
Foreign currency deposits	227.356.586	279.640.678	165.200.640	672.197.904
Money markets payables	-	5.732.843	-	5.732.843
Funds borrowed from other financial institutions	92.557.558	137.905.939	864.970	231.328.467
Marketable securities issued	21.309.412	155.733.286	3.217.300	180.259.998
Miscellaneous payables	1.293.197	2.122.132	46.240	3.461.569
Hedging derivative financial liabilities	-	-	-	-
Other liabilities ⁽³⁾	12.547.451	147.603.580	1.244.138	161.395.169
Total liabilities	355.572.884	729.357.662	170.576.744	1.255.507.290
Net on balance sheet position	63.364.792	(155.994.976)	(78.037.184)	(170.667.368)
Net off balance sheet position⁽⁵⁾	(63.313.519)	158.388.581	89.061.565	184.136.627
Derivative financial assets	109.179.534	315.602.736	101.726.992	526.509.262
Derivative financial liabilities	172.493.053	157.214.155	12.665.427	342.372.635
Net position	51.273	2.393.605	11.024.381	13.469.259
Non-cash loans	125.518.028	157.425.275	24.310.821	307.254.124
Prior Period				
Total assets	363.114.784	510.545.467	74.006.484	947.666.735
Total liabilities	306.011.876	643.482.657	135.371.345	1.084.865.878
Net on balance sheet position	57.102.908	(132.937.190)	(61.364.861)	(137.199.143)
Net off balance sheet position⁽⁵⁾	(56.546.595)	129.307.823	71.191.937	143.953.165
Derivative financial assets	77.493.100	231.715.891	74.860.328	384.069.319
Derivative financial liabilities	134.039.695	102.408.068	3.668.391	240.116.154
Net position	556.313	(3.629.367)	9.827.076	6.754.022
Non-cash loans	110.884.130	138.345.494	20.011.773	269.241.397

(1) Includes FX indexed loans amounting to TL 73.555 (December 31, 2024 - TL 78.252) which have been disclosed as TL in the financial statements.

(2) Does not include foreign currency prepaid expenses amounting to TL 2.782.344 (December 31, 2024 - TL 2.770.340) and intangible assets amounting to TL 359.801 (December 31, 2024 - TL 233.175).

(3) Does not include provisions for employee benefits and foreign currency other comprehensive income / expense under equity.

(4) Other FC column also includes gold balance.

(5) Forward transactions classified as commitments are also included.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

4. Explanations on consolidated interest rate risk:

The monitoring of interest rate sensitive assets and liabilities of the Parent Bank, including sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements, is performed by the risk management department for all interest sensitive instruments over carrying values. The results are presented monthly to the Asset and Liability Management function of the Executive Committee. By using sensitivity and scenario analyses, the possible effects by interest rate volatility are analyzed. In these analyses possible losses are calculated for the change in fair value of interest sensitive products by applying shock tests to interest rates.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

The Parent Bank utilizes TL/FC and TL/TL interest rate and money swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the balance sheet.

4.1. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing	Total
Assets⁽¹⁾							
Cash (cash in hand, effectives, cash in transit, cheques purchased) and balances with the CBRT	115.010.688	-	-	-	-	328.018.002	443.028.690
Banks	28.039.326	12.799.394	10.961.695	3.537.972	-	55.434.423	110.772.810
Financial assets measured at fair value through profit or loss	947.120	1.833	3.652	49.371	200.322	1.914.230	3.116.528
Money markets receivables	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	15.575.220	16.975.046	30.836.572	20.528.166	45.551.758	236.307	129.703.069
Loans ⁽²⁾	444.769.099	197.423.122	441.943.462	298.179.957	53.725.752	(5.482.934)	1.430.558.458
Financial assets measured at amortised cost	12.590.816	15.287.322	151.560.436	112.356.369	70.346.985	(139.454)	362.002.474
Other assets	4.408.241	3.318.090	13.981.158	6.217.828	2.929.019	225.372.399	256.226.735
Total assets	621.340.510	245.804.807	649.286.975	440.869.663	172.753.836	605.352.973	2.735.408.764
Liabilities							
Bank deposits	1.588.023	2.164.716	9.728.884	386.018	-	1.840.224	15.707.865
Other deposits	649.101.396	135.695.330	43.180.309	11.885.219	1.144.726	669.428.830	1.510.435.810
Money markets payables	133.674.095	5.154.128	902.250	-	-	-	139.730.473
Miscellaneous payables	-	-	-	-	-	118.760.036	118.760.036
Marketable securities issued	17.673.815	43.907.421	48.281.029	81.225.612	-	-	191.087.877
Funds borrowed from other financial institutions	81.271.970	134.657.461	85.708.011	16.702.720	1.053.466	-	319.393.628
Other liabilities ⁽³⁾	6.120.918	85.026.097	22.124.610	23.500.483	29.180.811	274.340.156	440.293.075
Total liabilities	889.430.217	406.605.153	209.925.093	133.700.052	31.379.003	1.064.369.246	2.735.408.764
Balance sheet long position	-	-	439.361.882	307.169.611	141.374.833	-	887.906.326
Balance sheet short position	(268.089.707)	(160.800.346)	-	-	-	(459.016.273)	(887.906.326)
Off-balance sheet long position	14.020.089	9.400.191	71.773.165	(1.921.247)	3.171.627	-	96.443.825
Off-balance sheet short position	(34.934.480)	(65.718.010)	4.155.328	(14.583.918)	(2.116.255)	-	(113.197.335)
Total position	(289.004.098)	(217.118.165)	515.290.375	290.664.446	142.430.205	(459.016.273)	(16.753.510)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing	Total
Assets⁽¹⁾							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the CBRT	146.735.078	-	-	-	-	268.646.273	415.381.351
Banks	8.070.244	6.958.426	15.124.610	2.355.195	-	31.037.407	63.545.882
Financial assets measured at fair value through profit or loss	890.310	16.032	1.716	48.096	227.104	1.720.104	2.903.362
Money markets receivables	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	18.037.277	28.586.084	17.618.319	21.130.495	48.084.455	232.882	133.689.512
Loans ⁽²⁾	437.667.078	141.992.392	434.873.369	262.266.128	51.069.491	(7.722.645)	1.320.145.813
Financial assets measured at amortised cost	155.877.466	19.639.592	24.674.553	94.054.356	93.679.410	(156.523)	387.768.854
Other assets	1.793.159	3.538.945	9.713.164	5.701.841	3.498.267	206.200.634	230.446.010
Total assets	769.070.612	200.731.471	502.005.731	385.556.111	196.558.727	499.958.132	2.553.880.784
Liabilities							
Bank deposits	10.758.819	4.674.741	9.412.120	437.593	-	1.284.464	26.567.737
Other deposits	552.111.792	149.781.199	36.502.262	12.040.656	819.807	596.433.950	1.347.689.666
Money markets payables	195.188.819	511.906	309.870	-	-	-	196.010.595
Miscellaneous payables	-	-	-	-	-	114.319.178	114.319.178
Marketable securities issued	11.604.386	37.401.316	48.537.963	53.626.053	-	-	151.169.718
Funds borrowed from other financial institutions	85.701.782	133.167.178	65.775.629	11.667.296	1.018.516	-	297.330.401
Other liabilities ⁽³⁾	5.008.495	82.805.988	4.816.593	40.644.897	27.931.102	259.586.414	420.793.489
Total liabilities	860.374.093	408.342.328	165.354.437	118.416.495	29.769.425	971.624.006	2.553.880.784
Balance sheet long position	-	-	336.651.294	267.139.616	166.789.302	-	770.580.212
Balance sheet short position	(91.303.481)	(207.610.857)	-	-	-	(471.665.874)	(770.580.212)
Off-balance sheet long position	-	-	12.732.735	-	-	-	12.732.735
Off-balance sheet short position	(19.443.100)	(4.469.149)	-	(40.130)	(3.422.888)	-	(27.375.267)
Total position	(110.746.581)	(212.080.006)	349.384.029	267.099.486	163.366.414	(471.665.874)	(14.642.532)

(1) Expected credit losses are presented in the "Non-interest bearing" column of the relevant financial item.

(2) Non-performing loans are presented in the "Non-interest bearing" column after being offset by expected credit losses.

(3) Shareholders' equity is presented under the "Non-interest bearing".

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

4.2. Average interest rates for monetary financial instruments:

The following average interest rates of the Group are calculated by weighting the rates with their principal amounts outstanding as of the balance sheet date.

Current Period	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the CBRT ⁽¹⁾	-	-	-	35,22
Banks	3,66	4,49	-	45,71
Financial assets measured at fair value through profit or loss	3,61	4,98	-	-
Money markets receivables	-	-	-	-
Financial assets measured at fair value through other comprehensive income	5,29	6,37	-	32,87
Loans	6,55	8,28	-	49,01
Financial assets measured at amortised cost	3,31	6,41	-	30,27
Liabilities				
Bank deposits ⁽²⁾	0,25	2,99	-	29,67
Other deposits ⁽²⁾	0,97	1,33	-	30,42
Money markets payables	-	5,06	-	39,70
Miscellaneous payables	-	-	-	-
Marketable securities issued	4,43	7,01	-	43,77
Funds borrowed from other financial institutions	4,59	6,34	-	38,65

Prior Period	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the CBRT ⁽¹⁾	-	-	-	34,79
Banks	3,60	2,36	-	48,26
Financial assets measured at fair value through profit or loss	3,65	5,12	-	-
Money markets receivables	-	-	-	-
Financial assets measured at fair value through other comprehensive income	4,68	6,24	-	36,24
Loans	6,69	8,23	-	49,44
Financial assets measured at amortised cost	3,56	6,48	-	34,85
Liabilities				
Bank deposits ⁽²⁾	0,25	2,99	-	45,26
Other deposits ⁽²⁾	0,90	1,16	-	32,62
Money markets payables	3,55	3,63	-	41,81
Miscellaneous payables	-	-	-	-
Marketable securities issued	4,53	7,04	-	50,16
Funds borrowed from other financial institutions	5,05	6,45	-	44,92

(1) In accordance with the CBRT's article dated February 5, 2024 and numbered 198, interest rates were taken into account that applied to some of the required reserves established in TL, in accordance with the conditions specified in the instruction.

(2) Demand deposit balances are included in average interest rate calculation.

5. Explanations on share certificates position risk from banking book:

None.

6. Explanations on consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio:

Liquidity risk is defined as risk of unexpected loss to be occurred or Group to have difficulties in raising funds while meeting maturing liabilities. Liquidity management is daily monitored in the Bank under Treasury Management and Risk Management. The liquidity policy of the Group is approved by the Bank's Board of Directors. Treasury Management is responsible for carrying out transactions which are appropriate to Bank's policy, monitoring of liquidity position and submitting necessary reports to executives. Treasury management contributes to determine strategies and operating actions for the management of the liquidity position in addition to prepare funding plan and contingency funding plan of the Bank. Liquidity risk is evaluated with liquidity gap analysis, liquidity stress tests and supplementary precautions/measurements. Liquidity Gap analysis are performed for two different periods as short-term and long-term. Going concern scenario and structural positions are reported monthly. This reporting constitutes the basis of monitoring and management of liquidity position.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

The Parent Bank does not function as a central funding institution in its relations with its subsidiaries. Intra-group liquidity management and funding strategies are limited with related legal boundaries and monitored regularly via various reports. Intraday liquidity is also monitored closely by the bank in its best effort.

The Parent Bank issues an annual funding plan in order to sustain funding in a consistent and balanced way. Funding plan have to be updated at least annually and approved by the Executive Committee since it is complied with budgeting process and risk appetite frameworks. The primary purpose of the funding plan is to provide a reliable balance between assets and liabilities.

Both short-term liquidity and medium/long-term (structural) liquidity measurement and reporting for all types of currencies are periodically made in Bank and its subsidiaries. There are limits which are predetermined and approved by the Board of Directors on the basis of all major currencies for each period.

The Parent Bank mainly uses derivative transactions as managing liquidity risk and monitors cash inflow and outflow periods in the framework of funding plan balancing the distribution among currencies.

The Parent Bank aims to reduce the risks to the lowest level if required via measuring possible risks in liquidity with stress tests. Stress tests make it possible for the Bank to reinterpret analysis of its liquidity position according to scenarios depending on possible cases and tail risks except for crisis situations. Liquidity Stress Test methodology makes a similar approach with Liquidity Coverage Ratio (LCR) template and hence allows the overview of the results in line with Basel approaches. The Parent Bank applies and reports liquidity stress tests consisting of different scenarios and maturity segments both on unconsolidated and consolidated level and the results are compared with both liquidity stress tests and other liquidity limit and trigger levels set, with different frequencies (weekly, monthly etc.) according to the scenarios.

"Liquidity Contingency Plan" is applied if the Parent Bank needs more liquidity than its daily liquidity need because of possible financial events in future. Duties and responsibilities are defined in detail in the aforementioned plan. Both the liquidity policy and liquidity contingency policy are in line with BRSA best practice documents on liquidity risk management. The abovementioned policies and the thresholds (limits etc.) covered within liquidity risk management framework are updated and approved at least annually.

Funding sources of the Group mainly consist of deposits which constitute 56% of total liabilities of the Bank (December 31, 2024 – 54%) and also include repo, secured loans, syndication, securitization, bond/security issuance and other instruments including subordinated loans and borrowings.

The Parent Bank calculates and reports the LCR in full compliance with the regulations. LCR is a metric measuring the adequacy of unencumbered free liquid assets owned by banks (called high quality liquid assets) to meet expected net cash outflows over the next 30 days. The metric is an important Basel regulation that measures short-term liquidity and is closely monitored in the Bank. In addition to LCR, the Bank has also measures the Net Stable Funding Rate (NSFR), which is considered another complementary element and provides another important medium / long-term liquidity risk measurement. In accordance with the Regulation on Calculation of Banks' Net Stable Funding Ratio, published in the Official Gazette dated May 26, 2023 and numbered 32202, the relevant metric has started to be followed up within the framework of legal regulations. These two metrics are also included within the Risk Appetite Indicators and closely monitored at the Bank.

High quality liquid assets mentioned in LCR calculation consist of cash, effective money, CBRT accounts and reserves and government bonds issued by Ministry of Treasury and Finance of the Republic of Türkiye treated as high quality liquid assets.

Cash outflows from derivative transactions in liquidity coverage ratio calculation are based on inclusion of net cash flows with maturity of 30 days in the calculation. Additionally, transactions having a margin possibility are included in liquidity coverage ratio calculation by taking the largest outflow amount according to the negative values of net margin flows realized in the last 24 months in respect of 30 days period or for liability into consideration as cash outflow.

Secured funding consists of repo and other secured borrowings. A large part of securities which are subject to the aforementioned funding transactions consist of Sovereign Bonds issued by Ministry of Treasury and Finance of the Republic of Türkiye and transactions are carried out in both CBRT market and interbank market.

The Parent Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

All cash inflow and outflow items related to liquidity profile of the bank are included in liquidity coverage ratio tables below for the last three months.

Current Period	Unweighted Amounts ⁽¹⁾		Weighted Amounts ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			506.143.183	223.070.643
Cash Outflows				
Retail and Small Business Customers Deposits	922.980.509	334.742.074	79.265.040	32.927.456
Stable deposits	260.660.223	10.935.036	13.033.011	546.752
Less stable deposits	662.320.286	323.807.038	66.232.029	32.380.704
Unsecured Funding other than Retail and Small Business Customers Deposits	525.041.352	209.439.315	314.874.733	116.770.024
Operational deposits	-	-	-	-
Non-Operational deposits	368.732.414	179.325.998	182.557.576	86.656.707
Other Unsecured funding	156.308.938	30.113.317	132.317.157	30.113.317
Secured funding			5.176.259	-
Other Cash Outflows	2.351.471	3.482.574	2.351.471	3.482.574
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.351.471	3.482.574	2.351.471	3.482.574
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	565.628.506	251.082.985	28.281.425	12.554.149
Other irrevocable or conditionally revocable commitments	1.563.890.946	98.139.320	110.737.617	26.499.423
Total Cash Outflows			540.686.545	192.233.626
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	231.071.926	75.222.403	155.745.682	64.970.190
Other contractual cash inflows	2.385.261	48.055.835	2.385.261	48.055.835
Total Cash Inflows	233.457.187	123.278.238	158.130.943	113.026.025
Total High Quality Liquid Assets			506.143.183	223.070.643
Total Net Cash Outflows			382.555.602	79.207.601
Liquidity Coverage Ratio (%)			132,31	281,63

(1) Simple arithmetic averages of monthly consolidated liquidity coverage ratios for the last three months are used.

Foreign currency and total liquidity coverage ratios for the last three months of current period are presented in the table below.

Current Period	TL+FC (%)	FC (%)
January 2025	125,88	302,92
February 2025	128,54	253,16
March 2025	139,10	325,52

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Prior Period	Unweighted Amounts ⁽¹⁾		Weighted Amounts ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			480.626.520	217.794.298
Cash Outflows				
Retail and Small Business Customers Deposits	879.738.869	323.267.253	77.442.272	31.846.705
Stable deposits	210.632.311	9.600.404	10.531.616	480.020
Less stable deposits	669.106.558	313.666.849	66.910.656	31.366.685
Unsecured Funding other than Retail and Small Business Customers Deposits	502.795.063	194.419.196	296.660.503	108.388.122
Operational deposits	-	-	-	-
Non-Operational deposits	348.043.952	151.402.291	164.354.764	65.371.217
Other Unsecured funding	154.751.111	43.016.905	132.305.739	43.016.905
Secured funding			2.652.388	-
Other Cash Outflows	2.656.236	3.481.738	2.656.236	3.481.738
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.656.236	3.481.738	2.656.236	3.481.738
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	541.055.991	253.067.717	27.052.800	12.653.386
Other irrevocable or conditionally revocable commitments	1.451.888.252	91.296.553	103.575.707	22.496.322
Total Cash Outflows			510.039.906	178.866.273
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	206.676.452	57.232.763	132.056.484	47.150.249
Other contractual cash inflows	1.921.671	35.142.515	1.921.671	35.142.515
Total Cash Inflows	208.598.123	92.375.278	133.978.155	82.292.764
Total High Quality Liquid Assets			480.626.520	217.794.298
Total Net Cash Outflows			376.061.751	96.573.509
Liquidity Coverage Ratio (%)			127,81	225,52

(1) Simple arithmetic averages of monthly consolidated liquidity coverage ratios for the last three months are used.

Foreign currency and total liquidity coverage ratios for the last three months of prior period are presented in the table below.

Prior Period	TL+FC (%)	FC (%)
October 2024	127,86	207,86
November 2024	124,67	210,11
December 2024	131,39	285,28

With the framework of the regulation, NSFR is closely monitored and reported on monthly and three-month average basis. NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. In addition to the Group's capital available stable funding mainly consists of retail and corporate deposits and other borrowings which are taken into account at different rates in accordance with the regulation. Required stable funding is calculated by the amount of receivables, such as loans and government bonds, categorized by the counterparty type, residual maturity and encumbrance status. Within this framework, the required stable fund amount refers to the portion of the Group's on-balance sheet assets and off-balance sheet liabilities that expected to be refunded. In accordance with the regulation, the three-month simple arithmetic average of the calculated NSFR for the periods of March, June, September and December cannot be less than 100%.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Three-month simple arithmetic mean as of most recent quarter is 120,34%. The ratio and main items constituting the Group's NSFR as of most recent period shown in the table below.

Compared to current and prior period NSFR, the decrease is primarily due to changes in the amount and maturity structure of loans and deposits.

		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less	Residual maturity of one year or more	
Current period						
Available stable funding						
1	Capital Instruments	249.433.664	-	-	63.113.240	312.546.904
2	Tier 1 Capital and Tier 2 Capital	249.433.664	-	-	63.113.240	312.546.904
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	480.879.234	548.060.169	16.219.508	12.462.880	966.173.735
5	Stable Deposits	135.477.788	150.804.672	-	-	271.968.337
6	Less Stable Deposits	345.401.446	397.255.497	16.219.508	12.462.880	694.205.398
7	Other Obligations	91.449.930	938.994.413	158.184.732	215.340.306	510.761.142
8	Operational deposits	-	-	-	-	-
9	Other obligations	91.449.930	938.994.413	158.184.732	215.340.306	510.761.142
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	-		(17.728.610)		-
12	Derivative liabilities			(17.936.073)		
13	All other liabilities not included in the above categories	-	207.463	-	-	-
14	Available stable funding					1.789.481.781
Required stable funding						
15	High Quality Liquid Assets					100.334.850
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	-	962.618.733	249.016.278	357.408.402	856.350.658
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	136.962.098	13.492.787	4.541.347	31.832.056
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	821.294.374	232.404.988	345.656.881	819.405.019
21	Loans with a risk weight of less than or equal to 35%	-	-	-	2.368.644	1.539.618
22	Residential mortgages	-	819.810	700.864	5.075.322	3.298.959
23	Residential mortgages with a risk weight of less than or equal to 35%	-	819.810	700.864	5.075.322	3.298.959
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	3.542.451	2.417.639	2.134.852	1.814.624
25	Assets equivalent to interconnected liabilities					
26	Other Assets	350.512.222		33.799.752		382.723.161
27	Physical traded commodities, including gold	10.592.086				9.003.273
28	Initial margin posted or given guarantee fund to central counterparty			-		-
29	Derivative Assets			33.799.752		33.799.752
30	Derivative Liabilities before the deduction of the variation margin			-		-
31	Other Assets not included above	339.920.136	-	-	-	339.920.136
32	Off-balance sheet commitments		2.259.584.454	-	-	112.979.223
33	Total Required stable funding					1.452.387.892
34	Net Stable Funding Ratio (%)					123,2

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Three-month simple arithmetic mean as of most recent quarter is 117,30%. The ratio and main items constituting the Group's NSFR as of previous period shown in the table below.

		Unweighted Amount According to Residual Maturity			Total Weighted Amount	
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less		Residual maturity of one year or more
Prior period						
Available stable funding						
1	Capital Instruments	229.365.172	-	-	59.012.495	288.377.667
2	Tier 1 Capital and Tier 2 Capital	229.365.172	-	-	59.012.495	288.377.667
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	422.220.211	464.696.409	13.605.963	11.992.097	833.126.709
5	Stable Deposits	118.650.771	118.619.348	-	-	225.406.613
6	Less Stable Deposits	303.569.440	346.077.061	13.605.963	11.992.097	607.720.096
7	Other Obligations	89.876.878	1.003.005.997	110.791.874	171.625.129	450.665.751
8	Operational deposits	-	-	-	-	-
9	Other obligations	89.876.878	1.003.005.997	110.791.874	171.625.129	450.665.751
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	-	(26.401.019)		-	
12	Derivative liabilities		(26.642.791)			
13	All other liabilities not included in the above categories	-	241.772	-	-	-
14	Available stable funding					1.572.170.127
Required stable funding						
15	High Quality Liquid Assets					163.264.183
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	-	890.061.738	205.485.715	333.183.962	789.629.075
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	94.850.971	10.382.797	3.162.179	22.581.223
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	787.389.226	192.259.203	315.349.617	755.507.024
21	Loans with a risk weight of less than or equal to 35%	-	-	-	3.625.846	2.356.800
22	Residential mortgages	-	-	-	-	-
23	Residential mortgages with a risk weight of less than or equal to 35%	-	880.335	554.875	4.652.564	3.024.166
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	6.941.206	2.288.840	10.019.602	8.516.662
25	Assets equivalent to interconnected liabilities					
26	Other Assets	286.976.429	37.698.776			324.015.587
27	Physical traded commodities, including gold	4.397.452				3.737.834
28	Initial margin posted or given guarantee fund to central counterparty		-			-
29	Derivative Assets		36.125.762			36.125.762
30	Derivative Liabilities before the deduction of the variation margin		1.573.014			1.573.014
31	Other Assets not included above	282.578.977	-	-	-	282.578.977
32	Off-balance sheet commitments		2.000.920.141	-	-	100.046.007
33	Total Required stable funding					1.376.954.852
34	Net Stable Funding Ratio (%)					114,18

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Breakdown of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unclassified	Total
Assets⁽¹⁾								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and Balances with the CBRT	259.617.494	183.557.219	-	-	-	-	(146.023)	443.028.690
Banks	56.878.010	26.824.457	12.799.394	10.961.695	3.537.972	-	(228.718)	110.772.810
Financial assets measured at fair value through profit or loss	1.088.493	-	1.833	3.652	49.371	200.322	1.772.857	3.116.528
Money markets receivables	-	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	10.323.374	684.982	8.077.980	49.935.388	60.445.038	236.307	129.703.069
Loans ⁽²⁾	-	430.801.417	168.342.480	467.443.807	297.649.187	71.804.501	(5.482.934)	1.430.558.458
Financial assets measured at amortised cost	-	3.348.388	1.320.479	11.979.403	253.106.778	92.386.880	(139.454)	362.002.474
Other assets	128.155.440	4.390.882	7.822.483	9.077.032	7.008.017	2.975.012	96.797.869	256.226.735
Total assets	445.739.437	659.245.737	190.971.651	507.543.569	611.286.713	227.811.753	92.809.904	2.735.408.764
Liabilities								
Bank deposits	1.840.224	1.588.023	2.164.716	9.728.884	386.018	-	-	15.707.865
Other deposits	669.428.830	649.101.396	135.695.330	43.180.309	11.885.219	1.144.726	-	1.510.435.810
Funds borrowed from other financial institutions	-	74.503.003	72.635.697	141.223.706	29.567.514	1.463.708	-	319.393.628
Money markets payables	-	133.674.095	5.154.128	902.250	-	-	-	139.730.473
Marketable securities issued	-	17.216.002	25.082.165	51.694.876	97.094.834	-	-	191.087.877
Miscellaneous payables	249.391	108.733.625	4.399.276	3.237.323	-	-	2.140.421	118.760.036
Other liabilities ⁽³⁾	31.674.361	3.137.825	15.714.277	13.503.313	78.292.615	77.700.809	220.269.875	440.293.075
Total liabilities	703.192.806	987.953.969	260.845.589	263.470.661	217.226.200	80.309.243	222.410.296	2.735.408.764
Net liquidity gap	(257.453.369)	(328.708.232)	(69.873.938)	244.072.908	394.060.513	147.502.510	(129.600.392)	-
Net Off-Balance Sheet Position	-	1.927.036	(4.339.122)	(16.480.219)	(2.544.739)	4.683.534	-	(16.753.510)
Derivative Financial Assets	-	277.126.635	141.080.814	359.161.614	216.258.320	89.874.726	-	1.083.502.109
Derivative Financial Liabilities	-	275.199.599	145.419.936	375.641.833	218.803.059	85.191.192	-	1.100.255.619
Non-Cash Loans	-	20.685.458	64.735.447	304.658.010	89.379.133	15.855.703	129.550.986	624.864.737
Prior Period								
Total assets	374.347.417	637.760.873	175.366.963	457.423.438	561.777.556	249.637.232	97.567.305	2.553.880.784
Total liabilities	629.570.328	960.867.151	246.460.288	256.862.602	174.064.042	79.217.078	206.839.295	2.553.880.784
Net liquidity gap	(255.222.911)	(323.106.278)	(71.093.325)	200.560.836	387.713.514	170.420.154	(109.271.990)	-
Net Off-Balance Sheet Position	-	(1.320.077)	(7.857.248)	(9.380.911)	(311.501)	4.227.205	-	(14.642.532)
Derivative Financial Assets	-	185.585.459	163.391.329	208.688.167	193.885.987	87.790.730	-	839.341.672
Derivative Financial Liabilities	-	186.905.536	171.248.577	218.069.078	194.197.488	83.563.525	-	853.984.204
Non-Cash Loans	-	21.352.704	60.785.658	253.704.604	83.881.100	14.672.954	115.011.624	549.408.644

(1) Expected credit losses are presented in the "Unclassified" column of the relevant financial item.

(2) Non-performing loans are presented in the "Unclassified" column after being offset by expected credit losses.

(3) Shareholders' equity is presented in the "Unclassified" column.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

7. Explanations on consolidated leverage ratio:

The main reason for decrease in leverage ratio for the current period is the increase in total risk amount.

The summary information for the comparison of total assets in consolidated financials prepared in accordance with TAS and total exposures:

		Current Period ⁽²⁾	Prior Period ⁽²⁾
1	Total assets in the consolidated financial statements prepared in accordance with TAS ⁽¹⁾	2.626.380.075	2.486.950.762
2	Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	15.007.471	14.196.554
3	Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	11.412.851	7.708.267
4	Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(148.889.942)	(188.756.915)
5	Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(57.138.978)	(66.661.674)
6	Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	158.289.270	209.085.122
7	Total Risks	4.885.914.122	4.566.167.989

(1) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks.

(2) The arithmetic average of the last three months in the related periods.

		Current Period ⁽¹⁾	Prior Period ⁽¹⁾
	On-Balance sheet exposures		
1	On-Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	2.646.364.109	2.504.546.858
2	(Asset amounts deducted in determining Tier 1 capital)	(29.559.888)	(26.367.945)
3	Total on-Balance sheet exposures	2.616.804.221	2.478.178.913
	Derivative financial instruments and credit derivatives		
4	Replacement cost of derivative financial instruments and credit derivatives	7.602.962	8.174.532
5	Potential credit risk of derivative financial instruments and credit derivatives	11.412.851	7.708.267
6	Total derivative financial instruments and credit derivatives exposure	19.015.813	15.882.799
	Securities financing transaction exposure		
7	Total risk of gross securities financing transactions (excluding on-balance sheet exposure)	27.423.180	36.030.054
8	Agent transaction exposures	-	-
9	Total securities financing transaction exposures	27.423.180	36.030.054
	Off-balance sheet items		
10	Off-balance sheet exposure at gross notional amount	2.279.809.886	2.102.737.897
11	(Adjustments for conversion to credit equivalent amounts)	(57.138.978)	(66.661.674)
12	Total risk of off-balance sheet items	2.222.670.908	2.036.076.223
	Capital and total exposure		
13	Tier 1 capital	218.319.542	210.255.861
14	Total exposures	4.885.914.122	4.566.167.989
15	Leverage ratio (%)	4,47	4,61

(1) The arithmetic average of the last three months in the related periods.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

8. Explanations on hedge accounting:

The Group applies the following hedge accounting models:

- Fair value Hedge ("FVH")
- Cash Flow Hedge ("CFH")
- Net Investment Hedge ("NIH")

If the fair value of the hedging instrument within fair value hedge ("FVH") is positive it is classified under, "Derivative financial assets measured at fair value through profit or loss"; if the fair value is negative, it is classified under "Derivative financial liabilities measured at fair value through profit or loss".

If the fair value of the hedging instrument under hedge of cash flow hedge ("CFH") is positive, it is classified under "Derivative financial assets measured at fair value through other comprehensive income" "if the fair value is negative, it is classified under "Derivative financial liabilities measured at fair value through other comprehensive income".

Cross currency interest rate swaps and interest rate swaps are used as hedging instrument in FVH. Interest rate swaps, currency swaps and cross currency swaps are used as hedging instrument in CFH.

Contractual amounts and the fair values as at March 31, 2025 of these hedging instruments are presented in the table below:

Hedging instrument	Current Period			Prior Period		
	Notional ⁽¹⁾	Asset	Liability	Notional ⁽¹⁾	Asset	Liability
Interest rate swap / Currency swap / Cross currency interest rate swap (CFH)	17.941.234	1.805.653	-	19.113.208	2.385.837	-
Interest rate swap / Cross currency interest rate swap (FVH)	2.116.255	167.326	-	1.910.062	157.268	-
Total	20.057.489	1.972.979	-	21.023.270	2.543.105	-

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 20.057.488 (December 31, 2024 - TL 21.023.269) the total notional of derivative financial assets amounting to TL 40.114.977 (December 31, 2024 - TL 42.046.539) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

The fair valuation methodology of the derivatives presented in the above table is disclosed in detail in the accounting principles section of these financial statements in Section 3 Part 4.

8.1 Fair value hedge accounting:

The Group has hedged the possible fair value effects of changes in market interest rates and foreign exchange rates on some of its fixed rate foreign currency borrowings by using interest rate swaps, cross-currency interest rate swaps.

The impact of application of FVH accounting is summarized below;

Current Period					
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾	
				Asset	Liability
Interest rate swaps	Funds Borrowed	Fixed interest and changes in foreign exchange rate risk	(153.927)	167.326	-
					(1.882)

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Prior Period						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) ⁽³⁾
				Asset	Liability	
Interest rate swaps/ Cross currency interest rate swaps	Funds Borrowed	Fixed interest and changes in foreign exchange rate risk	(143.162)	157.268	-	6.506

(1) The amount refers to the fair value of the hedged item calculated for some of fixed interest loan portfolios and foreign currency funds borrowed in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.

(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.

(3) Ineffective portion of the mentioned hedging transaction is amounting to TL 11.924 gain (March 31, 2024 – TL 29.017 gain).

At the inception date, the Group documents the relationship between the hedging instruments and hedged items required by the FVH accounting application in accordance with “TAS 39- Financial Instruments: Recognition and Measurement” and its own risk management policies and principles. Every individual relationship is approved and documented in the same methodology. In accordance with “TAS 39- Financial Instruments: Recognition and Measurement”, the effectiveness tests of the relationships are performed in accordance with the Group’s risk management policies. In the effectiveness tests, the fair values of the hedged item are calculated using the same assumptions used in calculation of fair values of the derivatives.

The effectiveness tests are performed prospectively and retrospectively on a monthly basis and the effectiveness of risk relationships are measured. At the inception date the effectiveness tests are performed prospectively. If the underlying hedge does not conform to the FVH accounting requirements (out of the 80% - 125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation, the adjustments made to the carrying value (amortized cost) of the hedged item are amortized with the straight line method and recognized in the profit or loss accounts within the remaining maturity. In addition if the hedging instrument is sold or closed before its maturity, the amount of the fair value adjustments of the hedged items are amortized to profit or loss accounts with the straight line method within the remaining maturity.

8.2 Cash flow hedge accounting:

The Group apply macro and micro cash flow hedge accounting in order to hedge its cash flow risk from floating interest rate liabilities. The hedging instruments are USD, EUR and TL interest rate swaps, currency swaps and cross currency swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing and exchange rate changes USD, EUR and TL deposits, lease receivables, borrowings and repos.

The of application of CFH accounting is summarized below:

Current Period					
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)⁽³⁾
			Asset	Liability	Net gain/(loss) reclassified to equity^{(2),(3)}
Interest rate swaps/ currency swaps/Cross currency interest rate swaps	Customer deposits, repos, lease receivables and borrowings	Cash flow risk due to the changes in the interest rates	1.805.653	-	1.847.391 (291.467)

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Prior Period						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps/ currency swaps/Cross currency interest rate swaps	Customer deposits, repos, lease receivables and borrowings	Cash flow risk due to the changes in the interest rates	2.385.837	-	2.138.858	(1.088.702)

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 22.210 gain (March 31, 2024 – TL 431.946 gain).

The Group documents the relationship between the hedging instruments and hedged items required by the CFH accounting application in accordance with “TAS 39 - Financial Instruments: Recognition and Measurement” and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with “TAS 39 - Financial Instruments: Recognition and Measurement”, the effectiveness tests of the relationships are performed in accordance with the Bank’s risk management policies.

The effectiveness tests are performed on a monthly basis and the effectiveness of risk relationships are measured. If the underlying hedge does not conform to the CFH accounting requirements (out of the 80% - 125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs or is no longer expected to occur. When the hedged forecasted transactions are no longer expected to occur, the net cumulative gain or loss is reclassified from other comprehensive income to profit or loss.

8.3 Hedge From Foreign Net Investment Risk:

The Group hedges part of the currency translation risk of net investments in foreign operations through foreign currency borrowings. The Group’s Euro denominated borrowing is designated as a hedge of the net investment in the Group’s certain EUR denominated subsidiaries. The total amount of the borrowing designated as a hedge of the net investment at March 31, 2025 is EUR 672 million (December 31, 2024 - EUR 665 million).

9. Explanations on the activities carried out on behalf of others and fiduciary transactions:

The Group carries out trading, custody, management and consulting services on behalf of customers and on their account. The Group has no fiduciary transactions.

10. Explanations on consolidated operating segments:

The Group carries out its banking operations through three main business units:

- Retail Banking
- Corporate Banking
- Commercial and SME Banking.

The Parent Bank’s Retail Banking activities include card payment systems, individual, individual portfolio, blue class, private banking. Retail Banking products and services offered to customers include card payment systems, consumer loans (including general purpose loans, auto loans, mortgages), commercial installment loans, time and demand deposits, gold banking, investment accounts, life and non-life insurance products and payroll services. In addition, customers who receive their monthly salary/SSI payments through our bank are offered privileges covering various banking transactions. Card payment systems cover the management of products, services, campaigns for member merchants as well as the sales and activities for a variety of customer types. Crystal, Play, Adios and Taksitçi are the other card brands providing services for the different segments within the World brand, shopping and marketing platform of the Parent Bank. Through its Blue Class and Private Banking activities, the Bank serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposit products, mutual funds, foreign exchange, gold and equity trading.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Also, personal art advisory, inheritance advisory, real estate advisory, tax advisory, education and philanthropic advisory are offered within the Private Banking and Wealth Management activities.

Corporate, Commercial and SME Banking segment is organized into three subgroups: Corporate Banking for large-scale, international and multinational companies and Commercial Banking for medium-sized enterprises and SME Banking for SME companies. Corporate and Commercial Banking, has a product range of working capital finance, trade finance, project finance, domestic and international non-cash loans such as letters of credit and letters of guarantee, cash management, internet banking, financial advisory and equity management advisory. SME Banking offer to customers SME loans and SME banking packages products.

The Group's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments. Foreign operations include the Group's banking operations in the Netherlands, Germany and Azerbaijan. Treasury, Asset – Liability Management and other operations, mainly consist of treasury management's results, operations of supporting business units and other unallocated transactions.

Major balance sheet and income statement items based on operating segments:

The below table is prepared in accordance with the Management Information System (MIS) data of the Bank.

Current Period	Retail banking	Corporate banking	Commercial and SME banking	Other foreign operations	Other domestic operations	Treasury, Asset-Liability Management and Other	Consolidation adjustments⁽¹⁾	Total operations of the Group
Operating income	24.067.255	3.631.553	14.045.812	1.560.634	4.129.438	8.044.510	(99.169)	55.380.033
Operating expenses	(17.850.589)	(653.208)	(3.995.086)	(602.659)	(1.169.470)	(17.378.546)	99.169	(41.550.389)
Net operating income / (expense)	6.216.666	2.978.345	10.050.726	957.975	2.959.968	(9.334.036)	-	13.829.644
Dividend income ⁽²⁾	-	-	-	-	-	118.482	-	118.482
Profit/loss from equity accounted subsidiaries ⁽²⁾	-	-	-	-	-	427.495	-	427.495
Profit before tax	6.216.666	2.978.345	10.050.726	957.975	2.959.968	(8.788.059)	-	14.375.621
Tax expense ⁽²⁾	-	-	-	-	-	(2.956.624)	-	(2.956.624)
Net period income	6.216.666	2.978.345	10.050.726	957.975	2.959.968	(11.744.683)	-	11.418.997
Minority interest (-)	-	-	-	-	-	(849)	-	(849)
Group income/loss	6.216.666	2.978.345	10.050.726	957.975	2.959.968	(11.745.532)	-	11.418.148
Segment assets	561.992.859	245.413.165	421.230.670	148.871.813	101.699.263	1.254.356.870	(8.502.181)	2.725.062.459
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-	10.346.305	-	10.346.305
Total assets	561.992.859	245.413.165	421.230.670	148.871.813	101.699.263	1.264.703.175	(8.502.181)	2.735.408.764
Segment liabilities	912.216.018	102.973.712	249.923.136	118.852.801	81.270.717	1.072.993.334	(8.502.181)	2.529.727.537
Shareholders' equity	-	-	-	-	-	205.681.227	-	205.681.227
Total liabilities	912.216.018	102.973.712	249.923.136	118.852.801	81.270.717	1.278.674.561	(8.502.181)	2.735.408.764

Prior Period⁽³⁾	Retail banking	Corporate banking	Commercial and SME banking	Other foreign operations	Other domestic operations	Treasury, Asset-Liability Management and Other	Consolidation adjustments⁽¹⁾	Total operations of the Group
Operating income	18.495.390	3.283.165	13.294.751	1.248.793	3.169.124	1.728.165	(76.491)	41.142.897
Operating expenses	(10.369.290)	(1.113.074)	(2.699.998)	(349.444)	(914.766)	(14.297.517)	76.491	(29.667.598)
Net operating income / (expense)	8.126.100	2.170.091	10.594.753	899.349	2.254.358	(12.569.352)	-	11.475.299
Dividend income ⁽²⁾	-	-	-	-	-	1.117	-	1.117
Profit/loss from equity accounted subsidiaries ⁽²⁾	-	-	-	-	-	325.141	-	325.141
Profit before tax	8.126.100	2.170.091	10.594.753	899.349	2.254.358	(12.243.094)	-	11.801.557
Tax expense ⁽²⁾	-	-	-	-	-	(1.499.177)	-	(1.499.177)
Net period income	8.126.100	2.170.091	10.594.753	899.349	2.254.358	(13.742.271)	-	10.302.380
Minority interest (-)	-	-	-	-	-	(492)	-	(492)
Group income/loss	8.126.100	2.170.091	10.594.753	899.349	2.254.358	(13.742.763)	-	10.301.888
Segment assets	537.745.837	223.352.741	385.324.156	142.901.231	87.174.684	1.178.837.704	(10.853.019)	2.544.483.334
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-	9.397.450	-	9.397.450
Total assets	537.745.837	223.352.741	385.324.156	142.901.231	87.174.684	1.188.235.154	(10.853.019)	2.553.880.784
Segment liabilities	828.940.954	127.143.741	250.655.068	115.990.556	68.147.950	981.041.988	(10.853.019)	2.361.067.238
Shareholders' equity	-	-	-	-	-	192.813.546	-	192.813.546
Total liabilities	828.940.954	127.143.741	250.655.068	115.990.556	68.147.950	1.173.855.534	(10.853.019)	2.553.880.784

(1) Consolidation adjustments include transactions with subsidiaries and investments consolidated in these financial statements.

(2) Related items expenses have not been distributed based on operating segments and have been presented under "Treasury, Asset-Liability Management and Other".

(3) Income statements items presents the balances as of March 31, 2024.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

Section Five - Explanations and notes related to consolidated financial statements**1. Explanations and notes related to consolidated assets:****1.1. Information related to cash and the account of the Central Bank:****1.1.1. Information on cash and the account of the CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	7.164.421	22.237.098	5.667.508	15.576.820
The CBRT ⁽¹⁾	194.649.782	191.580.000	204.554.231	162.373.691
Other	-	27.543.412	-	27.343.962
Total	201.814.203	241.360.510	210.221.739	205.294.473

(1) The balance of gold amounting to TL 37.146.323 is accounted for under the Central Bank foreign currency account (December 31, 2024 – TL 29.862.248).

1.1.2. Information on the account of the CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand amount ⁽¹⁾	132.323.809	83.484.216	143.217.836	66.730.541
Unrestricted time amount	-	-	-	-
Restricted time amount	-	-	-	-
Reserve requirement ⁽²⁾	62.325.973	108.095.784	61.336.395	95.643.150
Total	194.649.782	191.580.000	204.554.231	162.373.691

(1) The TL reserve requirement has been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA letter as of January 3, 2008.

(2) The Group keeps TL, USD, EUR and Gold reserve deposits for its TL and FX liabilities at Central Bank accounts in accordance with the legislation of the Central Bank numbered 2013/15, "Decree on Reserve Deposits".

1.2. Information on financial assets measured at fair value through profit or loss:

The Group does not have financial assets measured at fair value through profit or loss subject to repo transactions and given as collateral/blocked (December 31, 2024 - None).

1.3. Information on derivative financial assets:**1.3.1. Positive differences related to derivative financial assets held for trading:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	3.540.754	240.030	634.054	431.244
Swap transactions	8.778.060	7.332.305	4.624.581	8.080.939
Futures transactions	30.701	-	180.556	-
Options	377.917	196.693	198.479	101.947
Other	-	-	-	-
Total	12.727.432	7.769.028	5.637.670	8.614.130

1.3.2. Positive differences related to derivative financial assets held for hedging:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges ⁽¹⁾	-	167.326	-	157.268
Cash flow hedges ⁽¹⁾	77.015	1.728.638	544.323	1.841.514
Hedges for investments made in foreign countries	-	-	-	-
Total	77.015	1.895.964	544.323	1.998.782

(1) Explained in Note 8 of section 4.

1.4. Information on banks:**1.4.1. Information on banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	9.499.235	26.320.751	9.320.887	21.066.090
Foreign	76.617	75.104.925	81.897	33.277.225
Head quarters and foreign branches	-	-	-	-
Total	9.575.852	101.425.676	9.402.784	54.343.315

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.4.2. Information on money markets receivables:

As of March 31, 2025 the Group has no money markets receivables (December 31, 2024 – None).

1.5. Information on financial assets at fair value through other comprehensive income which are subject to repurchase agreements and given as collateral / blocked:

As of March 31, 2025 financial assets measured at fair value through other comprehensive income given as repo transactions amounting to TL 10.958.184 (December 31, 2024 – TL 48.049.321). The securities subject to collateral/blocked are TL 23.093.063 (December 31, 2024 - TL 29.478.473).

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

	Current Period	Prior Period
Debt securities	138.692.997	140.572.120
Quoted on stock exchange	138.686.887	140.566.495
Not quoted	6.110	5.625
Share certificates	275.637	272.695
Quoted on stock exchange	5.329	4.980
Not quoted	270.308	267.715
Impairment (-) ⁽¹⁾	9.265.565	7.155.303
Total	129.703.069	133.689.512

(1) Includes the negative differences between the acquisition cost and the market price, related to the securities portfolio.

1.7. Explanations on loans:**1.7.1. Information on all types of loans or advance balances given to shareholders and employees of the Group:**

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	19.513	412.606	19.895	629.218
Loans granted to employees	1.533.648	3.950	1.367.797	4.888
Total	1.553.161	416.556	1.387.692	634.106

1.7.2. Information on the first and second group loans and other receivables and loans and other receivables that have been restructured or rescheduled:

		Loans under close monitoring		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Cash Loans	Standard Loans			
Non-specialised loans	1.197.557.735	58.297.983	5.209.858	103.271.823
Loans given to enterprises	327.196.579	10.661.491	5.005.369	61.032.345
Export loans	172.571.580	4.433.983	159.358	980.597
Import loans	-	-	-	-
Loans given to financial sector	29.870.760	-	-	-
Consumer loans	199.656.220	17.311.588	19.417	13.736.952
Credit cards	299.077.640	19.534.017	-	17.289.274
Other	169.184.956	6.356.904	25.714	10.232.655
Specialised loans	-	-	-	-
Other receivables	69.081.081	2.622.912	-	-
Total	1.266.638.816	60.920.895	5.209.858	103.271.823

	Standard loans	Loans under close monitoring
12-month provisions for possible losses	5.380.991	-
Significant increase in credit risk	-	18.072.710
Total	5.380.991	18.072.710

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.7.3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short-term	Medium and long-term	Total
Consumer loans-TL	60.232.850	85.671.543	145.904.393
Real estate loans	12.765	15.737.087	15.749.852
Automotive loans	4.470.215	6.711.838	11.182.053
Consumer loans	55.749.870	63.222.618	118.972.488
Other	-	-	-
Consumer loans-FC indexed	-	27.475	27.475
Real estate loans	-	27.475	27.475
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	75.748	2.435.688	2.511.436
Real estate loans	6.185	1.120.060	1.126.245
Automotive loans	331	-	331
Consumer loans	40.514	1.279.731	1.320.245
Other	28.718	35.897	64.615
Individual credit cards-TL	280.690.522	11.218.517	291.909.039
With installments	100.705.157	10.746.677	111.451.834
Without installments	179.985.365	471.840	180.457.205
Individual credit cards-FC	1.068.397	218.407	1.286.804
With installments	10.913	191.106	202.019
Without installments	1.057.484	27.301	1.084.785
Personnel loans-TL	343.440	369.041	712.481
Real estate loans	-	1.509	1.509
Automotive loans	5.447	4.403	9.850
Consumer loans	337.993	363.129	701.122
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	1.348	184.722	186.070
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	1.348	184.722	186.070
Other	-	-	-
Personnel credit cards-TL	553.146	4.259	557.405
With installments	214.298	4.259	218.557
Without installments	338.848	-	338.848
Personnel credit cards-FC	7.653	1.613	9.266
With installments	22	1.613	1.635
Without installments	7.631	-	7.631
Credit deposit account-TL (Real Person)⁽¹⁾	81.316.159	66.053	81.382.212
Credit deposit account-FC (Real Person)	110	-	110
Total	424.289.373	100.197.318	524.486.691

(1) TL 68.426 of the credit deposit account belongs to the loans used by personnel.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.7.4. Information on installment based commercial loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial installments loans-TL	10.202.602	110.693.716	120.896.318
Business loans	-	945.357	945.357
Automotive loans	1.641.077	26.099.905	27.740.982
Consumer loans	8.561.525	83.648.454	92.209.979
Commercial installments loans-FC indexed	-	-	-
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Corporate credit cards-TL	41.921.400	181.931	42.103.331
With installment	11.873.505	179.810	12.053.315
Without installment	30.047.895	2.121	30.050.016
Corporate credit cards-FC	34.878	208	35.086
With installment	-	-	-
Without installment	34.878	208	35.086
Credit deposit account-TL (legal person)	14.418.443	-	14.418.443
Total	66.577.323	110.875.855	177.453.178

1.7.5. Distribution of domestic and foreign loans⁽¹⁾:

Distribution has been disclosed based on the location where the customers operate:

	Current Period	Prior Period
Domestic loans	1.374.050.435	1.273.973.963
Foreign loans	61.990.957	53.894.495
Total	1.436.041.392	1.327.868.458

(1) Non-performing loans are not included.

1.7.6. Loans granted to associates and subsidiaries:

	Current Period	Prior Period
Direct loans granted to associates and subsidiaries	370.734	777.318
Indirect loans granted to associates and subsidiaries	-	-
Total	370.734	777.318

1.7.7. Information on credit-impaired (Stage 3):

	Current Period	Prior Period
Loans and other receivables with limited collectability	5.896.567	6.175.464
Loans and other receivables with doubtful collectability	12.285.360	10.317.828
Uncollectible loans and other receivables	12.294.981	10.283.538
Total	30.476.908	26.776.830

1.7.8. Information on non-performing loans (net):**1.7.8.1. Information on non-performing loans restructured or rescheduled, and other receivables:**

	III. Group Loans with limited collectibility	IV. Group Loans with doubtful collectibility	V. Group Uncollectible loans
Current Period			
(Gross amounts before provisions)	2.511.259	2.972.821	8.283.643
Restructured loans	2.511.259	2.972.821	8.283.643
Prior Period			
(Gross amounts before provisions)	1.788.723	2.274.003	5.760.349
Restructured loans	1.788.723	2.274.003	5.760.349

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.7.8.2. Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Prior Period	9.968.097	15.206.832	15.823.921
Additions (+)	11.059.529	2.587.130	816.140
Transfers from other categories of non-performing loans (+)	-	9.302.172	6.190.209
Transfer to other categories of non-performing loans (-)	9.302.172	6.190.209	-
Collections (-)	1.451.953	1.786.052	2.157.650
FX valuation differences	692	1.916	142.588
Write-offs (-)	-	-	10.933
Sale (-)	-	-	1.752.582
Corporate and commercial loans	-	-	125.406
Consumer loans	-	-	1.080.797
Credit cards	-	-	546.379
Other	-	-	-
Current Period	10.274.193	19.121.789	19.051.693
Provision (-)	5.896.567	12.285.360	12.294.981
Net balance on balance sheet	4.377.626	6.836.429	6.756.712

In line with the decree of Parent Bank's Board of Directors non-performing loans some of which were written off in previous periods, amounting to TL 1.767.572 have been liquidated for an amount of TL 429.531 through sales to various asset management companies.

1.7.8.3. Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Current Period			
Period end balance	351.999	367.410	9.055.475
Provision (-)	156.263	169.263	4.057.381
Net balance on-balance sheet	195.736	198.147	4.998.094
Prior Period			
Period end balance	134.056	1.371.808	8.074.492
Provision (-)	95.980	1.008.982	4.106.869
Net balance on-balance sheet	38.076	362.826	3.967.623

1.7.8.4. Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	III. Group	IV. Group	V. Group
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Current Period (net)	4.377.626	6.836.429	6.756.712
Loans granted to real persons and corporate entities (gross)	10.274.193	19.121.789	18.967.530
Provision amount (-)	5.896.567	12.285.360	12.210.818
Loans granted to real persons and corporate entities (net)	4.377.626	6.836.429	6.756.712
Banks (gross)	-	-	774
Provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans (gross)	-	-	83.389
Provision amount (-)	-	-	83.389
Other loans (net)	-	-	-
Prior Period (net)	3.792.633	4.889.004	5.540.383
Loans granted to real persons and corporate entities (gross)	9.968.097	15.206.832	15.739.758
Provision amount (-)	6.175.464	10.317.828	10.199.375
Loans granted to real persons and corporate entities (net)	3.792.633	4.889.004	5.540.383
Banks (gross)	-	-	774
Provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans (gross)	-	-	83.389
Provision amount (-)	-	-	83.389
Other loans (net)	-	-	-

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.7.8.5. Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

	III. Group Loans with limited collectibility	IV. Group Loans with doubtful collectibility	V. Group Uncollectible loans
Current Period (net)	696.585	1.049.105	283.407
Interest accruals and rediscounts and valuation differences	1.600.463	3.086.594	2.226.989
Provision amount (-)	903.878	2.037.489	1.943.582
Prior Period (net)	718.936	788.929	208.601
Interest accruals and rediscounts and valuation differences	1.621.905	2.316.775	1.681.252
Provision amount (-)	902.969	1.527.846	1.472.651

1.7.9. Explanation on liquidation policy for uncollectible loans and receivables:

Uncollectible loans and receivables, which are classified in accordance with the Provisioning Regulation, are collected through legal follow-up, voluntary payments and liquidation of collaterals.

1.7.10. Explanation on "Write-off" policies:

In order to ensure the liquidation of non-performing loans and other receivables related to the liquidation policy, to provide the maximum collection all possible alternatives within the framework of the legislation are applied, and in case of collection, liquidation or receivables with no possibility of restructuring, the legal follow-up and conversion of collaterals into cash method is applied.

The receivables that are determined to be uncollectible in the Legal Follow-up process regarding the write-off policy can be deleted by the resolution of the Board of Directors by fulfilling the requirements in the relevant laws, regulations and internal directives.

Besides, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated November 27, 2019 by BRSA, the Parent Bank, during the period deemed appropriate under TFRS 9, may write off part of the loans for which the Parent Bank has no reasonable expectation of recovery and that are classified under Group five with a life time expected credit loss due to the default of debtor, starting from the following reporting date that the loan is classified in Group five. Write off is only an accounting application in accordance with the related change in the regulation and it does not result in waive from the Parent Bank's right to receive.

1.8. Information on financial assets at amortized cost:**1.8.1. Information on financial assets measured at amortised cost which are subject to repurchase agreements and given as collateral / blocked:**

As of March 31, 2025 financial assets measured at amortised cost given as repo transactions amounting to TL 149.400.979 (December 31, 2024 – TL 180.828.762). The securities subject to collateral/blocked are TL 144.970.020 (December 31, 2024 – TL 145.381.386).

1.8.2. Information on public sector debt securities measured at amortized cost:

	Current Period	Prior Period
Government bond	348.129.902	364.154.449
Treasury bill	-	-
Other debt securities	14.012.026	23.770.928
Total	362.141.928	387.925.377

1.8.3. Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	375.760.102	401.241.146
Quoted on stock exchange	375.760.102	401.241.146
Not quoted	-	-
Impairment (-) ⁽¹⁾	13.618.174	13.315.769
Total	362.141.928	387.925.377

(1) Includes amortization of the premiums paid during the purchase of the securities throughout the maturity of the securities.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.8.4. Movement of financial assets measured at amortized cost within the period:

	Current Period	Prior Period
Beginning balance	387.925.377	318.113.094
Foreign currency differences on monetary assets ⁽¹⁾	1.146.088	65.740.684
Purchases during year	5.686.820	29.958.564
Disposals through sales and redemptions(-)	32.313.952	21.417.605
Impairment (-) ⁽²⁾	302.405	4.469.360
Period end balance	362.141.928	387.925.377

(1) Also includes the changes in the interest income accruals.

(2) Includes amortization of the premiums paid during the purchase of the securities throughout the maturity of the securities.

1.9. Information on investments in associates (net):**1.9.1. Information on unconsolidated investments in associates:**

No	Description	Address (City/ Country)	The Parent Bank's shareholding percentage - if different voting percentage (%)	Bank's risk group shareholding percentage (%)
1	Tanı Pazarlama ve İletişim Hizmetleri A.Ş. ⁽¹⁾	İstanbul/Türkiye	38,05	38,05
2	Kredi Kayıt Bürosu ⁽²⁾	İstanbul/ Türkiye	18,18	18,18
3	Bankalararası Kart Merkezi A.Ş. ⁽²⁾	İstanbul/ Türkiye	4,89	4,89

1.9.2. Main financial figures of the investments in associates in the order of the above table:

No	Total assets	Shareholders' equity	Total fixed assets	Interest Income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit / loss	Market Value
1	337.361	5.508	172.335	-	-	(10.491)	(111.096)	-
2	3.789.368	1.053.022	966.637	389.527	-	736.117	204.592	-
3	6.495.333	5.471.614	1.365.045	1.644.112	-	1.621.939	1.956.660	-

(1) At the extraordinary general assembly meeting of Tanı Pazarlama ve İletişim Hizmetleri A.Ş. dated January 13, 2025, it was decided to increase the capital to TL 171.717. After the capital increase, the Parent Bank's share increased to 38,17%.

(2) Financial statement information is December 31, 2024.

1.9.3. Consolidated investments in associates:**1.9.4. Information on consolidated investments in associates:**

No	Description	Address (City/ Country)	The Parent Bank's shareholding percentage - if different voting percentage (%)	Other Shareholders' shareholding percentage (%) ⁽¹⁾
1	Banque de Commerce et de Placements S.A.	Geneva/ Switzerland	30,67	-
2	Allianz Yaşam ve Emeklilik A.Ş.	İstanbul/ Türkiye	-	20,00

(1) The other shareholders represent the consolidated Group companies.

1.9.5. Main financial figures of the consolidated investments in associates in order of the above table:

No	Total assets	Shareholders' equity	Total fixed assets	Interest Income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit / loss	Market Value
1	165.109.224	30.107.096	140.358	1.756.535	293.973	557.728	625.584	-
2	26.664.388	6.410.520	594.731	1.485.203	-	1.240.940	673.403	-

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.9.6. Movement of consolidated investments in associates:

	Current Period	Prior Period
Balance at the beginning of the period	9.326.688	7.069.176
Movements during the period	748.045	2.257.512
Purchases	-	-
Bonus shares obtained profit from current year's share	-	-
Profit from current year's income	427.495	1.498.790
Sales(-)	-	-
Foreign exchange gain/(loss) items from the foreign subsidiaries ⁽¹⁾	789.756	1.025.838
Impairment (-) ⁽²⁾	469.206	267.116
Balance at the end of the period	10.074.733	9.326.688
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) Includes the differences in the other comprehensive income related with the equity method accounting.

(2) Includes dividend income received in the current period.

1.9.7. Information on sectors and the carrying amounts of consolidated investments in associates:

	Current Period	Prior Period
Banks	8.616.647	7.820.018
Insurance companies	1.458.086	1.506.670
Total	10.074.733	9.326.688

1.9.8. Investments in associates quoted on stock exchange:

None (December 31, 2024 - None).

1.10. Information on subsidiaries (net):

There is no deficit of regulatory limits on capital structure of the subsidiaries which are included in the consolidated capital adequacy ratio calculation in accordance with the capital adequacy ratio limits.

1.10.1. Information on shareholders' equity of the significant subsidiaries:

	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Bank Nederland N.V.	Yapı Kredi Bank Deutschland OHG
Core capital						
Paid in Capital	98.918	130.000	389.928	32.642	112.442	2.466.063
Inflation adjustment to share capital	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Other Capital Reserves	117.569	-	(217.104)	-	-	-
Other comprehensive income that will not be classified under profit or loss	16.116	(21.438)	(43.268)	(7.512)	-	-
Other comprehensive income that will be classified under profit or loss	835	-	42.970	-	18.261.392	-
Legal Reserves	98.890	26.000	79.305	152.057	-	-
Extraordinary Reserves	6.620.694	2.795.887	7.712.697	-	5.873.557	(390.586)
Other Profit Reserves	-	-	-	-	-	-
Income or Loss	1.694.428	402.932	689.087	1.115.750	757.739	(97.609)
Current Year Income/Loss	1.764.374	402.932	600.672	504.858	757.739	(97.609)
Prior Years' Income/Loss	(69.946)	-	88.415	610.892	-	-
Leasehold improvements (-)	-	2.165	475	238	36	4.134
Intangible assets (-)	80.495	48.690	90.397	3.708	31.381	108.551
Total Tier I capital	8.566.955	3.282.526	8.562.743	1.288.991	24.973.713	1.865.183
Tier II capital	59.707	53.214	234.431	-	160.492	8.939
Capital	8.626.662	3.335.740	8.797.174	1.288.991	25.134.205	1.874.122
Deductions from the capital	-	-	-	-	-	-
Total shareholders' equity	8.626.662	3.335.740	8.797.174	1.288.991	25.134.205	1.874.122

The above information is based on the information extracted from the individual financial statements of subsidiaries, used for consolidated financial statements of the Bank as of March 31, 2025.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

The internal capital adequacy for the subsidiaries is calculated with the model and approaches used in the Parent Bank within the scope of the consolidated ICAAP report.

Paid-in capital is a capital which have been disclosed as Turkish Lira in the articles of incorporation and registered in trade register.

Inflation adjustment to share capital is the adjustment difference arising from inflation accounting.

Extraordinary Reserves are the reserves which represent the remaining net income of the previous periods after providing the legal reserves in accordance with the General Assembly of the Bank.

Legal reserves are the income reserves that are provided according to the first paragraph and the third subparagraph of the second paragraph of the article No 466 and No 467 of the Turkish Commercial Code No. 6762 allocated as capital reserves separated from annual profit according to the laws of foundation.

1.10.2.Unconsolidated subsidiaries:

1.10.2.1.Information on unconsolidated subsidiaries

Since the subsidiaries below are not financial subsidiaries, the related subsidiaries are unconsolidated and are carried at restated cost.

Description	Address (City/ Country)	The Parent Bank's shareholding percentage - if different voting percentage (%)	Bank's risk group shareholding percentage (%)
1 Yapı Kredi-Kültür Sanat Yayıncılık Tic. ve San. A.Ş.	Istanbul/ Türkiye	100,00	100,00
2 Enternasyonal Turizm Yatırım A.Ş.	Istanbul/ Türkiye	99,99	99,99
3 Yapı Kredi Teknoloji A.Ş.	Istanbul/ Türkiye	100,00	100,00
4 Yapı Kredi Finansal Teknolojiler A.Ş.	Istanbul/ Türkiye	100,00	100,00

1.10.2.2.Main financial figures of the subsidiaries in order of the above table:

	Total assets	Shareholders' equity	Total fixed assets	Interest Income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit / loss	Market Value
1	418.034	143.645	19.211	304	-	17.053	6.230	-
2	1.115.316	1.102.179	907.838	5.543	-	8.783	4.455	-
3	232.025	98.090	97.497	18.225	-	51.973	(8.651)	-
4	25.015	25.015	-	-	-	-	-	-

1.10.3. Consolidated subsidiaries:

1.10.3.1.Information on consolidated subsidiaries:

Subsidiary	Address (City/ Country)	The Parent Bank's shareholding percentage - if different voting percentage (%)	Bank's risk group shareholding percentage (%)
1 Yapı Kredi Holding B.V.	Amsterdam/Netherlands	100,00	100,00
2 Yapı Kredi Menkul	Istanbul/ Türkiye	99,98	100,00
3 Yapı Kredi Faktoring	Istanbul/ Türkiye	99,95	100,00
4 Yapı Kredi Leasing	Istanbul/ Türkiye	99,99	99,99
5 Yapı Kredi Portföy	Istanbul/ Türkiye	12,65	99,99
6 Yapı Kredi Bank NV ⁽¹⁾	Amsterdam/Netherlands	67,24	100,00
7 Yapı Kredi Azerbaijan	Bakü/Azerbaijan	99,80	100,00
8 Yapı Kredi Bank Deutschland OHG ⁽²⁾	Frankfurt/Germany	-	100,00

(1) Includes the balances for Sticking Custody Services YKB.

(2) The Bank owns all shares of Yapı Kredi Deutschland GmbH and Yapı Kredi Beteiligungsgesellschaft mbH which are shareholders of Yapı Kredi Bank Deutschland OHG

Although Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity") which is established for future flow transactions of Yapı Kredi is not a subsidiary, it is included in the consolidation.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

1.10.3.2. Main financial figures of the consolidated subsidiaries in the order of the above table:

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit / loss	Market value
1	131.191	128.139	-	-	-	(4.686)	839	-
2	24.182.850	8.647.450	230.880	1.465.612	15.056	1.764.374	1.052.535	-
3	28.005.946	3.333.381	65.342	2.098.458	-	402.932	232.312	-
4	49.262.906	8.653.615	102.257	1.965.145	-	600.672	438.168	-
5	1.733.352	1.292.937	13.719	234.950	-	504.858	259.920	-
6	132.549.075	25.005.131	82.014	2.481.652	111.247	757.739	624.364	-
7	12.753.344	2.663.795	596.778	234.782	35.319	29.241	41.956	-
8	3.485.548	2.269.293	141.276	26.212	-	(97.609)	-	-

1.10.4. Movement schedule of consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	47.434.581	31.525.881
Movements during the period	4.461.962	15.908.700
Purchases	-	2.466.063
Free shares obtained profit from current years share	-	-
Share of current year income	3.013.743	11.000.725
Sales (-)	-	-
Revaluation increase/decrease ⁽¹⁾	2.607.648	2.695.483
Impairment (-) ⁽²⁾	1.159.429	253.571
Balance at the end of the period	51.896.543	47.434.581
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) Includes the differences in the other comprehensive income related with the equity method accounting.

(2) Includes dividend income received in the current period.

1.10.5. Sectoral information on financial subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	21.742.007	19.674.428
Insurance companies	-	-
Factoring companies	3.331.794	2.929.054
Leasing companies	8.653.082	8.035.274
Finance companies	-	-
Other financial subsidiaries	18.169.660	16.795.825
Total financial subsidiaries	51.896.543	47.434.581

1.10.6. Subsidiaries quoted on stock exchange:

None (December 31, 2024 - None).

1.11. Information on joint ventures (net):**1.11.1. Unconsolidated joint ventures:**

None (December 31, 2024 - None).

1.12. Information on lease receivables (net):**1.12.1. Breakdown according to maturities:**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	27.178.526	21.626.347	24.379.298	18.792.886
Between 1- 4 years	24.506.489	21.421.967	22.903.666	19.853.717
More than 4 years	1.611.169	1.531.779	1.705.293	1.639.468
Total	53.296.184	44.580.093	48.988.257	40.286.071

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

1.12.2. Information for net investments in finance leases:

	Current Period		Prior Period	
	TL	FC	TL	FC
Gross lease receivables	17.730.764	35.565.420	18.541.399	30.446.858
Unearned financial income from leases (-)	4.729.414	3.986.677	5.253.284	3.448.902
Amount of cancelled leases (-)	-	-	-	-
Total	13.001.350	31.578.743	13.288.115	26.997.956

1.13. Information on investment property:

None (December 31, 2024 - None).

1.14. Information on deferred tax:

There is a deferred tax asset amounting to TL 12.051.331 and deferred tax liability amounting to TL 16.855 as of March 31, 2025 reflected in the consolidated financial statements after the deferred tax assets and liabilities of each entity in consolidation has been netted off in their standalone financial statements as per TAS 12 (December 31, 2024 - TL 13.186.526 deferred tax asset and TL 6.810 deferred tax liability).

1.15. Movement schedule of assets held for sale and related to discontinued operations:

	Current Period	Prior Period
Net book value at the beginning of the period	619.311	1.074.724
Additions ⁽¹⁾	51.868	447.507
Disposals (-), net	35.313	913.353
Impairment reversal	-	-
Impairment (-)	-	-
Translation differences	2.027	10.433
Net book value at the end of the period	637.893	619.311
Cost at the end of the period	639.151	620.788
Accumulated depreciation at the end of the period (-)	1.258	1.477
Net book value at the end of the period	637.893	619.311

(1) In current period, the Bank has no asset of held for sale with a right of repurchase (December 31, 2024 – TL 364.652). The total net carrying value of asset held for sale with a right of repurchase is TL 381.622 (December 31, 2024 – TL 381.622).

As of March 31, 2025, the Group booked impairment provision on assets held for sale with an amount of TL 2.120 (December 31, 2024 – TL 2.120).

1.16. Information on other assets:

As of March 31, 2025, other assets do not exceed 10% of the total assets.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

2. Explanations and notes related to consolidated liabilities:**2.1. Information on deposits:****2.1.1. Information on maturity structure of deposits/collected funds⁽¹⁾:**

Current Period	Demand	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year and over	Accumulative savings account	Total
Saving deposits	157.677.740	32.881.518	317.205.922	102.152.590	2.267.798	4.928.004	223	617.113.795
Foreign currency deposits	302.600.173	58.382.576	115.753.868	14.896.889	17.002.943	15.847.487	-	524.483.936
Residents in Türkiye	264.091.502	42.972.934	110.041.046	9.739.547	1.170.960	1.706.283	-	429.722.272
Residents abroad	38.508.671	15.409.642	5.712.822	5.157.342	15.831.983	14.141.204	-	94.761.664
Public sector deposits	3.653.971	9.385	78.650	35.084	35	-	-	3.777.125
Commercial deposits	70.369.562	33.073.983	80.323.041	14.735.802	2.311.501	1.573.190	-	202.387.079
Other institutions deposits	1.722.276	1.926.807	10.186.934	1.122.657	888	345	-	14.959.907
Precious metals vault	133.405.108	-	12.389.120	-	1.579.251	340.489	-	147.713.968
Bank deposits	1.840.224	1.583.071	823.383	3.247.634	6.186.049	2.027.504	-	15.707.865
The CBRT	-	-	-	-	-	-	-	-
Domestic banks	57.601	951.154	445.750	3.247.634	6.186.049	2.027.504	-	12.915.692
Foreign banks	1.037.980	631.917	377.633	-	-	-	-	2.047.530
Participation banks	744.643	-	-	-	-	-	-	744.643
Other	-	-	-	-	-	-	-	-
Total	671.269.054	127.857.340	536.760.918	136.190.656	29.348.465	24.717.019	223	1.526.143.675

Prior Period	Demand	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year and over	Accumulative savings account	Total
Saving deposits	144.470.202	17.323.130	258.638.922	102.032.614	3.233.356	6.002.945	122	531.701.291
Foreign currency deposits	278.393.135	59.945.083	70.428.369	8.612.083	15.349.024	15.296.777	-	448.024.471
Residents in Türkiye	243.966.468	45.818.030	64.578.669	3.361.479	3.464.233	1.544.915	-	362.733.794
Residents abroad	34.426.667	14.127.053	5.849.700	5.250.604	11.884.791	13.751.862	-	85.290.677
Public sector deposits	16.706.597	1.255.896	103.176	5.728	32	-	-	18.071.429
Commercial deposits	53.476.521	34.060.193	122.572.554	12.155.406	987.259	976.002	-	224.227.935
Other institutions deposits	1.399.255	1.671.798	7.539.883	1.642.771	2.163	111	-	12.255.981
Precious metals vault	101.988.240	-	9.865.208	-	1.283.932	271.179	-	113.408.559
Bank deposits	1.284.464	9.607.768	3.595.913	4.443.791	5.729.291	1.906.510	-	26.567.737
The CBRT	-	-	-	-	-	-	-	-
Domestic banks	71.492	8.839.149	2.588.656	4.443.791	5.729.291	1.906.510	-	23.578.889
Foreign banks	1.018.579	768.619	1.007.257	-	-	-	-	2.794.455
Participation banks	194.393	-	-	-	-	-	-	194.393
Other	-	-	-	-	-	-	-	-
Total	597.718.414	123.863.868	472.744.025	128.892.393	26.585.057	24.453.524	122	1.374.257.403

(1) Within the scope of the "Decision on Supporting Deposit and Participation Accounts Against Exchange Rate Increases (Decision No: 5206)" published in the Official Gazette dated February 24, 2022 and numbered 31760, and the CBRT's communiqués numbered 2021/14, 2021/16, 2022/7 and 2022/11, the "Currency protected TL deposit" which provide protection against foreign currency exchange rate changes for TL deposits, as of the reporting date amounting to TL 77.172.223 (December 31, 2024 – TL 103.853.980).

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

2.1.2. Information on deposits insurance:**2.1.2.1. Information on deposits under the guarantee of the deposits insurance fund and exceeding the limit of deposit insurance fund:**

Saving deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Deposits	341.285.967	238.996.994	274.375.817	292.953.701
Foreign currency saving deposits	131.155.506	110.153.866	147.106.253	170.971.417
Other deposits	73.894.368	54.169.543	50.955.459	42.563.627
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

Legal entities' deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Deposits	33.937.169	25.466.779	155.068.110	170.832.378
Foreign currency saving deposits	11.852.432	9.311.763	237.792.766	209.231.935
Other deposits	2.320.182	1.726.029	20.541.261	14.947.758
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

2.1.2.2. Deposits which are not under the guarantee of saving deposit insurance fund:

	Current Period	Prior Period
Foreign branches' deposits and other accounts	3.247.433	9.631.366
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving deposits and other accounts of president and members of board of directors	-	-
CEO and vice presidents and deposits of their mother, father, spouse, children in care	1.821.896	1.938.844
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated September 26, 2004	-	-
Saving deposits in deposit bank which is established in Türkiye in order to engage in off-shore banking activities solely	-	-

2.2. Information on trading derivative financial liabilities:**2.2.1. Negative differences table for derivative financial liabilities held for trading:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	1.064.787	63.514	2.628.614	46.795
Swap transactions	9.264.474	5.275.781	10.439.634	5.448.798
Futures transactions	7.681	-	652	-
Options	312.698	242.528	314.646	87.116
Other	-	-	-	-
Total	10.649.640	5.581.823	13.383.546	5.582.709

2.2.2. Negative differences table for derivative financial liabilities held for hedging:

None (December 31, 2024 - None).

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

2.3. Information on banks and other financial institutions:**2.3.1. Information on borrowings:**

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT borrowings	410.241	-	200.580	-
From domestic banks and institutions	16.090.242	11.518.285	16.397.406	12.399.471
From foreign banks, institutions and funds	71.564.678	219.810.182	74.891.507	193.441.437
Total	88.065.161	231.328.467	91.489.493	205.840.908

2.3.2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	85.754.607	41.533.490	89.170.574	48.209.689
Medium and long-term	2.310.554	189.794.977	2.318.919	157.631.219
Total	88.065.161	231.328.467	91.489.493	205.840.908

2.3.3. Information on marketable securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	10.480.694	42.999.310	10.198.915	51.438.572
Asset backed securities ⁽¹⁾	-	18.791.453	-	17.806.761
Bonds	347.185	118.469.235	328.621	71.396.849
Total	10.827.879	180.259.998	10.527.536	140.642.182

(1) The Group obtains borrowings via its structured entity, Diversified Payment Rights Finance Company, with future flow transactions which is founded on its future money transfers within its funding program.

2.3.4. Information on financial liabilities fair value through profit or loss:

The Group classified some of its financial liabilities as the financial liabilities classified at fair value through profit/loss in order to eliminate the accounting mismatch at the initial recognition in accordance with TFRS 9. As of March 31, 2025, the total amount of financial liabilities classified as fair value through profit/loss is TL 77.023.804 (December 31, 2024 – TL 75.234.394) with an accrued interest income of TL 582.157 (December 31, 2024 - TL 240.214 expense) and with a fair value difference of TL 881.616 recognized as an income (December 31, 2024 - TL 1.006.678 expense). On the other hand, the nominal amounts of the total return swaps and bond forwards which are closely related with these financial liabilities as of March 31, 2025 are TL 77.605.961 (December 31, 2024 – TL 75.308.138) with a fair value differences amounting to TL 1.218.773 liability (December 31, 2024 – TL 340.032 liability). The mentioned total return swaps have 9 years maturity in average.

2.4. Information on other liabilities:

As of March 31, 2025, other liabilities do not exceed 10% of the total balance sheet commitments.

2.5. Information on lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	2.112.716	1.453.487	1.912.283	1.339.630
Between 1-4 Years	3.912.570	2.680.244	3.476.032	2.423.761
More than 4 Years	2.513.236	1.733.854	2.330.079	1.636.395
Total	8.538.522	5.867.585	7.718.394	5.399.786

2.6. Information on provisions:**2.6.1. Information on provision for employee benefits:**

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. "TAS 19 - Employee Benefits" necessitates actuarial valuation methods to calculate the liabilities of enterprises.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

The following actuarial assumptions were used in the calculation of total liabilities:

	Current Period	Prior Period
Discount rate (%)	3,38	3,38
Possibility of being eligible for retirement (%)	94,59	94,59

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 46.655,43 effective from January 1, 2025 has been taken into consideration in calculating the provision for employee benefit.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
Prior period ending balance	2.910.160	3.283.393
Changes during the period	115.440	549.652
Recognized in equity	-	960.004
Paid during the period	(54.807)	(1.882.889)
Balance at the end of the period	2.970.793	2.910.160

In addition, the Group has accounted for unused vacation provision amounting to TL 1.540.659 as of March 31, 2025 (December 31, 2024 – TL 1.026.735).

2.6.2. Information on provisions related with the foreign currency difference of foreign currency indexed loans:

None (December 31, 2024 – None).

2.6.3. Information on other provisions:

	Current Period	Prior Period
Pension fund provision	12.990.997	12.990.997
Provisions on non-funded non cash loans	1.069.991	917.318
General provisions on non cash loans	724.868	635.382
Provision for lawsuits	389.091	360.446
Provisions for credit cards and promotion campaigns related to banking services	273.424	257.637
Other	2.315.851	2.475.691
Total	17.764.222	17.637.471

2.7. Explanations on tax liability:**2.7.1. Information on taxes payable:**

	Current Period	Prior Period
Banking Insurance Transaction Tax ("BITT")	3.968.772	4.461.175
Corporate Tax Payable	1.859.368	864.104
Taxation of Marketable Securities Income	3.741.067	2.783.714
Value Added Tax Payable	260.441	157.036
Foreign Exchange Transaction Tax	65.769	37.266
Property Tax	24.093	18.893
Other	787.634	829.405
Total	10.707.144	9.151.593

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

2.7.2. Information on premium payables:

	Current Period	Prior Period
Social security premiums - employee	14.295	5.890
Social security premiums - employer	19.964	7.658
Bank pension fund premiums - employee	298.079	196.652
Bank pension fund premiums - employer	430.798	286.384
Pension fund deposit and provisions - employee	-	-
Pension fund deposit and provisions - employer	-	-
Unemployment insurance - employee	21.450	13.923
Unemployment insurance - employer	43.035	28.129
Other	-	-
Total	827.621	538.636

2.8. Liabilities for property and equipment held for sale and related to discontinued operations (net):

None (December 31, 2024 - None).

2.9. Information on subordinated debt⁽¹⁾:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	19.318.350	-	18.481.048
Subordinated loans	-	-	-	-
Subordinated debt	-	19.318.350	-	18.481.048
Debt instruments to be included in contribution capital calculation	1.256.001	44.172.604	1.301.664	42.148.886
Subordinated loans	-	-	-	-
Subordinated debt	1.256.001	44.172.604	1.301.664	42.148.886
Total	1.256.001	63.490.954	1.301.664	60.629.934

(1) Subordinated loans are explained in detail in the Note "Information on debt instruments included in the calculation of equity" in section four.

2.10. Information on shareholders' equity:**2.10.1. Presentation of paid-in capital:**

	Current Period	Prior Period
Common shares	8.447.051	8.447.051
Preferred shares	-	-

2.10.2. Amount of paid-in capital, disclosure of whether the Bank's registered capital system is applied and if applied registered capital ceiling:

Capital System	Paid-In Capital	Registered Share Capital Ceiling
Registered Capital System	8.447.051	15.000.000

2.10.3. Information on the share capital increases during the period and the sources:

None (December 31, 2024 - None).

2.10.4. Information on transfers from capital reserves to capital during the current period:

None (December 31, 2024 - None).

2.10.5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period:

None (December 31, 2024 - None).

2.10.6. Information on prior period's indicators on the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators:

The interest, liquidity, and foreign exchange risk related to on-balance sheet and off-balance sheet assets and liabilities are managed by the Parent Bank within several risk and legal limits.

2.10.7. Privileges on the corporate stock:

None (December 31, 2024 - None).

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

2.10.8. Information on value increase fund of marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Revaluation difference	-	-	-	-
Foreign currency difference	-	-	-	-
Financial assets at fair value through other comprehensive income⁽¹⁾	(14.096.681)	(1.535.396)	(11.635.422)	(1.174.673)
Revaluation difference	(14.096.681)	(1.535.396)	(11.635.422)	(1.174.673)
Foreign currency differences	-	-	-	-
Total	(14.096.681)	(1.535.396)	(11.635.422)	(1.174.673)

(1) Includes tax effect related to foreign currency valuation differences in TL column.

2.10.9. Information on minority interest:

	Current Period	Prior Period
Period opening balance	4.672	2.674
Current period income/(loss)	849	2.169
Dividends paid	(703)	(171)
Period ending balance	4.818	4.672

2.10.10. Information on profit distribution:

In accordance with the General Assembly dated March 26, 2025, the net profit of TL 29.016.823 as of December 31, 2024; TL 28.964.515 transferred to extraordinary reserves after the separation of allocated a special reserve of TL 52.308 related to real estate sales income within the framework of Article 5 clause 1/e of Corporate Tax Law Numbered 5520.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

3. Explanations and notes related to consolidated off-balance sheet accounts**3.1. Information on off balance sheet commitments:****3.1.1. The amount and type of irrevocable commitments:**

	Current Period	Prior Period
Commitments on credit card limits	1.065.114.520	968.083.268
Asset purchase and sale commitments	111.345.321	103.444.271
Loan granting commitments	181.562.317	163.019.479
Commitments for cheques	15.086.183	10.835.555
Other irrevocable commitments	340.593.291	257.753.848
Total	1.713.701.632	1.503.136.421

3.1.2. Type and amount of probable losses and obligations arising from off-balance sheet items:

Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Group set aside general provision for its non-cash loans amounting to TL 724.868 (December 31, 2024 - TL 635.382) and specific provision amounting to TL 6.895.424 (December 31, 2024 - TL 6.487.637) for non-cash loans which are not indemnified yet amounting to TL 1.069.991 (December 31, 2024 - TL 917.318).

3.1.2.1. Non-cash loans including guarantees, bank acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits:

	Current Period	Prior Period
Bank acceptance loans	3.592.752	3.164.183
Letter of credits	76.570.633	63.782.900
Other guarantees and collaterals	45.934.535	42.776.641
Total	126.097.920	109.723.724

3.1.2.2. Guarantees, suretyships and other similar transactions:

	Current Period	Prior Period
Temporary letter of guarantees	15.051.205	12.704.409
Definite letter of guarantees	254.769.438	221.159.067
Advance letter of guarantees	56.309.517	51.321.060
Letter of guarantees given to customs	13.361.480	12.930.452
Other letter of guarantees	159.275.177	141.569.932
Total	498.766.817	439.684.920

3.1.3. Information on non-cash loans:**3.1.3.1. Total amount of non-cash loans:**

	Current Period	Prior Period
Non-cash loans given against cash loans	155.778.478	138.249.475
With original maturity of 1 year or less than 1 year	29.864.866	22.761.592
With original maturity of more than 1 year	125.913.612	115.487.883
Other non-cash loans	469.086.259	411.159.169
Total	624.864.737	549.408.644

3.2. Information on contingent liabilities and assets:

The Group has recorded a provision of TL 389.091 (December 31, 2024 – TL 360.446) for litigations against the Group and has accounted for it in accompanying consolidated the financial statements under the "Other provisions" account. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee any cash outflows for such claim.

3.3. Information on services on behalf of others:

The Bank's activities such as intermediation and custody to serve the investment needs of customers are followed up under off balance sheet accounts.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

4. Explanations and notes related to consolidated income statement:**4.1. Information on interest income:****4.1.1. Information on interest income on loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans ⁽¹⁾	45.485.389	3.554.726	28.578.064	1.521.443
Medium/long-term loans ⁽¹⁾	28.219.455	6.214.229	24.003.328	5.382.967
Interest on loans under follow-up	3.387.664	-	1.234.812	-
Premiums received from resource utilisation support fund	-	-	-	-
Total	77.092.508	9.768.955	53.816.204	6.904.410

(1) Includes fees and commissions received for cash loans.

4.1.2. Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
From the CBRT	4.933.168	-	20.542	6.381
From domestic banks	1.296.329	426.545	982.137	436.254
From foreign banks	4.363	1.107.253	4.573	1.060.585
Headquarters and branches abroad	-	-	-	-
Total	6.233.860	1.533.798	1.007.252	1.503.220

4.1.3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	-	37.651	-	47.169
Financial assets measured at fair value through other comprehensive income	7.725.781	780.232	8.167.974	439.990
Financial assets measured at amortised cost	14.760.168	1.197.844	18.504.761	1.394.798
Total	22.485.949	2.015.727	26.672.735	1.881.957

As of March 31, 2025, the valuation of related CPI-indexed government bonds has been calculated according to the annual inflation forecast of 30%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of March 31, 2025 will be impacted by approximately TL 470.504.

4.1.4. Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interests received from associates and subsidiaries	203.130	92.352
Total	203.130	92.352

4.2. Information on interest expense:**4.2.1. Information on interest expense on borrowings:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	9.812.244	3.407.024	1.322.222	3.114.643
The CBRT	17.969	-	-	-
Domestic banks	1.317.643	222.538	1.213.652	281.916
Foreign banks	8.476.632	3.184.486	108.570	2.832.727
Headquarters and foreign branches	-	-	-	-
Other institutions	-	81.676	-	61.442
Total⁽¹⁾	9.812.244	3.488.700	1.322.222	3.176.085

(1) Includes fees and commissions related to borrowings.

4.2.2. Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interests paid to associates and subsidiaries	38.889	46.249
Total	38.889	46.249

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

4.2.3. Information on interest expense to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense to marketable securities issued	1.228.367	5.881.367	1.230.901	4.703.685
Total	1.228.367	5.881.367	1.230.901	4.703.685

4.2.4. Information on interest expense on money market transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on money market transactions	19.766.500	85.587	6.684.588	590.505
Total	19.766.500	85.587	6.684.588	590.505

4.2.5. Information on other interest expense:

The bank has no commission expense (March 31, 2024 – TL 1.488.718) which has been recognized in other interest expense within the scope of 30th article of the CBRT Tariff Schedule titled “Communiqué on Required Reserve and Foreign Currency Deposit Accounts”.

4.2.6. Maturity structure of the interest expense on deposits:

Account name	Demand Deposit	Time Deposit					Accumulating deposit	Total	Prior Period
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 Year	More than 1 year			
TL									
Bank deposits	31.061	569.069	58.271	53.627	25.435	-	-	737.463	1.888.521
Saving deposits	-	2.234.668	33.381.798	9.713.450	236.435	547.668	5	46.114.024	33.353.603
Public sector deposits	-	22.021	10.753	753	2	-	-	33.529	79.467
Commercial deposits	72	2.704.942	8.224.444	1.161.550	99.320	110.174	-	12.300.502	13.217.201
Other deposits	-	166.694	3.518.700	249.621	61	10	-	3.935.086	2.849.483
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	31.133	5.697.394	45.193.966	11.179.001	361.253	657.852	5	63.120.604	51.388.275
FC									
Foreign currency deposits	12.001	323.980	489.019	120.850	162.325	138.526	-	1.246.701	816.271
Bank deposits	63.008	49.058	3.581	-	-	-	-	115.647	300.247
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	166	7.101	-	243	31	-	7.541	1.702
Total	75.009	373.204	499.701	120.850	162.568	138.557	-	1.369.889	1.118.220
Grand total	106.142	6.070.598	45.693.667	11.299.851	523.821	796.409	5	64.490.493	52.506.495

4.3. Information on trading profit/loss (net):

	Current Period	Prior Period
Profit	86.659.093	96.298.146
Gain from capital market transactions	1.656.566	1.451.272
Derivative financial transaction gains	55.128.062	62.254.746
Foreign exchange gains	29.874.465	32.592.128
Loss (-)	93.067.488	106.318.773
Loss from capital market transactions	104.441	19.528
Derivative financial transaction losses	47.297.264	57.043.808
Foreign exchange loss	45.665.783	49.255.437
Net trading profit/loss	(6.408.395)	(10.020.627)

The net gain resulting from the foreign exchange differences related to derivative financial transactions is TL 20.100.694 (March 31, 2024 – TL 21.456.141 gain).

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

4.4. Allowance for expected credit losses and other provisions:

	Current Period	Prior Period
Allowance for expected credit losses	15.017.824	12.237.144
12-month expected credit losses (Stage 1)	2.151.978	3.550.264
Significant increase in credit risk (Stage 2)	3.362.848	4.788.925
Non-performing loans (Stage 3)	9.502.998	3.897.955
Impairment provisions for financial assets	-	-
Financial assets measured at fair value through profit or loss	-	-
Financial assets measured at fair value through other comprehensive income	-	-
Impairment provisions related to investments in associates, subsidiaries and jointly controlled partnerships (Joint ventures)	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	40.194	87.453
Total	15.058.018	12.324.597

4.5. Information on other operating income:

"Other Operating Income" in the statement of profit or loss mainly includes collections from receivables for which Specific / General provision has been allocated in prior periods.

4.6. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	115.440	138.822
Provision expense for pension fund	-	-
Impairment losses of property and equipment	-	-
Depreciation expenses of property and equipment	762.590	474.549
Impairment losses of intangible assets	-	-
Goodwill impairment losses	-	-
Amortization expenses of intangible assets	204.144	121.324
Impairment losses of equity participations for which equity method is applied	-	-
Impairment losses of assets held for sale	-	-
Depreciation expenses of assets held for sale	-	-
Impairment losses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	11.598.809	7.443.229
TFRS 16 exempt lease expenses	99.049	75.602
Repair and maintenance expenses	389.815	246.925
Advertising expenses	386.973	243.913
Other expense	10.722.972	6.876.789
Loss on sales of assets	3.642	-
Other	3.842.851	2.193.084
Total	16.527.476	10.371.008

4.7. Information on income/loss before taxes from continuing operations and discontinued operations:

Income before tax includes net interest income amounting to TL 29.754.040 (March 31, 2024 – TL 25.356.306) net fee and commission income amounting to TL 24.114.653 (March 31, 2024 – TL 16.757.430), personnel expenses amounting to TL 9.964.895 (March 31, 2024 - TL 6.971.993) and total other operating expense amounting to TL 16.527.476 (March 31, 2024 – TL 10.371.008).

As of March 31, 2025, the Group has no profit before taxes from discontinued operations (March 31, 2024 – None).

4.8. Provision for taxes on income from continuing operations and discontinued operations:

As of March 31, 2025, the Group has current tax expense amounting to TL 725.458 (March 31, 2024 – TL 983.566 expense) and deferred tax expense amounting to TL 2.231.166 (March 31, 2024 – TL 515.611 expense).

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

4.9. Information on net profit/loss for the period:

4.9.1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Group's current period performance.

4.9.2. The effect of the change in an estimate of financial statement items to profit / loss is not likely to affect subsequent periods.

4.10. Income/loss of minority interest:

	Current Period	Prior Period
Income/(loss) of minority interest	849	492

4.11. Other items in statement of profit or loss:

"Other fees and commissions received" and "Other fees and commissions paid" in profit or loss mainly include commissions and fees related to credit cards and banking transactions.

Yapı ve Kredi Bankası A.Ş.**Notes to consolidated financial statements as of March 31, 2025**

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

5. Explanations and notes related to Group's risk group:**5.1. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit or loss of the period:****5.1.1. Information on loans of the Group's risk group:**

Current Period	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
Group's risk group ^{(1) (2)}	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at the beginning of the period	1.050.288	38.238	19.895	629.218	19.193.000	24.548.964
Balance at the end of the period	486.292	29.473	19.513	412.606	19.097.975	28.212.771
Interest and commission income received	203.130	39	640	492	1.426.226	33.111

Prior Period	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
Group's risk group ^{(1) (2)}	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at the beginning of the period	75.482	89.510	35.697	1.304.299	18.315.042	9.439.424
Balance at the end of the period	1.050.288	38.238	19.895	629.218	19.193.000	24.548.964
Interest and commission income received ⁽³⁾	92.352	647	20.118	738	1.544.342	17.224

(1) Defined in subsection 2 of the 49th article of Banking Act No. 5411.

(2) The information in table above includes marketable securities and due from banks as well as loans.

(3) Prior period presents profit / loss information of March 31, 2024.

5.1.2. Information on deposits of the Group's risk group:

Group's risk group ^{(1) (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Deposit	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the period	990.656	1.152.088	47.747.658	30.457.645	139.529.625	123.741.795
End of the period	1.638.258	990.656	45.388.820	47.747.658	130.814.747	139.529.625
Interest expense on deposits ⁽³⁾	38.889	46.249	2.047.960	698.750	2.143.676	3.900.913

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The information in table above includes borrowings and repo transactions as well as deposits.

(3) Prior period presents profit / loss information of March 31, 2024.

5.1.3. Information on forward and option agreements and other derivative instruments with the Group's risk group:

Group's risk group ⁽¹⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through profit or loss						
Beginning of the period ⁽²⁾	-	-	-	19.721.860	12.693.289	5.382.691
End of the period ⁽²⁾	-	-	575.817	-	12.167.595	12.693.289
Total profit / loss⁽³⁾	-	-	2.697	38.202	299.317	28.071
Transactions for hedging purposes						
Beginning of the period ⁽²⁾	-	-	-	-	-	-
End of the period ⁽²⁾	-	-	-	-	-	-
Total profit / loss⁽³⁾	-	-	-	-	-	-

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.

(3) Prior period presents profit / loss information of March 31, 2024.

5.2. Information regarding benefits provided to the Group's top management:

Salaries and benefits paid to the Group's top management amount to TL 85.866 as of March 31, 2025 (March 31, 2024 – TL 82.141).

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

6. Explanations and notes related to subsequent events :

None.

Section six- Explanations on independent auditor's review report

1. Explanations on independent auditor's review report

The consolidated financial statements for the period ended March 31, 2025 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's review report dated April 28, 2025 is presented preceding the consolidated financial statements.

2. Explanations and notes prepared by independent auditor

None.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

Section Seven⁽¹⁾

Interim activity report

1. Explanations on interim activity report

1.1. Message from Yapı Kredi's Board of Directors Chairman Ali Y. Koç:

As we left the first quarter of 2025 behind, the agenda of global markets was dominated by heightened uncertainties, slowing growth expectations in many countries, particularly in advanced economies, the direction of monetary policies and the course of global trade.

U.S. and European central banks have made significant progress in the fight against inflation and interest rates were gradually eased. However, global growth remains fragile, and climate change, geopolitical uncertainties and structural changes brought about by technological transformation remain to be important risk factors.

According to the International Monetary Fund's (IMF) Global Economic Outlook report dated April 2025, global growth is expected to slow down to 2,8% in 2025 due to the recent political changes, before recovering slightly to 3% in 2026. With the impact of the slowdown in global growth and the slowdown in Chinese inflation expectations in particular, global inflation is expected to fall to 4,3% in 2025 and 3,6% in 2026.

Weakening demand conditions in major economies, particularly in the US, the Eurozone and China, contraction in trade volume and decline in investment appetite support the global economic slowdown. On the other hand, the relatively more resilient growth in emerging economies points to the persistence of imbalances in the global economy.

US President Trump's tariffs announced in April reopened the debate on the course of global trade and the stability of supply chains, leading to a significant increase in risk perception. Concerns that the US economy will enter recession also trigger risk aversion.

Türkiye's economy, on the other hand, maintained its controlled growth during this period and grew by 3,2% in 2024, largely supported by domestic demand. According to the IMF's Global Economic Outlook Report dated April 2025, the Turkish economy is expected to grow by 2,7% in 2025, supported by tight monetary policies, slowing slightly, and by 3,2% in 2026.

Thanks to its strong capital structure, liquidity buffers and effective risk management, the Turkish banking sector has managed to maintain its resilience despite volatile global and local conditions. In the first three months of the year, total loans increased by 36% on an annual basis to TL 16.352 billion. In the same period, the deposit base grew by 37% to TL 19.122 billion. Yapı Kredi continued its strong contribution to the Turkish economy by increasing its cash and non-cash loan volume by 31% on an annual basis to TL 1,989 trillion in the first quarter of the year.

Taking into account the broad impact of the sector, Yapı Kredi has adopted a responsible growth approach that will increase the positive impact of its activities on all stakeholders and create value for all segments. In parallel, our main approach to sustainability is based on creating long-term value for all areas and stakeholders by being sensitive to social and environmental issues while ensuring economic development and growth.

I would like to take this opportunity to thank all our customers and shareholders for their support and trust, and all our employees and their families for their devoted work.

Ali Y. Koç
Chairman of the Board

(1) Unless otherwise stated, all figures in the section seven are expressed in full TL.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

1.2. Message from Yapı Kredi's CEO Gökhan Erün:

In the first quarter of 2025, the global economy was characterized by moderate growth, declining but still above-target inflation levels, cautious monetary policies and heightened geopolitical uncertainties. In the US, inflation expectations deteriorated, while recession concerns intensified. US President Donald Trump's announcement of tariffs and trade war concerns increased, leading to a rise in risk perception and volatility. In addition, disruptions in maritime transportation and the slowdown in China also put pressure on the global economic outlook. Economic growth, especially in advanced economies, remains to be quite fragile.

The Turkish economy recorded a growth of 3% in the last quarter of 2024 and 3,2% in 2024, largely supported by domestic demand.

As a result of its tight monetary policies, the Central Bank of the Republic of Türkiye reduced the policy rate, which had been kept at 50% since March 2024, to 42,5% with 3 consecutive rate cuts as inflation started to improve. However, in order to mitigate the effects of the recent volatility in both global and domestic markets on the inflation outlook, the CBRT has once again proved its commitment to its macroeconomic policies by taking measures to support the tight monetary stance. Accordingly, at the MPC meeting in April 2025, the CBRT raised the policy rate to 46% and the upper band of the interest rate corridor to 49%, providing room for further tightening if necessary for market stability. At the same time, the Central Bank of the Republic of Türkiye continues to effectively use sterilization tools to strengthen the monetary transmission mechanism and support the tight monetary stance. These steps once again prove the dedication of the economic management.

In the first quarter of 2025, Yapı Kredi's support to the Turkish economy through cash and non-cash loans increased by 31% on an annual basis to TL 1,989 trillion whereas TL cash loans and TL customer deposits grew by 16% and 26%, respectively. With improvement in the core revenues through widening in the net interest margin, strength in fees, Yapı Kredi's net profit increased 73% on a quarterly basis in the first quarter of 2025 and return on tangible equity improved to 23,4%. The Bank also maintained its strong capital and liquidity ratios, while further strengthening its balance sheet thanks to increased provisions. Reflecting the Bank's proactive asset quality approach, the total loan coverage ratio increased further to 3,9%. The foreign currency liquidity coverage ratio stood at 282% and the total liquidity coverage ratio at 132%. On the capital side, capital adequacy ratio remained strong at 14,4% and the Tier 1 capital ratio at 11,7% (excluding the regulatory forbearances).

The bank successfully completed a 5-year maturity 500 million dollar Eurobond issuance in the first quarter of the year, and the demand from foreign investors was approximately 3 times the transaction. Thus, approximately 1,11 billion USD of funding was secured from international markets in the first quarter of 2025, and approximately 5,02 billion USD since March 2024.

Thanks to its strategy based on sustainable growth and customer-oriented value creation, Yapı Kredi aims to strengthen its profitability not only in numerical terms but also in strategic terms. Digitalization, operational efficiency and innovative technologies are not only a goal for the Bank, but also the cornerstones of its strategic investments for the future. Increasing operational efficiency by enhancing efficiency in digital channels and supporting cost optimization by investing in technologies such as artificial intelligence will continue to be the primary focus in 2025 and beyond.

Within the framework of the Carbon Transformation Program, the Bank has been systematically measuring the carbon footprint created by its loan portfolio since 2021. At this point, the emission reduction targets set for both the Bank's operations and the projects financed have been officially approved by the Science Based Targets Initiative (SBTi). In addition, Yapı Kredi has set measurable and traceable emission reduction targets in critical sectors where it provides loans in order to realize its commitments under the Net Zero Banking Alliance (NZBA). These targets create a wide impact area covering 65% of the total emissions financed.

I would like to take this opportunity to thank all our customers and shareholders for their support and trust, and all our employees and their families for their dedication, especially during these challenging times.

Gökhan Erün
CEO

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

1.3. Overview of Financial Performance:

On 28 April 2025, Yapı Kredi announced its consolidated results for the first three months of 2025, based on Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Legislation. The Group's cash and non-cash loans reached to TL 1,989 trillion while total deposits reached to TL 1,526 trillion. The Group's net income stood at TL 11.419 million indicating a return on average tangible equity of 23,4%.

Maintaining solid financial fundamentals and controlled growth

In the first three months of 2025, the Group increased its Turkish Lira cash loans by 4% and foreign currency loans by 8%, in US dollar terms, compared to the end of 2024. As a result, total performing loans reached to TL 1,364 trillion. During the same period, the Group's Turkish Lira customer deposits increased by 7% when foreign currency customer deposits increased by 12% in US dollar terms. All incorporated total customer deposits reached to TL 1.510 trillion, as of three months of 2025. Equally important, TL customer demand deposits up by a hefty 8% and TL customer demand deposits in total TL deposits increased to 28% within the scope of continued focus on small tickets in deposit gathering and contribution of efficient customers. Accordingly, loan-to-deposits plus Turkish Lira bonds ratio realized at 89%. The Group's total and foreign currency liquidity coverage ratios realized at 132% and 282%, respectively.

Prudent and conservative asset quality approach

As of first three months of 2025, Yapı Kredi's non-performing loan ratio realized as 3,3%. Although strength in collections continued, the Bank continued to set aside additional provisions in order to build pre-cautionary buffers. Accordingly, net cost of risk (adjusted for hedged foreign currency impact) materialised at 178 basis points in the first three months of 2025. Provisions to gross loans ratio increased further to 3,6%.

Strong capital buffers

In the first three months of 2025, the capital ratios continued to remain comfortably above regulatory levels and consolidated Capital Adequacy Ratio and Tier-1 ratio realized at 14,4% and 11,7%, respectively, excluding regulatory forbearances.

Solid revenue performance supporting the bottom-line

In the first three months of the year, Yapı Kredi recorded TL 39.410 million of core banking revenues. TL loan deposit spread widened by 315 bps compared to previous quarter thanks to the significant improvement in the cost of deposits, as well as continuing loan repricing in a decreasing rate environment. As of the first quarter of the year, swap adjusted net interest margin realized as 209 basis points, mainly driven by strong TL spread widening, despite lower CPI linker contribution. Net fees and commissions income increased by 12% compared to the previous quarter, reaching to TL 24.115 million in the first three months of the year. Operating costs, on the other hand, increased by 10% and stood at TL 26.492 million. As a result, fee coverage of operating costs ratio realized at as high as 91%. All in all, the Group achieved a net income of TL 11.419 million and 23,4% return on average tangible equity in the first three months of the year.

1.4. Summary of Consolidated Financials

TL million	Current Period	Prior Period
Total Assets	2.735.409	2.553.881
Performing Loans	1.364.337	1.263.846
Total Deposits	1.526.144	1.374.257
Shareholder's Equity	205.681	192.814
Loans/Assets	50%	49%
Deposits/Assets	56%	54%
NPL	3,3%	3,0%
CAR ⁽¹⁾	15,7%	17,3%
TL million	Current Period	Prior Period
Net Profit	11.419	10.302
Return on Average Tangible Equity	23,4%	23,2%

(1) Reported.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements as of March 31, 2025

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

1.5. Important Developments and Transactions Affecting the Bank's Financial Performance:

- On 20 March 2025, Yapı Kredi's Board of Directors resolved to sell non-performing loans amounting in aggregate to TL 1,8 billion for a total amount of TL 429,5 million.
- Our Bank successfully completed a 5-year maturity 500 million dollar Eurobond issuance in the first quarter of the year, and the demand from foreign investors was approximately 3 times the transaction. Thus, approximately 1,11 billion USD of funding was secured from international markets in the first quarter of 2025.

1.6. Current Trends and Expectations for the Upcoming Period:

In the first three months of 2025, Yapı Kredi maintained its year-end guidance.

2025 Yapı Kredi Expectations:

- Loans: Below average inflation growth in Turkish Lira loans, mid-teens growth in foreign currency loans
- Net Interest Margin (including swap costs): Around 300 basis points improvement
- Fees: 25%-30% increase
- Costs: Lower than 50% increase
- Cost of Risk: Between 150-175 basis points
- Return on Tangible Equity: Mid-twenties