

Yapı ve Kredi Bankası A.Ş.

**Publicly announced unconsolidated interim financial statements and
related disclosures at September 30, 2024 together with
auditor's review report**

**(Convenience translation of publicly announced unconsolidated 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 Unconsolidated Interim Financial Information

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

Introduction

We have reviewed the unconsolidated statement of financial position of Yapı ve Kredi Bankası Anonim Şirketi (“the Bank”) at September 30, 2024 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim unconsolidated 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 unconsolidated 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 unconsolidated financial statements do not give a true view of the unconsolidated financial position of Yapı ve Kredi Bankası Anonim Şirketi as at September 30, 2024 and the results of its operations and its unconsolidated cash flows for the nine month period then ended in all material respects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matter

The unconsolidated financial statements of the Bank as at September 30, 2023 and December 31, 2023 were reviewed and audited by another audit firm, which expressed an unqualified conclusion and unqualified opinion in their reports issued on October 24, 2023 and February 2, 2024, respectively.

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 financial information provided in the accompanying interim activity report in Section VII, are not consistent with the reviewed unconsolidated 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

October 31, 2024
İstanbul, Türkiye

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

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF
YAPI VE KREDI BANKASI A.Ş. AS OF SEPTEMBER 30, 2024**

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The unconsolidated financial report for the nine 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 BANK**
- **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD**
- **INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK**
- **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**
- **INDEPENDENT AUDITOR’S REVIEW REPORT**
- **INTERIM ACTIVITY REPORT**

The accompanying unconsolidated financial statements for the nine 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 : Cengiz TİMURÖĞLU / Balance Sheet Management and Financial Analysis Manager

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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

Section one

General Information

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

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), 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. Explanations about the 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:

Bank's publicly traded shares are traded on the Borsa Istanbul ("BIST") since 1987. As of September 30, 2024, 38,83% of the shares of the Bank are publicly traded (December 31, 2023 - 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 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 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 Bank shares and became controlling shareholder.

In addition, as of February 6, 2020, UniCredit also announced the placement of an 11,93% shares in Bank to institutional investors. The transaction has been completed on February 13, 2020. As a result UCG held directly 20,00% of the 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 Bank publicly disclosed as of November 30, 2019. Accordingly, it has been announced that Koç Group used its right of first offer for the sale of the 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%.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

(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 September 30, 2024, the 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
Kemal UZUN	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 ⁽¹⁾	Credits
Özden ÖNALDI	Human Resources, Organization and Internal Services
Saruhan YÜCEL	Treasury Management
Serkan ÜLGEN	Retail Banking
Uğur Gökhan ÖZDİNÇ	Technology, Data and Process Management
Yakup DOĞAN	Limitless Banking

(1) With the decisions of the Bank's Board of Directors dated July 11, 2024, Nursezil Küçük Koçak, formerly Corporate and Commercial Credit Allocation Executive Vice President was appointed as Assistant General Manager of Credits.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

(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 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 managed of Koç Group, and Temel Ticaret ve Yatırım A.Ş.

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

The Bank's activities summarized from the section 3 of the articles of association are as follows.

The 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 September 30, 2024, the Bank has 772 branches operating in Türkiye and 1 branch in overseas (December 31, 2023 - 779 branches operating in Türkiye, 1 branch in overseas).

As of September 30, 2024, the Bank has 14.911 employees (December 31, 2023 - 15.009 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 on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, Banque de Commerce et de Placements SA, one of the associates of the Bank is consolidated through "Equity Method" in the 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 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.**Unconsolidated financial statements as of September 30, 2024 and December 31, 2023**

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

Section two - Unconsolidated financial statements**1. Balance sheet (Statement of Financial Position)**

ASSET	Note (Section Five)	Current Period (30/09/2024)			Prior Period (31/12/2023)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		306.610.278	251.939.152	558.549.430	179.150.720	230.802.592	409.953.312
1.1 Cash and Cash Equivalents	1.1	199.538.087	218.306.098	417.844.185	101.805.495	188.356.490	290.161.985
1.1.1 Cash and Balances with Central Bank		199.580.243	178.335.606	377.915.849	102.042.410	161.231.559	263.273.969
1.1.2 Banks	1.4.1	1.310	40.068.308	40.069.618	1.121	27.600.861	27.601.982
1.1.3 Money Markets Receivables	1.4.2	-	-	-	-	-	-
1.1.4 Expected Credit Losses (-)		43.466	97.816	141.282	238.036	475.930	713.966
1.2 Financial Assets Measured at Fair Value Through Profit Or Loss	1.2	153.192	3.323.899	3.477.091	54.376	3.039.269	3.093.645
1.2.1 Government debt securities		-	495.430	495.430	-	718.268	718.268
1.2.2 Share certificates		-	-	-	-	-	-
1.2.3 Other financial assets		153.192	2.828.469	2.981.661	54.376	2.321.001	2.375.377
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	1.5,1.6	95.955.582	20.763.286	116.718.868	66.006.617	29.386.540	95.393.157
1.3.1 Government debt securities		95.812.233	20.745.789	116.558.022	65.889.312	29.376.349	95.265.661
1.3.2 Share certificates		138.305	17.497	155.802	115.685	10.191	125.876
1.3.3 Other financial assets		5.044	-	5.044	1.620	-	1.620
1.4 Derivative Financial Assets	1.3	10.963.417	9.545.869	20.509.286	11.284.232	10.020.293	21.304.525
1.4.1 Derivative financial assets measured at fair value through profit or loss		10.105.756	8.108.531	18.214.287	9.426.325	6.557.377	15.983.702
1.4.2 Derivative financial assets measured at fair value through other comprehensive income		857.661	1.437.338	2.294.999	1.857.907	3.462.916	5.320.823
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		1.065.815.515	463.506.555	1.529.322.070	845.540.310	323.819.480	1.169.359.790
2.1 Loans	1.7	852.695.017	355.181.158	1.207.876.175	676.038.221	227.547.471	903.585.692
2.2 Receivables From Leasing Transactions (Net)	1.12	-	-	-	-	-	-
2.3 Factoring Receivables		1.066.810	287	1.067.097	961.469	13.062	974.531
2.4 Financial Assets Measured at Amortised Cost	1.8	243.808.208	120.896.948	364.705.156	199.363.011	105.971.483	305.334.494
2.4.1 Government debt securities		236.096.526	120.896.948	356.993.474	195.162.658	105.971.483	301.134.141
2.4.2 Other financial assets		7.711.682	-	7.711.682	4.200.353	-	4.200.353
2.5 Expected Credit Losses (-)		31.754.520	12.571.838	44.326.358	30.822.391	9.712.536	40.534.927
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	1.15	330.743	-	330.743	1.026.089	-	1.026.089
3.1 Held for Sale Purposes		330.743	-	330.743	1.026.089	-	1.026.089
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		18.417.421	35.269.967	53.687.388	12.521.850	25.245.077	37.766.927
4.1 Investments in Associates (Net)	1.9	38.446	8.044.465	8.082.911	38.446	6.170.284	6.208.730
4.1.1 Consolidated based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated		38.446	8.044.465	8.082.911	38.446	6.170.284	6.208.730
4.2 Subsidiaries (Net)	1.10	18.378.975	27.225.502	45.604.477	12.483.404	19.074.793	31.558.197
4.2.1 Unconsolidated Financial Subsidiaries		18.346.659	27.225.502	45.572.161	12.451.088	19.074.793	31.525.881
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)		29.182.281	-	29.182.281	18.440.991	-	18.440.991
VI. INTANGIBLE ASSETS (Net)		2.507.899	-	2.507.899	1.795.385	-	1.795.385
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		2.507.899	-	2.507.899	1.795.385	-	1.795.385
VII. INVESTMENT PROPERTY (Net)	1.13	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		4.227.681	-	4.227.681	-	-	-
IX. DEFERRED TAX ASSETS	1.14	12.264.852	-	12.264.852	8.665.381	-	8.665.381
X. OTHER ASSETS (Net)	1.16	95.118.224	45.784.027	140.902.251	56.419.500	35.223.760	91.643.260
TOTAL ASSETS		1.534.474.894	796.499.701	2.330.974.595	1.123.560.226	615.090.909	1.738.651.135

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

Yapı ve Kredi Bankası A.Ş.**Unconsolidated financial statements as of September 30, 2024 and December 31, 2023**

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

1. Balance sheet (Statement of Financial Position)

	Note (Section Five)	Current Period (30/09/2024)			Prior Period (31/12/2023)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	2.1	809.153.789	457.817.222	1.266.971.011	640.797.971	395.671.962	1.036.469.933
II. BORROWINGS	2.3.1	44.391.973	182.742.505	227.134.478	1.821.423	138.485.710	140.307.133
III. MONEY MARKETS PAYABLES		199.304.217	13.239.729	212.543.946	20.822.586	37.150.431	57.973.017
IV. MARKETABLE SECURITIES ISSUED (Net)	2.3.4	8.771.502	108.412.275	117.183.777	7.458.755	70.242.909	77.701.664
4.1 Bills		8.442.923	27.199.979	35.642.902	7.055.826	10.933.847	17.989.673
4.2 Asset backed Securities		-	-	-	-	-	-
4.3 Bonds		328.579	81.212.296	81.540.875	402.929	59.309.062	59.711.991
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	2.3.3.2	427.267	76.673.195	77.100.462	453.424	72.101.024	72.554.448
VII. DERIVATIVE FINANCIAL LIABILITIES	2.2	10.782.203	6.072.012	16.854.215	4.768.014	6.756.192	11.524.206
7.1 Derivative liabilities measured at fair value through profit or loss		10.782.203	6.072.012	16.854.215	4.735.680	6.756.192	11.491.872
7.2 Derivative liabilities measured at fair value through other comprehensive income		-	-	-	32.334	-	32.334
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	2.5	4.638.062	81.606	4.719.668	3.149.425	38.526	3.187.951
X. PROVISIONS	2.6	17.252.317	499.709	17.752.026	19.051.252	2.013.397	21.064.649
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Provisions for Employee Benefits	2.6.1	4.711.991	-	4.711.991	3.893.879	-	3.893.879
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions	2.6.3	12.540.326	499.709	13.040.035	15.157.373	2.013.397	17.170.770
XI. CURRENT TAX LIABILITIES	2.7	6.470.289	-	6.470.289	7.168.597	-	7.168.597
XII. DEFERRED TAX LIABILITIES		-	-	-	-	-	-
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	1.330.516	57.362.888	58.693.404	1.260.412	35.585.727	36.846.139
14.1 Loans		-	-	-	-	-	-
14.2 Other Facilities		1.330.516	57.362.888	58.693.404	1.260.412	35.585.727	36.846.139
XV. OTHER LIABILITIES	2.4	119.339.676	15.244.494	134.584.170	78.017.044	16.984.813	95.001.857
XVI. SHAREHOLDERS' EQUITY	2.10	163.623.057	27.344.092	190.967.149	154.715.703	24.135.838	178.851.541
16.1 Paid in Capital		8.447.051	-	8.447.051	8.447.051	-	8.447.051
16.2 Capital Reserves		2.279.190	-	2.279.190	2.227.873	-	2.227.873
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		1.722.253	-	1.722.253	1.670.936	-	1.670.936
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		9.521.046	605.405	10.126.451	3.370.866	558.682	3.929.548
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(22.737.098)	26.738.687	4.001.589	(13.267.238)	23.577.156	10.309.918
16.5 Profit Reserves		143.707.454	-	143.707.454	85.928.315	-	85.928.315
16.5.1 Legal Reserves		3.473.904	-	3.473.904	2.496.040	-	2.496.040
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		140.205.035	-	140.205.035	83.431.233	-	83.431.233
16.5.4 Other Profit Reserves		28.515	-	28.515	1.042	-	1.042
16.6 Profit or loss		22.405.414	-	22.405.414	68.008.836	-	68.008.836
16.6.1 Prior years' profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		22.405.414	-	22.405.414	68.008.836	-	68.008.836
TOTAL LIABILITIES		1.385.484.868	945.489.727	2.330.974.595	939.484.606	799.166.529	1.738.651.135

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

Yapı ve Kredi Bankası A.Ş.**Unconsolidated financial statements as of September 30, 2024 and 2023**

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

3. Statements of Profit or Loss

	Note (Section Five)	Current Period (01/01/2024 - 30/09/2024)	Prior Period (01/01/2023 - 30/09/2023)
Income and expense items			
I. INTEREST INCOME	4.1	322.541.303	141.633.551
1.1 Interest on Loans	4.1.1	212.290.266	82.255.116
1.2 Interest Received from Reserve Deposits		16.296.608	52.881
1.3 Interest Received from Banks	4.1.2	4.352.627	2.356.273
1.4 Interest Received from Money Market Transactions		45.012	390.952
1.5 Interest Received from Marketable Securities Portfolio	4.1.3	88.885.680	56.278.598
1.5.1 Financial Assets Measured at Fair Value Through Profit or Loss		140.835	87.105
1.5.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income		26.820.340	15.726.491
1.5.3 Financial Assets Measured at Amortised Cost		61.924.505	40.465.002
1.6 Financial Lease Income		-	-
1.7 Other Interest Income		671.110	299.731
II. INTEREST EXPENSE (-)	4.2	268.729.748	92.501.956
2.1 Interest on Deposits	4.2.6	190.091.333	75.643.875
2.2 Interest on Funds Borrowed	4.2.1	20.923.228	7.702.804
2.3 Interest expense on money market transactions	4.2.4	43.237.384	2.134.507
2.4 Interest on Securities Issued	4.2.3	12.161.700	6.473.673
2.5 Interest on Lease Payables		417.544	237.716
2.6 Other Interest Expense	4.2.5	1.898.559	309.381
III. NET INTEREST INCOME/EXPENSE (I - II)		53.811.555	49.131.595
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		52.640.525	21.492.518
4.1 Fees and Commissions Received		80.664.774	29.439.126
4.1.1 Non-cash Loans		3.595.254	2.341.675
4.1.2 Other	4.10	77.069.520	27.097.451
4.2 Fees and Commissions Paid		28.024.249	7.946.608
4.2.1 Non-cash Loans		797	557
4.2.2 Other	4.10	28.023.452	7.946.051
V. DIVIDEND INCOME		12.435	5.899
VI. TRADING PROFIT/LOSS (Net)	4.3	(35.794.140)	23.510.112
6.1 Trading Gains/Losses on Securities		2.956.673	2.868.590
6.2 Derivative Financial Transactions Gains/Losses		(11.993.212)	22.188.390
6.3 Foreign Exchange Gains/Losses		(26.757.601)	(1.546.868)
VII. OTHER OPERATING INCOME	4.5	23.142.393	12.509.253
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		93.812.768	106.649.377
IX. ALLOWANCE FOR EXPECTED CREDIT LOSSES (-)	4.4	26.394.313	19.003.492
X. OTHER PROVISION EXPENSES (-)	4.4	41.319	70.758
XI. PERSONNEL EXPENSES (-)		19.082.945	10.618.501
XII. OTHER OPERATING EXPENSES (-)	4.6	35.033.003	20.083.659
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		13.261.188	56.872.967
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		8.901.627	5.785.554
XVI. NET MONETARY POSITION GAIN/LOSS)		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+XIV+XV+XVI)	4.7	22.162.815	62.658.521
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	4.8	(242.599)	13.956.317
18.1 Current Tax Provision		229.399	5.580.082
18.2 Expense effect of deferred tax (+)		-	8.376.235
18.3 Income effect of deferred tax (-)		471.998	-
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)		22.405.414	48.702.204
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	22.405.414	48.702.204
Earnings/(loss) per share (full TL)		0,0265	0,0577

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

Yapı ve Kredi Bankası A.Ş.**Unconsolidated financial statements as of September 30, 2024 and 2023**

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

3. Statements of Profit or Loss

	Note (Section Five)	Current Period (01/07/2024 – 30/09/2024)	Prior Period (01/07/2023 – 30/09/2023)
Income and expense items			
I. INTEREST INCOME	4.1	123.391.103	66.118.667
1.1 Interest on Loans	4.1.1	80.682.951	33.664.239
1.2 Interest Received from Reserve Deposits		9.030.344	33.865
1.3 Interest Received from Banks	4.1.2	2.085.579	1.041.214
1.4 Interest Received from Money Market Transactions		4	127.554
1.5 Interest Received from Marketable Securities Portfolio	4.1.3	31.443.525	31.171.121
1.5.1 Financial Assets Measured at Fair Value Through Profit or Loss		46.888	37.573
1.5.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income		9.506.102	8.065.475
1.5.3 Financial Assets Measured at Amortised Cost		21.890.535	23.068.073
1.6 Financial Lease Income		-	-
1.7 Other Interest Income		148.700	80.674
II. INTEREST EXPENSE (-)	4.2	109.233.306	38.415.306
2.1 Interest on Deposits	4.2.6	71.914.429	31.251.437
2.2 Interest on Funds Borrowed	4.2.1	9.569.971	3.285.142
2.3 Interest expense on money market transactions	4.2.4	23.628.577	1.147.004
2.4 Interest on Securities Issued	4.2.3	3.951.975	2.615.113
2.5 Interest on Lease Payables		162.130	86.819
2.6 Other Interest Expense	4.2.5	6.224	29.791
III. NET INTEREST INCOME/EXPENSE (I - II)		14.157.797	27.703.361
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		18.941.894	9.765.461
4.1 Fees and Commissions Received		29.603.499	13.646.302
4.1.1 Non-cash Loans		1.281.266	939.501
4.1.2 Other	4.10	28.322.233	12.706.801
4.2 Fees and Commissions Paid		10.661.605	3.880.841
4.2.1 Non-cash Loans		395	145
4.2.2 Other	4.10	10.661.210	3.880.696
V. DIVIDEND INCOME		2.254	3.437
VI. TRADING PROFIT/LOSS (Net)	4.3	(9.448.488)	5.667.271
6.1 Trading Gains/Losses on Securities		1.040.656	1.512.235
6.2 Derivative Financial Transactions Gains/Losses		(562.724)	4.474.829
6.3 Foreign Exchange Gains/Losses		(9.926.420)	(319.793)
VII. OTHER OPERATING INCOME	4.5	6.040.752	2.543.862
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		29.694.209	45.683.392
IX. ALLOWANCE FOR EXPECTED CREDIT LOSSES (-)	4.4	8.754.265	3.923.121
X. OTHER PROVISION EXPENSES (-)	4.4	23.069	25.128
XI. PERSONNEL EXPENSES (-)		6.947.752	4.297.395
XII. OTHER OPERATING EXPENSES (-)	4.6	13.249.593	7.156.823
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		719.530	30.280.925
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		3.371.007	2.356.749
XVI. NET MONETARY POSITION GAIN/LOSS)		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+XIV+XV+XVI)	4.7	4.090.537	32.637.674
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	4.8	(910.304)	8.051.941
18.1 Current Tax Provision		(4.216.996)	5.539.814
18.2 Expense effect of deferred tax (+)		3.306.692	2.512.127
18.3 Income effect of deferred tax (-)		-	-
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)		5.000.841	24.585.733
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	5.000.841	24.585.733
Earnings/(loss) per share (full TL)		0,0059	0,0291

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2024 and 2023

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

4. Statement of Profit or Loss and Other Comprehensive Income

	Current Period (30/09/2024)	Prior Period (30/09/2023)
I. PROFIT /(LOSS)	22.405.414	48.702.204
II. OTHER COMPREHENSIVE INCOME	(111.426)	(4.859.559)
2.1 Other comprehensive income that will not be reclassified to profit or loss	6.196.903	1.570.374
2.1.1 Gains (losses) on Revaluation of Property, Plant and Equipment	8.377.677	-
2.1.2 Gains (losses) on Revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on Remeasurements of Defined Benefit Plans	(540.646)	(406.464)
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	47.394	57.145
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(1.687.522)	1.919.693
2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(6.308.329)	(6.429.933)
2.2.1 Exchange Differences on Translation	4.961.890	6.352.089
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets Measured at Fair value through other comprehensive income	(11.105.483)	(12.247.889)
2.2.3 Income (loss) Related with Cash Flow Hedges	(1.644.375)	(267.844)
2.2.4 Income (loss) Related with Hedges of Net Investments in Foreign Operations	(3.299.898)	(4.489.526)
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	(35.458)	-
2.2.6 Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	4.814.995	4.223.237
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	22.293.988	43.842.645

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2024

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

5. Statement of changes in shareholders' equity

Current Period (30/09/2024)					Other Accumulated Comprehensive Income			Other Accumulated Comprehensive Income			Profit reserves	Prior period net profit/(loss)	Current period net profit/(loss)	Total shareholders' equity
	CHANGES IN SHAREHOLDER'S EQUITY				That Will Not Be Reclassified In Profit or Loss			That Will Be Reclassified In Profit or Loss						
	Paid-in capital	Share premium	Share certificate cancellation profits	Other capital reserves	1	2	3	4	5	6				
I. Balance at the beginning of the period	8.447.051	556.937	-	1.670.936	10.891.228	(8.202.660)	1.240.980	19.754.241	(2.910.152)	(6.534.171)	85.928.315	-	68.008.836	178.851.541
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	-	1.670.936	10.891.228	(8.202.660)	1.240.980	19.754.241	(2.910.152)	(6.534.171)	85.928.315	-	68.008.836	178.851.541
IV. Total comprehensive income (loss)	-	-	-	-	6.527.961	(378.452)	47.394	4.961.890	(7.773.768)	(3.496.451)	-	-	22.405.414	22.293.988
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	-	-	-	22.620	-	-	-	-	-	-	-	-	-	22.620
XI. Profit distribution	-	-	-	28.697	-	-	-	-	-	-	57.779.139	-	(68.008.836)	(10.201.000)
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	(10.201.000)	(10.201.000)
11.2. Transfers to legal reserves	-	-	-	28.697	-	-	-	-	-	-	57.779.139	-	(57.807.836)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+.....+X+XI)	8.447.051	556.937	-	1.722.253	17.419.189	(8.581.112)	1.288.374	24.716.131	(10.683.920)	(10.030.622)	143.707.454	-	22.405.414	190.967.149

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 for associates and joint ventures accounted for using equity method,
5. Accumulated gains / (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Accumulated gains / (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 financial statements.

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2023

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

5. Statement of changes in shareholders' equity

CHANGES IN SHAREHOLDER'S EQUITY	Prior Period (30/09/2023)				Other Accumulated Comprehensive Income			Other Accumulated Comprehensive Income			Profit reserves	Prior period net profit/(loss)	Current period net profit/(loss)	Total shareholders' equity
	Paid-in capital	Share premium	Share certificate cancellation profits	Other capital reserves	That Will Not Be Reclassified In Profit and Loss			That Will Be Reclassified In Profit and Loss						
					1	2	3	4	5	6				
I. Balance at the beginning of the period	8.447.051	556.937	-	1.619.094	4.891.380	(2.915.774)	1.198.710	10.728.134	7.796.934	58.314	41.130.921	-	52.744.689	126.256.390
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	-	1.619.094	4.891.380	(2.915.774)	1.198.710	10.728.134	7.796.934	58.314	41.130.921	-	52.744.689	126.256.390
IV. Total comprehensive income (loss)	-	-	-	-	1.603.368	(90.139)	57.145	6.352.089	(9.093.226)	(3.688.796)	-	-	48.702.204	43.842.645
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	-	-	-	15.547	-	-	-	-	-	-	-	-	-	15.547
XI. Profit distribution	-	-	-	36.295	-	-	-	-	-	-	44.797.394	-	(52.744.689)	(7.911.000)
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	(7.911.000)	(7.911.000)
11.2. Transfers to legal reserves	-	-	-	36.295	-	-	-	-	-	-	44.797.394	-	(44.833.689)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+.....+X+XI)	8.447.051	556.937	-	1.670.936	6.494.748	(3.005.913)	1.255.855	17.080.223	(1.296.292)	(3.630.482)	85.928.315	-	48.702.204	162.203.582

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 for associates and joint ventures accounted for using equity method,
5. Accumulated gains / (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Accumulated gains / (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 financial statements.

Yapı ve Kredi Bankası A.Ş.**Unconsolidated financial statements as of September 30, 2024 and 2023**

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

6. Statement of cash flows

	Note (Section Five)	Current Period (30/09/2024)	Prior Period (30/09/2023)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(5.144.779)	43.466.491
1.1.1 Interest received		254.511.422	94.549.618
1.1.2 Interest paid		(263.035.656)	(81.855.705)
1.1.3 Dividend received		433.490	370.977
1.1.4 Fees and commissions received		80.664.774	29.439.126
1.1.5 Other income		(9.642.824)	32.592.113
1.1.6 Collections from previously written-off loans and other receivables		8.342.613	6.297.595
1.1.7 Cash Payments to personnel and service suppliers		(52.414.673)	(29.050.543)
1.1.8 Taxes paid		(4.460.247)	(6.350.558)
1.1.9 Other		(19.543.678)	(2.526.132)
1.2 Changes in operating assets and liabilities subject to banking operations		50.864.804	112.521.690
1.2.1 Net (increase) decrease in financial assets measured at fair value through profit or loss		(383.446)	(806.634)
1.2.2 Net (increase) decrease in due from banks		(78.037.178)	(52.916.532)
1.2.3 Net (increase) decrease in loans		(309.674.827)	(185.647.988)
1.2.4 Net (increase) decrease in other assets		(57.026.075)	(15.400.043)
1.2.5 Net increase (decrease) in bank deposits		(10.644.849)	12.149.261
1.2.6 Net increase (decrease) in other deposits		235.752.442	253.970.340
1.2.7 Net increase (decrease) in financial liabilities measured at fair value through profit or loss		6.042.688	19.220.622
1.2.8 Net increase (decrease) in funds borrowed		238.463.376	115.935.579
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		26.372.673	(33.982.915)
I. Net cash provided from banking operations		45.720.025	155.988.181
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(36.394.359)	(75.700.265)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(2.466.063)	-
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		(2.650.543)	(1.353.879)
2.4 Cash obtained from the sale of tangible and intangible asset		905.575	96.221
2.5 Cash paid for the purchase of financial assets measured at fair value through other comprehensive income		(59.471.308)	(20.053.050)
2.6 Cash obtained from the sale of financial assets measured at fair value through other comprehensive income		38.733.215	5.651.043
2.7 Cash paid for the purchase of financial assets at amortised cost		(23.788.176)	(63.425.105)
2.8 Cash obtained from sale of financial assets at amortised cost		12.342.941	3.384.505
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities		28.739.277	(20.403.899)
3.1 Cash obtained from funds borrowed and securities issued		132.651.280	58.381.863
3.2 Cash outflow from funds borrowed and securities issued		(92.425.246)	(70.109.118)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(10.201.000)	(7.911.000)
3.5 Payments for finance lease liabilities		(1.285.757)	(765.644)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		17.081.332	31.096.963
V. Net increase (decrease) in cash and cash equivalents		55.146.275	90.980.980
VI. Cash and cash equivalents at beginning of the period		195.788.604	113.290.783
VII. Cash and cash equivalents at end of the period		250.934.879	204.271.763

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

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Notes to unconsolidated financial statements as of September 30, 2024

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Section Three

Accounting policies

1. Explanations on basis of presentation:

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

The accompanying unconsolidated 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 preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain accounting estimates by the Bank 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 accounting policies and valuation principles employed for the preparation the financial statements are in compliance with "Accounting and Reporting Legislation" published in the regulation, communiqué, interpretations and circular of BRSA. If there is no specific regulation of BRSA, it has been determined and applied in the context of TFRS. The accounting policies applied are consistent with the accounting policies applied in the annual unconsolidated financial statements for the year ended December 31, 2023.

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 the decision dated December 12, 2023 and numbered 10744 by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments required under TAS 29 in their financial statements as of December 31, 2023. Based on the decision dated January 11, 2024 and numbered 10825, these entities are required to implement inflation accounting starting from January 1, 2025.

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

The general strategy of the Bank 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 Bank is deposits. For non-deposit items, the Bank maintains longer-term funding structure especially through long-term foreign borrowings. Funds from deposits and other funding sources are invested in high 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 approved in the Bank and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is monitored within the limits determined by the Board of Directors under the context of Banking Act.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized 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 Bank hedges foreign currency exposure arising from carrying its foreign subsidiaries at equity method, with foreign currency financial liabilities and applies net investment hedge accounting. The effective portions of the change in fair value in financial liabilities in foreign currency are recorded under "Other accumulated comprehensive income that will be reclassified in other profit or loss" in equity.

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

3. Explanations on investments in associates, subsidiaries and joint ventures:

Associates, subsidiaries and joint ventures are being carried at equity method as defined in "TAS 28 - Investments in Associates and Joint Ventures" in the unconsolidated financial statements of the Bank started from June 30, 2015. Any valuation differences arising from prior years, before January 1, 2015, are booked as "Other accumulated comprehensive income that will not be reclassified in profit or loss" under equity. In the following periods, any valuation differences arising from the current period income and other comprehensive income are recognised in profit or loss and "Other accumulated comprehensive income that will not be reclassified in profit or loss" under the equity, respectively. This accounting policy change is performed through an early adaption before the effective date of January 1, 2016 in accordance with the change of "TAS 27 – Turkish Accounting Standards for Individual Financial Statements" numbered 29321 on April 9, 2015 and confirmation by BRSA's letter numbered 10686 on July 14, 2015.

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

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

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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 transaction 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 derecognition of the hedged item.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using currency and interest rate 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.

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

"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 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 September 30, 2024, the 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.

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Market risks of these products are monitored using the 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.

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 Bank 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.

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Classification of financial assets reflects the business model of how the Bank manages the assets in order to generate cash flows. Bank's business model may be to collect 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 Bank in determining the business model for a bank 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 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.

Assessment of the business model

The Bank 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 available at the assessment date have taken into consideration. Such relevant evidence includes below:

- How the performance of the portfolio is evaluated and reported to the Bank'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 to the 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 Bank'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 Bank manages the assets held within the portfolio to collect those particular contractual cash flows.

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Although the objective of Bank's business model may be to hold financial assets in order to collect contractual cash flows, the Bank does not need to hold all of those instruments until the maturity. Thus Bank'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 Bank sells financial assets when there is an increase in the assets' credit risk. The Bank 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 Bank'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 Bank 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 Bank's management have made a decision on both collecting contractual cash flows and selling financial assets is 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 a 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 Bank will both collect contractual cash flows and sell financial assets.

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 Bank 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 Bank 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.

When making such assessment, the Bank:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank'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.

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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 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 observed 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 Bank provides provision for expected credit losses based on the assessments and estimates of the management, by considering "TFRS 9 - Financial Instruments" and 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. 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 September 30, 2024, the Bank has made its classifications in accordance with the TFRS 9 standard and reflected them in its financial statements. In this context; the Bank 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.

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).

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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 a 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, an irrevocable election can be made to present in other comprehensive income subsequent changes in the fair value of an investment in 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 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 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.

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.

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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 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 phase;
- Introducing "point-in-time" adjustments to replace "through-the-cycle" adjustments required for IRB 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 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.

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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 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 Bank 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 Bank's subsidiaries, associates are resident;
- Bank placements;
- Other money market transactions;
- Transactions of Bank'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) 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 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 coefficient increase, 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 Bank 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 Bank and measured according to the portfolio to which they belong. 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.

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Funds given against securities purchased under agreements to resell ("Reverse repo") are accounted under "Receivables from money markets" 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 Bank 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 "IFRS – 5 Non-current Assets Held for Sale and Discontinued Operations", a tangible asset (or a bank 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 bank of assets to be disposed) is regarded as "Asset held for sale" only when the sale is highly probable and the asset (or a bank 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 Bank'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 Bank'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 recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, 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 recognized 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 September 30, 2024 the Bank has no goodwill (December 31, 2023 – 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 Bank 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 Bank 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 utilize 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 equipment, except art objects, paintings and buildings are carried at cost less accumulated depreciation and provision for impairment.

The Bank adopted a fair value accounting method for its buildings as of March 31, 2015 in tangible assets in accordance with "TAS 16 – Property, Plant and Equipment".

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.

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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 recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized 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 Bank performs leasing transactions in the capacity of the lessee and lessor.

14.1 Accounting of leasing operations according to lessee:

The Bank has adopted "IFRS 16: Leases" approach in the accounting of leasing transactions.

In accordance with IFRS 16, the Bank 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 the leasing transactions in terms of the lessor:

The major risks and benefits of the property carried by the lessor are classified as operational leasing. The payments that are received as operational leasing are accounted as income via the linear method throughout the leasing term.

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 IFRS 9 standards, are accounted in accordance with "TAS 37 – Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Bank 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 recognized in the period of occurrence in accordance with the "Matching principle". A provision is recognized 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.

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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 Bank 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 employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Bank 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 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, 2023, the defined benefit obligations of the Fund have calculated in the actuarial valuation report prepared by the registered actuary.

Temporary article 23 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. 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.

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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 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 TAS 19.

16.3. Short term benefits of employee:

Within the scope of "TAS 19 – Employee Benefits", the Bank 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.

Dividends paid to non-resident corporations, which have a place of business in Türkiye or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. 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% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's 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.

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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.

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.

17.2. Deferred tax:

The Bank 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 Bank 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 utilized.

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.

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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 Bank 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 Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

Also, the Bank 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, 2023 - None).

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 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	22.405.414	48.702.204
Weighted average number of issued ordinary shares(thousand)	844.705.128	844.705.128
Earnings per share (full TL)	0,0265	0,0577

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 2024 (2023 – None).

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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.

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Section Four - Information related to financial position and risk management of the Bank**1. Explanations on 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 Securitizations” and “Regulation Regarding Banks’ Shareholders’ Equity”. The capital adequacy ratio of the Bank is 17,75% (December 31, 2023 - 20,28%).

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	145.364.795	87.556.959
Other comprehensive income and other disclosed reserves which defined in the Turkish Accounting Standards	45.464.730	35.114.004
Profit	22.405.414	68.008.836
Net profit of the period	22.405.414	68.008.836
Profit of the previous years	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled subsidiaries and cannot be recognised within profit for the period	64.912	42.292
Common Equity Tier 1 capital before regulatory deductions	222.303.839	199.726.079
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	21.462.001	20.874.538
Leasehold improvements for operating leasing	598.925	516.521
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.230.095	1.567.514
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	1.470.298	2.888.940
Shortfall of total credit losses that exceed total expected losses	3.517.717	-
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	29.279.036	25.847.513
Common Equity Tier 1 capital (CET1)	193.024.803	173.878.566

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(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	17.060.500	19.134.830
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)	-	-
Additional Tier 1 capital before regulatory deductions	17.060.500	19.134.830
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 be 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	17.060.500	19.134.830
Total Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	210.085.303	193.013.396
TIER 2 CAPITAL		
Eligible debt instruments and relevant share issue premiums that are approved by the Agency	39.879.150	15.519.100
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)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	638.270	4.091.862
Tier 2 capital before regulatory adjustments	40.517.420	19.610.962
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	40.517.420	19.610.962
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	250.403.109	212.481.589
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	24.670	19.261
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition ⁽¹⁾	-	-
National specific regulatory adjustments which shall be determined by the BRSA	174.944	123.508
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 be 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 be 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 be 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 unconsolidated financial statements as of September 30, 2024

(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⁾	250.403.109	212.481.589
Total Risk Weighted Assets ⁽³⁾	1.410.806.603	1.047.513.175
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	13,68	16,60
Tier 1 Capital Adequacy Ratio (%)	14,89	18,43
Capital Adequacy Ratio (%)	17,75	20,28
BUFFERS		
Institution specific buffer requirement of the Bank (a+b+c)	2,518	2,518
a) Capital conservation buffer requirement (%)	2,500	2,500
b) Bank's specific countercyclical buffer requirement (%)	0,018	0,018
c) Systemically important Bank buffer (%)	-	-
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 (%)	8,891	12,099
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	1.242.490	972.927
Significant investments in the common stock of financials	8.044.465	6.170.284
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	12.264.852	16.323.491
Applicable caps on the inclusion of provisions in Tier 2 capital		
General provisions for standard based receivables (before ten thousand twenty five limitation)	911.814	4.206.442
Up to 1.25% of total risk-weighted amount of general provisions for receivables where the standard approach used	638.270	1.475.489
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	3.737.676
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	-	2.616.373

- (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 note no: 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 26, 2023, according to BRSA note no: 10747 dated December 12, 2023.

(Convenience translation of publicly announced unconsolidated interim financial statements originally issued in Turkish)

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

1.2. Details on Subordinated Liabilities:

	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	TRSYKKB62914	TRSYKKB92911
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)	17.061	22.178	17.061	400	240
Par value of instrument	17.061	22.178	17.061	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 incompliances with article number 7 and 8 of “Own fund regulation”	-	-	-	-	-

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

(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. 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 note no: 10747 dated December 12, 2023.

2. Explanations on 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 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 amounts

		Risk Weighted Assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	1.207.668.437	922.134.039	96.613.473
2	Of which standardised approach (SA)	145.541.015	71.032.254	11.643.280
3	Of which internal rating-based (IRB) approach	1.062.127.422	851.101.785	84.970.193
4	Counterparty credit risk	13.863.282	14.120.862	1.109.063
5	Of which standardised approach for counterparty credit risk (SA-CCR)	13.863.282	14.120.862	1.109.063
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	146.020	40.504	11.682
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	17.436.882	9.101.414	1.394.951
17	Of which standardised approach (SA)	17.436.882	9.101.414	1.394.951
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	157.343.032	93.204.174	12.587.443
20	Of which Basic Indicator Approach	157.343.032	93.204.174	12.587.443
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	14.348.950	8.912.182	1.147.916
24	Floor adjustment	-	-	-
25	TOTAL (1+4+7+8+9+10+11+12+16+19+23+24)	1.410.806.603	1.047.513.175	112.864.528

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

2.1.2. RWA movement table under IRB approach⁽¹⁾

	Current Period	Prior Period
1 Previous Period Closing Amount	851.101.785	557.918.843
2 Changes in Volume	289.415.890	215.117.496
3 Changes in Asset Quality	(8.717.284)	38.534.180
4 Model Updates	-	(36.176.926)
5 Policy and Regulatory Changes	(69.672.969)	75.708.192
6 Purchasing and Selling	-	-
7 FX Difference	-	-
8 Other	-	-
9 Current Period Closing Amount	1.062.127.422	851.101.785

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

3. Explanations on currency risk

The difference between the Bank'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 Bank 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 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:	34,1210	38,1714
First day current bid rate	34,0900	38,0180
Second day current bid rate	34,0982	38,0092
Third day current bid rate	34,0894	38,1426
Fourth day current bid rate	34,0815	37,9305
Fifth day current bid rate	34,0627	37,8615
Arithmetic average of the last 30 days:	33,9660	37,7456
Balance sheet evaluation rate as of prior period:	29,4382	32,5739

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

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

Information on currency risk of the Bank

Current Period	EUR	USD	OTHER FC⁽⁴⁾	Total
Assets				
Cash (Cash in hand, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	53.106.640	95.190.628	29.952.516	178.249.784
Banks	2.176.857	37.091.780	787.677	40.056.314
Financial assets measured at fair value through profit or loss	40.007	3.283.892	-	3.323.899
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	783.811	19.979.475	-	20.763.286
Loans ⁽¹⁾	165.742.164	157.126.057	19.897.304	342.765.525
Investments in associates, subsidiaries and joint ventures	24.942.710	2.282.792	8.044.465	35.269.967
Financial assets measured at amortised cost	9.468.770	111.364.324	-	120.833.094
Hedging derivative financial assets	186.250	1.251.088	-	1.437.338
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets ⁽²⁾	11.248.980	33.347.353	6.431.702	51.028.035
Total assets	267.696.189	460.917.389	65.113.664	793.727.242
Liabilities				
Bank deposits	1.229.105	863.558	343.207	2.435.870
Foreign currency deposits	148.766.445	180.429.548	126.185.359	455.381.352
Funds from money market	3.944.167	9.295.562	-	13.239.729
Funds borrowed from other financial institutions	60.340.534	122.401.971	-	182.742.505
Marketable securities issued	7.574.139	97.975.366	2.862.770	108.412.275
Miscellaneous payables	3.079.765	4.511.631	122.234	7.713.630
Hedging derivative financial liabilities	-	-	-	-
Other liabilities ⁽³⁾	9.608.104	138.517.927	94.243	148.220.274
Total liabilities	234.542.259	553.995.563	129.607.813	918.145.635
Net on-balance sheet position	33.153.930	(93.078.174)	(64.494.149)	(124.418.393)
Net off-balance sheet position⁽⁵⁾	(32.621.171)	91.981.234	72.343.415	131.703.478
Derivative financial assets	70.807.707	211.727.170	77.187.985	359.722.862
Derivative financial liabilities	103.428.878	119.745.936	4.844.570	228.019.384
Net Position	532.759	(1.096.940)	7.849.266	7.285.085
Non-cash loans	108.719.883	126.325.653	18.318.274	253.363.810
Prior Period				
Total assets	186.069.684	385.530.938	41.036.023	612.636.645
Total liabilities	208.025.003	479.564.666	87.441.022	775.030.691
Net on-balance sheet position	(21.955.319)	(94.033.728)	(46.404.999)	(162.394.046)
Net off-balance sheet position	22.265.752	94.933.770	52.712.947	169.912.469
Financial derivative assets	39.336.954	206.873.665	55.193.732	301.404.351
Financial derivative liabilities	17.071.202	111.939.895	2.480.785	131.491.882
Net Position	310.433	900.042	6.307.948	7.518.423
Non-cash loans	94.446.269	100.266.195	13.047.438	207.759.902

(1) Includes FX indexed loans amounting to TL 92.064 (December 31, 2023 - TL 115.545) which have been disclosed as TL in the financial statements.

(2) Does not include foreign currency prepaid expenses amounting to TL 2.864.523 (December 31, 2023 - TL 2.569.809).

(3) Does not include foreign currency other comprehensive income and expense under equity.

(4) Other FC column includes also gold balance.

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

4. Explanations on interest rate risk

The monitoring of interest rate sensitive assets and liabilities, 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 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.

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

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 Central Bank of the Republic of Türkiye	128.594.678	-	-	-	-	249.191.884	377.786.562
Banks	6.139	17.752	4.384	-	-	40.029.348	40.057.623
Financial assets measured at fair value through profit or loss	-	1.650.264	46.894	88.125	338.679	1.353.129	3.477.091
Receivables from money markets	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.429.326	12.686.768	30.338.485	18.011.498	45.091.945	160.846	116.718.868
Loans ⁽²⁾	390.664.841	155.326.412	387.126.748	198.379.157	39.526.420	(6.268.115)	1.164.755.463
Financial assets measured at amortised cost	9.775.072	19.176.718	161.829.445	87.787.615	86.136.306	(138.549)	364.566.607
Other assets	5.486.116	2.055.159	8.524.377	5.548.073	3.123.242	238.875.414	263.612.381
Total assets	544.956.172	190.913.073	587.870.333	309.814.468	174.216.592	523.203.957	2.330.974.595
Liabilities							
Bank deposits	5.706.569	5.828.041	7.443.093	2.853	-	2.832.257	21.812.813
Other deposits	478.417.290	178.072.368	19.681.032	25.478	-	568.962.030	1.245.158.198
Funds from money market	206.920.719	5.623.227	-	-	-	-	212.543.946
Miscellaneous payables	-	-	-	-	-	99.452.643	99.452.643
Marketable securities issued	30.677.994	19.913.373	12.728.495	34.410.875	19.453.040	-	117.183.777
Funds borrowed from other financial institutions	48.343.843	131.902.518	45.593.768	1.181.969	112.380	-	227.134.478
Other liabilities ⁽³⁾	2.104.903	82.962.066	6.215.638	38.675.194	27.409.948	250.320.991	407.688.740
Total liabilities	772.171.318	424.301.593	91.662.026	74.296.369	46.975.368	921.567.921	2.330.974.595
Balance sheet long position	-	-	496.208.307	235.518.099	127.241.224	-	858.967.630
Balance sheet short position	(227.215.146)	(233.388.520)	-	-	-	(398.363.964)	(858.967.630)
Off-balance sheet long position	-	12.084.739	12.250.132	-	-	-	24.334.871
Off-balance sheet short position	(24.138.708)	-	-	(11.622.331)	(2.912.674)	-	(38.673.713)
Total position	(251.353.854)	(221.303.781)	508.458.439	223.895.768	124.328.550	(398.363.964)	(14.338.842)
Prior Period							
Assets⁽¹⁾							
Cash (cash in hand, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-	-	262.560.002	262.560.002
Banks	-	32.710	19.815	-	-	27.549.457	27.601.982
Financial assets measured at fair value through profit or loss	-	1.399.417	40.278	247.444	418.577	987.929	3.093.645
Receivables from money markets	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	13.735.628	22.678.595	7.503.380	15.323.406	36.025.229	126.919	95.393.157
Loans ⁽²⁾	239.575.567	128.225.192	336.362.119	133.877.696	39.689.930	(12.990.208)	864.740.296
Financial assets measured at amortised cost	111.445.955	14.176.961	18.462.122	66.634.958	94.614.498	(715.000)	304.619.494
Other assets	2.817.698	2.445.267	3.537.942	8.316.238	4.187.380	159.338.034	180.642.559
Total assets	367.574.848	168.958.142	365.925.656	224.399.742	174.935.614	436.857.133	1.738.651.135
Liabilities							
Bank deposits	15.738.390	7.077.792	8.395.079	119.974	-	1.075.215	32.406.450
Other deposits	346.891.074	137.743.306	85.506.313	27.986	-	433.894.804	1.004.063.483
Funds from money market	39.552.389	16.893.465	1.527.163	-	-	-	57.973.017
Miscellaneous payables	-	-	-	-	-	74.014.722	74.014.722
Marketable securities issued	8.231.836	7.410.734	37.597.921	24.461.173	-	-	77.701.664
Funds borrowed from other financial institutions	5.146.980	94.505.505	38.547.419	1.822.773	284.456	-	140.307.133
Other liabilities ⁽³⁾	21.817.850	76.197.295	3.094.432	18.230.707	4.772.460	228.071.922	352.184.666
Total liabilities	437.378.519	339.828.097	174.668.327	44.662.613	5.056.916	737.056.663	1.738.651.135
Balance sheet long position	-	-	191.257.329	179.737.129	169.878.698	-	540.873.156
Balance sheet short position	(69.803.671)	(170.869.955)	-	-	-	(300.199.530)	(540.873.156)
Off-balance sheet long position	2.553.718	4.501.619	13.963.905	-	-	-	21.019.242
Off-balance sheet short position	-	-	-	(12.721.790)	(12.296.675)	-	(25.018.465)
Total position	(67.249.953)	(166.368.336)	205.221.234	167.015.339	157.582.023	(300.199.530)	(3.999.223)

(1) Expected credit losses are shown in the “Non-interest bearing” column of the relevant financial item.

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

(3) Shareholders’ equity is presented under the “Non interest bearing”.

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(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 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 hand, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ⁽¹⁾	-	-	-	35,15
Banks	3,57	-	-	-
Financial assets measured at fair value through profit or loss	4,84	5,39	-	-
Receivables from money markets	-	-	-	-
Financial assets measured at fair value through other comprehensive income	4,75	6,23	-	37,06
Loans	7,72	8,86	-	50,51
Financial assets measured at amortised cost	4,32	6,47	-	40,02
Liabilities				
Bank deposits ⁽²⁾	0,25	3,23	-	44,53
Other deposits ⁽²⁾	0,14	0,21	-	31,89
Funds from money market	5,10	4,56	-	43,37
Miscellaneous payables	-	-	-	-
Marketable securities issued	4,23	7,46	-	48,55
Funds borrowed from other financial institutions	6,16	7,05	-	46,25
Prior Period				
	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in hand, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	3,86	5,45	-	-
Financial assets measured at fair value through profit or loss	5,98	5,75	-	-
Receivables from money markets	-	-	-	-
Financial assets measured at fair value through other comprehensive income	4,12	7,66	-	38,37
Loans	8,34	9,31	-	40,63
Financial assets measured at amortised cost	4,32	6,46	-	39,55
Liabilities				
Bank deposits ⁽²⁾	4,01	5,73	-	39,50
Other deposits ⁽²⁾	0,14	0,24	-	19,03
Funds from money market	5,74	5,56	-	40,48
Miscellaneous payables	-	-	-	-
Marketable securities issued	6,30	8,03	-	35,24
Funds borrowed from other financial institutions	7,21	7,38	-	27,12

(1) In accordance with CBRT's the letter 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. Explanation on share certificates position risk from banking book:

None.

6. Explanations on Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio:

Liquidity risk is defined as risk of unexpected loss to be occurred or bank 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 Bank 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.

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

The 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 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 the Bank and its subsidiaries. There are limits which are predetermined and approved by the Board of Directors on the basis of all currencies for each period.

The 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 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 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 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 Bank mainly consist of deposits which constitute 54% (December 31, 2023 - 60%) of total liabilities of the Bank and also include repo, secured loans, syndication, securitization, bond/security issuance and other instruments including subordinated loans/debts.

The 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 subjects of 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.

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

The 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.

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.

Average amounts of weekly liquidity coverage ratio calculations related to the last three months of current period are explained in the table below.

Current Period	Unweighted Amounts		Weighted Amounts	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			436.942.952	185.325.649
Cash Outflows				
Retail and Small Business Customers Deposits	845.901.774	301.558.151	74.394.640	29.675.760
Stable deposits	203.910.750	9.601.086	10.195.538	480.054
Less stable deposits	641.991.024	291.957.065	64.199.102	29.195.706
Unsecured Funding other than Retail and Small Business				
Customers Deposits	452.305.659	153.727.179	265.998.944	83.645.595
Operational deposits	-	-	-	-
Non-Operational deposits	334.925.657	125.733.409	170.288.863	55.651.825
Other Unsecured funding	117.380.002	27.993.770	95.710.081	27.993.770
Secured funding			-	-
Other Cash Outflows	3.102.411	3.102.411	3.102.411	3.102.411
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.102.411	3.102.411	3.102.411	3.102.411
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	511.675.522	251.583.366	25.583.776	12.579.168
Other irrevocable or conditionally revocable commitments	1.351.969.189	78.018.902	95.622.760	18.029.165
Total Cash Outflows			464.702.531	147.032.099
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	175.988.128	47.050.272	110.995.710	42.160.271
Other contractual cash inflows	321.040	41.381.880	321.040	41.381.880
Total Cash Inflows	176.309.168	88.432.152	111.316.750	83.542.151
			Capped Amounts	
Total High Quality Liquid Assets			436.942.952	185.325.649
Total Net Cash Outflows			353.385.781	63.489.948
Liquidity Coverage Ratio (%)			123,64	291,90

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of current period are explained in the table below.

Current Period	Minimum FC (%)	Minimum TL+FC (%)	Maximum FC (%)	Maximum TL+FC (%)
Week	September 27, 2024	September 20, 2024	July 5, 2024	July 5, 2024
Ratio (%)	216,83	115,00	411,63	132,33

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

Average amounts of weekly liquidity coverage ratio calculations related to the last three months of prior period are explained in the table below.

Prior Period	Unweighted Amounts		Weighted Amounts	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			426.099.327	176.506.801
Cash Outflows				
Retail and Small Business Customers Deposits	675.824.159	259.887.706	60.939.206	25.611.399
Stable deposits	132.864.185	7.547.427	6.643.209	377.371
Less stable deposits	542.959.974	252.340.279	54.295.997	25.234.028
Unsecured Funding other than Retail and Small Business Customers Deposits	340.699.396	143.880.893	208.081.189	82.384.996
Operational deposits	-	-	-	-
Non-Operational deposits	244.920.949	113.060.551	126.153.678	51.564.654
Other Unsecured funding	95.778.447	30.820.342	81.927.511	30.820.342
Secured funding				
Other Cash Outflows	3.637.081	3.637.081	3.637.081	3.637.081
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.637.081	3.637.081	3.637.081	3.637.081
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	384.673.976	193.447.252	19.233.699	9.672.362
Other irrevocable or conditionally revocable commitments	684.119.958	63.800.106	54.843.105	15.577.428
Total Cash Outflows			346.734.280	136.883.266
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	120.494.559	38.879.864	78.727.122	33.941.859
Other contractual cash inflows	785.405	62.427.717	785.405	62.427.717
Total Cash Inflows	121.279.964	101.307.581	79.512.527	96.369.576
			Capped Amounts	
Total High Quality Liquid Assets			426.099.327	176.506.801
Total Net Cash Outflows			267.221.753	40.513.690
Liquidity Coverage Ratio (%)			159,46	435,67

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of prior period are explained in the table below.

Prior Period	Minimum FC (%)	Minimum TL+FC (%)	Maximum FC (%)	Maximum TL+FC (%)
Week	October 27, 2023	December 8, 2023	November 17, 2023	October 13, 2023
Ratio (%)	261,89	144,15	524,36	190,04

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 Bank'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 Bank'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%.

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

Three-month simple arithmetic mean as of most recent quarter is 122,58%. The ratio and main items constituting the 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 of deposits and loans that play significant part in development of the Bank's ratio.

Current Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount	
	Non Maturity	Residual maturity of less than 6 months	Residual maturity of 6 months and longer but less than 1 year	Residual maturity of 1 year or more		
Available stable funding						
1	Capital Instruments	222.942.110	-	-	57.099.650	280.041.760
2	Tier 1 Capital and Tier 2 Capital	222.942.110	-	-	57.099.650	280.041.760
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	423.124.018	428.612.450	-	-	776.320.530
5	Stable Deposits	102.645.974	92.508.177	-	-	185.396.444
6	Less Stable Deposits	320.478.044	336.104.273	-	-	590.924.086
7	Other Obligations	78.714.266	917.170.960	73.073.260	162.414.849	395.403.584
8	Operational deposits	-	-	-	-	-
9	Other Obligations	78.714.266	917.170.960	73.073.260	162.414.849	395.403.584
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	-		(21.928.673)		-
12	Derivative liabilities			(22.126.490)		
13	All other liabilities not included in the above categories	-	197.817	-	-	-
14	Available stable funding					1.451.765.874
Required stable funding						
15	High Quality Liquid Assets					140.043.950
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	-	804.376.265	186.165.014	249.332.864	675.234.233
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	-	68.531.647	7.041.995	1.711.046	15.511.791
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	730.757.418	176.074.888	242.222.612	656.034.297
21	Loans with a risk weight of less than or equal to 35%	-	-	-	4.790.237	3.113.654
22	Residential mortgages	-	849.296	708.955	4.505.904	2.928.838
23	Residential mortgages with a risk weight of less than or equal to 35%	-	892.296	708.955	4.505.904	2.928.838
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	4.237.904	2.339.176	893.302	759.307
25	Assets equivalent to interconnected liabilities					
26	Other Assets	256.932.995		33.427.809		289.378.720
27	Physical traded commodities, including gold	6.547.224				5.565.140
28	Initial margin posted or given guarantee fund to central counterparty			-		-
29	Derivative Assets			33.427.809		33.427.809
30	Derivative Liabilities before the deduction of the variation margin			-		-
31	Other Assets not included above	250.385.771	-	-	-	250.385.771
32	Off-balance sheet commitments		1.939.536.586	-	-	96.976.829
33	Total Required stable funding					1.201.633.732
34	Net Stable Funding Ratio (%)					120,82

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

Three-month simple arithmetic mean as of most recent quarter is 134,65%. The ratio and main items constituting the NSFR as of previous period shown in the table below.

Prior Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount	
	Non Maturity	Residual maturity of less than 6 months	Residual maturity of 6 months and longer but less than 1 year	Residual maturity of 1 year or more		
Available stable funding						
1	Capital Instruments	204.004.826	19.134.830	-	15.519.100	238.658.756
2	Tier 1 Capital and Tier 2 Capital	204.004.826	19.134.830	-	15.519.100	238.658.756
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	313.483.957	372.030.510	-	-	624.996.964
5	Stable Deposits	78.056.461	82.622.394	-	-	152.644.913
6	Less Stable Deposits	235.427.496	289.408.116	-	-	472.352.051
7	Other Obligations	65.665.614	542.638.844	92.411.766	137.677.675	347.395.007
8	Operational deposits	-	-	-	-	-
9	Other Obligations	65.665.614	542.638.844	92.411.766	137.677.675	347.395.007
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	-		(21.307.666)		-
12	Derivative liabilities			(21.533.432)		
13	All other liabilities not included in the above categories	-	225.766	-	-	-
14	Available stable funding					1.211.050.727
Required stable funding						
15	High Quality Liquid Assets					111.306.325
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	851.427	492.427.473	150.144.509	272.514.083	530.093.736
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	-	58.174.814	5.460.116	2.013.265	13.469.545
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	432.134.172	143.893.533	261.350.374	510.161.670
21	Loans with a risk weight of less than or equal to 35%	-	-	17.423	3.329.889	2.175.753
22	Residential mortgages	-	1.107.094	790.860	6.576.784	4.274.910
23	Residential mortgages with a risk weight of less than or equal to 35%	-	1.107.094	790.860	6.576.784	4.274.910
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	851.427	1.011.393	-	2.573.660	2.187.611
25	Assets equivalent to interconnected liabilities					
26	Other Assets	182.469.255		34.422.634		216.562.577
27	Physical traded commodities, including gold	2.195.408				1.866.096
28	Initial margin posted or given guarantee fund to central counterparty			-		-
29	Derivative Assets			33.663.177		33.663.177
30	Derivative Liabilities before the deduction of the variation margin			759.457		759.457
31	Other Assets not included above	180.273.847				180.273.847
32	Off-balance sheet commitments		1.167.104.566	-	-	58.355.228
33	Total Required stable funding					916.317.866
34	Net Stable Funding Ratio (%)					132,16

(Convenience translation of publicly announced unconsolidated interim financial statements originally issued in Turkish)

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(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 hand, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	221.877.401	156.038.448	-	-	-	-	(129.287)	377.786.562
Banks	40.041.343	6.139	17.752	4.384	-	-	(11.995)	40.057.623
Financial assets measured at fair value through profit or loss	124.465	-	21.731	46.894	88.125	1.967.212	1.228.664	3.477.091
Receivables from money markets	-	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	169	2.040.383	9.560.649	45.637.633	59.319.188	160.846	116.718.868
Loans ⁽²⁾	-	381.760.338	141.340.363	388.739.593	205.765.121	53.418.163	(6.268.115)	1.164.755.463
Financial assets measured at amortised cost	-	-	7.570.824	35.681.515	215.373.287	106.079.530	(138.549)	364.566.607
Other assets	104.148.423	5.235.541	5.675.118	4.063.448	6.463.707	3.299.153	134.726.991	263.612.381
Total assets	366.191.632	543.040.635	156.666.171	438.096.483	473.327.873	224.083.246	129.568.555	2.330.974.595
Liabilities								
Bank deposits	2.832.257	5.706.569	5.828.041	7.443.093	2.853	-	-	21.812.813
Other deposits	568.962.030	478.417.290	178.072.368	19.681.032	25.478	-	-	1.245.158.198
Funds borrowed from other financial institutions	-	44.527.758	69.698.813	89.528.573	23.266.954	112.380	-	227.134.478
Funds from money market	-	206.920.719	5.623.227	-	-	-	-	212.543.946
Marketable securities issued	-	30.677.994	19.913.373	12.728.495	34.410.875	19.453.040	-	117.183.777
Miscellaneous payables	822.412	96.692.364	838.863	-	-	-	1.099.004	99.452.643
Other liabilities ⁽³⁾	35.131.525	1.286.781	12.379.585	14.763.146	68.300.593	78.045.629	197.781.481	407.688.740
Total liabilities	607.748.224	864.229.475	292.354.270	144.144.339	126.006.753	97.611.049	198.880.485	2.330.974.595
Net liquidity gap	(241.556.592)	(321.188.840)	(135.688.099)	293.952.144	347.321.120	126.472.197	(69.311.930)	-
Net Off-Balance Sheet Position	-	3.605.708	(4.558.784)	(17.261.621)	(516.497)	4.392.352	-	(14.338.842)
Derivative Financial Assets	-	146.149.019	113.968.393	268.846.284	167.230.073	95.466.860	-	791.660.629
Derivative Financial Liabilities	-	142.543.311	118.527.177	286.107.905	167.746.570	91.074.508	-	805.999.471
Non-Cash Loans	-	17.701.830	52.196.928	234.784.760	80.669.820	16.271.488	112.109.986	513.734.812
Prior Period								
Total assets	259.634.673	330.207.128	123.184.343	342.893.794	395.980.094	204.615.316	82.135.787	1.738.651.135
Total liabilities	457.075.758	504.412.142	217.142.703	221.299.022	93.217.004	56.585.431	188.919.075	1.738.651.135
Liquidity gap	(197.441.085)	(174.205.014)	(93.958.360)	121.594.772	302.763.090	148.029.885	(106.783.288)	-
Net Off-Balance Sheet Position	-	1.183.876	(4.864.345)	(4.777.487)	328.193	4.130.540	-	(3.999.223)
Derivative Financial Assets	-	168.312.983	134.444.699	116.952.776	171.066.627	95.879.831	-	686.656.916
Derivative Financial Liabilities	-	167.129.107	139.309.044	121.730.263	170.738.434	91.749.291	-	690.656.139
Non-Cash Loans	-	18.214.843	42.540.641	168.051.989	59.808.203	12.543.936	85.313.046	386.472.658

(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 against expected credit loss.

(3) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

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

7. Explanations on leverage ratio:

When comparing current and prior period, the main reason for decrease in leverage ratio is the increase in total exposure.

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
On-Balance sheet exposures		
On-Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	2.290.092.434	1.668.553.934
(Asset amounts deducted in determining Tier 1 capital)	(23.713.656)	(19.094.784)
Total on-Balance sheet exposures	2.266.378.778	1.649.459.150
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	8.421.251	11.985.848
Potential credit risk of derivative financial instruments and credit derivatives	6.689.580	21.128.855
Total derivative financial instruments and credit derivatives exposure	15.110.831	33.114.703
Securities financing transaction exposure		
Total risk of gross securities financing transactions (excluding on-balance sheet exposure)	32.722.016	16.285.046
Agent transaction exposures	-	-
Total securities financing transaction exposures	32.722.016	16.285.046
Off-balance sheet items		
Off-balance sheet exposure at gross notional amount	1.988.775.104	1.171.054.731
(Adjustments for conversion to credit equivalent amounts)	(67.871.871)	(61.083.885)
Total risk of off-balance sheet items	1.920.903.233	1.109.970.846
Capital and total exposure		
Tier 1 capital	206.664.582	184.759.840
Total exposures	4.235.114.858	2.808.829.745
Leverage ratio (%)	4,88	6,58

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

8. Explanations on hedge accounting:

The Bank applies the following hedge accounting models: Cash Flow Hedge ("CFH") and Net Investment Hedge ("NIH").

If the fair value of the hedging instrument under hedge of 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 at fair value through other comprehensive income".

Interest rate swap, currency swap and cross currency interest rate swap are used as hedging instrument in CFH. Contractual amounts and the fair values as at September 30, 2024 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)	19.390.848	2.294.999	-	40.790.710	5.320.823	32.334
Total	19.390.848	2.294.999	-	40.790.710	5.320.823	32.334

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 19.390.847 (December 31, 2023 – TL 40.790.711) the total notional of derivative financial assets amounting to TL 38.781.695 (December 31, 2023– TL 81.581.421) 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 the accounting principles section of these financial statements in Section 3, Part 4.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

8.1. Cash flow hedge accounting:

The Bank applies macro and micro CFH 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 USD, EUR and TL deposits, borrowings and repos.

The impact 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) recognized in hedging funds ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swap / Currency swap / Cross currency interest rate swap	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	2.294.999	-	2.076.497	(1.151.063)

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/ Cross currency interest rate swap	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	5.320.823	32.334	3.227.560	(2.151.990)

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 650.643 gain (September 30, 2023 – TL 165.953 gain).

At the inception date, the Bank 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 effectiveness range 80%-125%) 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.

8.2. Net Investment Hedge:

The Bank hedges part of the currency translation risk of net investments in foreign operations through foreign currency borrowings. The Bank's EUR denominated borrowing is designated as a hedge of the net investment in the Bank's certain EUR denominated subsidiaries. The total amount of the borrowing designated as a hedge of the net investment at September 30, 2024 is EUR 653 million (December 31, 2023 - EUR 528 million).

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

10. Explanations on operating segments:

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

- Retail Banking
- Corporate Banking
- Commercial and SME Banking

The 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 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. 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 Bank'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. Treasury, Asset – Liability Management and other operations, mainly consist of treasury management's results, operations of supporting business units and other unallocated transactions.

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

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

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	Treasury, asset-liability management and other	Total operations of the Bank
Operating income	60.435.362	10.322.046	38.909.584	(15.866.659)	93.800.333
Operating expenses	(35.238.906)	1.821.650	(5.893.541)	(41.240.783)	(80.551.580)
Net operating income / (expense)	25.196.456	12.143.696	33.016.043	(57.107.442)	13.248.753
Dividend income ⁽¹⁾	-	-	-	12.435	12.435
Profit/(loss) from equity method applied subsidiaries ⁽¹⁾	-	-	-	8.901.627	8.901.627
Profit before tax	25.196.456	12.143.696	33.016.043	(48.193.380)	22.162.815
Tax provision expense ⁽¹⁾	-	-	-	242.599	242.599
Net period income	25.196.456	12.143.696	33.016.043	(47.950.781)	22.405.414
Net profit	25.196.456	12.143.696	33.016.043	(47.950.781)	22.405.414
Segment asset	540.403.332	213.197.648	370.841.661	1.152.844.566	2.277.287.207
Investments in associates, subsidiaries and joint ventures	-	-	-	53.687.388	53.687.388
Total assets	540.403.332	213.197.648	370.841.661	1.206.531.954	2.330.974.595
Segment liabilities	821.779.019	124.717.252	267.626.238	925.884.937	2.140.007.446
Shareholders' equity	-	-	-	190.967.149	190.967.149
Total liabilities	821.779.019	124.717.252	267.626.238	1.116.852.086	2.330.974.595

Prior Period⁽²⁾	Retail banking	Corporate banking	Commercial and SME banking	Treasury, asset-liability management and other	Total operations of the Bank
Operating income	38.817.278	9.101.997	30.620.539	28.103.664	106.643.478
Operating expenses	(17.253.823)	(6.587.702)	(3.570.064)	(22.364.821)	(49.776.410)
Net operating income / (expense)	21.563.455	2.514.295	27.050.475	5.738.843	56.867.068
Dividend income ⁽¹⁾	-	-	-	5.899	5.899
Profit/(loss) from equity method applied subsidiaries ⁽¹⁾	-	-	-	5.785.554	5.785.554
Profit before tax	21.563.455	2.514.295	27.050.475	11.530.296	62.658.521
Tax provision expense ⁽¹⁾	-	-	-	(13.956.317)	(13.956.317)
Net period income	21.563.455	2.514.295	27.050.475	(2.426.021)	48.702.204
Net profit	21.563.455	2.514.295	27.050.475	(2.426.021)	48.702.204
Segment asset	380.947.485	185.429.804	244.868.623	889.638.296	1.700.884.208
Investments in associates, subsidiaries and joint ventures	-	-	-	37.766.927	37.766.927
Total assets	380.947.485	185.429.804	244.868.623	927.405.223	1.738.651.135
Segment liabilities	618.836.337	92.977.510	239.218.000	608.767.747	1.559.799.594
Shareholders' equity	-	-	-	178.851.541	178.851.541
Total liabilities	618.836.337	92.977.510	239.218.000	787.619.288	1.738.651.135

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

(2) Income statements items presents the balances as of September 30, 2023.

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	6.403.270	15.847.668	3.655.621	18.267.050
The CBRT ⁽¹⁾	193.176.973	162.487.671	98.386.789	142.963.897
Other	-	267	-	612
Total	199.580.243	178.335.606	102.042.410	161.231.559

(1) The balance of gold amounting to TL 28.924.548 is accounted for under the Central Bank foreign currency account (December 31, 2023 – TL 17.611.624).

1.1.2. Information on the account of the CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand amount ⁽¹⁾	133.539.792	66.086.403	86.406.051	59.857.962
Unrestricted time amount	-	-	-	-
Restricted time amount	-	-	-	-
Reserve requirement ⁽²⁾	59.637.181	96.401.268	11.980.738	83.105.935
Total	193.176.973	162.487.671	98.386.789	142.963.897

(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 Bank 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 Bank has financial assets measured at fair value through profit or loss given as collateral/blocked amounts to TL 1.628.533 (December 31, 2023 - TL 1.387.449).

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	1.055.070	65.286	814.178	8.085
Swap transactions	8.611.005	7.950.600	8.577.085	6.548.119
Futures transactions	248.202	-	4.012	-
Options	191.479	92.645	31.050	1.173
Other	-	-	-	-
Total	10.105.756	8.108.531	9.426.325	6.557.377

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⁾	-	-	-	-
Cash flow hedges ⁽¹⁾	857.661	1.437.338	1.857.907	3.462.916
Hedges for investments made in foreign countries	-	-	-	-
Total	857.661	1.437.338	1.857.907	3.462.916

(1) Explained in Note 8 of section 4.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

1.4. Information on banks:

1.4.1. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1.310	49.945	1.121	24.371
Foreign	-	40.018.363	-	27.576.490
Head quarters and foreign branches	-	-	-	-
Total	1.310	40.068.308	1.121	27.600.861

1.4.2. Information on money markets receivables

As of September 30, 2024 the bank has no money market receivables (December 31, 2023 – 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 September 30, 2024 financial assets at fair value through other comprehensive income given as repo transactions amounts to TL 40.520.553 (December 31, 2023 - TL 10.388.515). The securities, subject to collateral/blocked are TL 20.918.555 (December 31, 2023 - TL 16.848.459).

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

	Current Period	Prior Period
Debt securities	122.241.156	100.203.690
Quoted on stock exchange	122.236.917	100.202.647
Not quoted	4.239	1.043
Share certificates	201.121	171.195
Quoted on stock exchange	-	-
Not quoted	201.121	171.195
Impairment (-) ⁽¹⁾	5.723.409	4.981.728
Total	116.718.868	95.393.157

(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 Bank:

	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	13.997	605.925	35.697	1.304.299
Loans granted to employees	1.215.744	183	837.758	183
Total	1.229.741	606.108	873.455	1.304.482

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

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

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:

Cash Loans	Standard Loans	Loans under close monitoring		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Non-specialized loans	1.044.198.872	45.439.943	24.886.878	55.430.788
Loans given to enterprises	305.140.620	9.154.468	24.501.003	33.847.055
Export loans	91.573.843	3.100.361	381.428	97.027
Import loans	-	-	-	-
Loans given to financial sector	33.288.035	-	-	-
Consumer loans	195.744.525	16.868.826	-	4.320.369
Credit cards	283.187.611	13.527.494	-	7.615.455
Other	135.264.238	2.788.794	4.447	9.550.882
Specialized loans	-	-	-	-
Other receivables	1.067.097	-	-	-
Total	1.045.265.969	45.439.943	24.886.878	55.430.788

	Standard loans	Loans under close monitoring
12-month provisions for possible losses	5.204.564	-
Significant increase in credit risk	-	16.029.584
Total	5.204.564	16.029.584

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	68.404.490	74.722.803	143.127.293
Real estate loans	16.186	15.040.889	15.057.075
Automotive loans	4.477.689	8.899.127	13.376.816
Consumer loans	63.910.615	50.782.787	114.693.402
Consumer loans-FC indexed	-	29.221	29.221
Real estate loans	-	29.221	29.221
Automotive loans	-	-	-
Consumer loans	-	-	-
Individual credit cards-TL	265.793.545	3.618.227	269.411.772
With installments	101.704.381	3.137.799	104.842.180
Without installments	164.089.164	480.428	164.569.592
Individual credit cards-FC	774.648	17.730	792.378
With installments	-	-	-
Without installments	774.648	17.730	792.378
Personnel loans-TL	275.830	235.426	511.256
Real estate loans	-	2.011	2.011
Automotive loans	6.397	3.519	9.916
Consumer loans	269.433	229.896	499.329
Personnel loans-FC indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Personnel credit cards-TL	611.921	402	612.323
With installments	249.417	402	249.819
Without installments	362.504	-	362.504
Personnel credit cards-FC	6.860	-	6.860
With installments	-	-	-
Without installments	6.860	-	6.860
Credit deposit account-TL (real person)⁽¹⁾	73.265.950	-	73.265.950
Total	409.133.244	78.623.809	487.757.053

(1) TL 85.305 of the credit deposit account belongs to the loans used by personnel.

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(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
Installment based commercial loans -TL	8.331.046	90.425.772	98.756.818
Business loans	150	937.555	937.705
Automotive loans	2.539.621	25.044.937	27.584.558
Consumer loans	5.791.275	64.443.280	70.234.555
Installment based commercial loans -FC indexed	-	-	-
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Corporate credit cards-TL	33.178.120	311.698	33.489.818
With installment	8.366.187	310.060	8.676.247
Without installment	24.811.933	1.638	24.813.571
Corporate credit cards-FC	17.390	19	17.409
With installment	-	-	-
Without installment	17.390	19	17.409
Credit deposit account-TL (legal person)	10.544.849	-	10.544.849
Total	52.071.405	90.737.489	142.808.894

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	1.160.953.684	868.909.430
Foreign loans	10.069.894	8.821.074
Total	1.171.023.578	877.730.504

(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	5.679.569	3.978.209
Indirect loans granted to associates and subsidiaries	-	-
Total	5.679.569	3.978.209

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

	Current Period	Prior Period
Loans with limited collectability	5.159.872	1.963.518
Loans with doubtful collectability	7.310.287	6.851.466
Uncollectable loans	10.483.502	10.088.589
Total	22.953.661	18.903.573

1.7.8. Information on non-performing loans (net):**1.7.8.1. Information on restructured loans from non-performing loans:**

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectable loans
Current Period			
Gross amounts before provisions	1.579.909	1.640.005	4.782.210
Restructured loans	1.579.909	1.640.005	4.782.210
Prior Period			
Gross amounts before provisions	583.037	809.720	5.827.714
Restructured loans	583.037	809.720	5.827.714

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Prior Period	2.956.202	10.400.706	13.472.811
Additions (+)	19.000.849	1.185.135	3.329.441
Transfers from other categories of non- performing loans (+)	-	11.263.666	10.505.074
Transfer to other categories of non- performing loans (-)	11.263.666	10.505.074	-
Collections (-)	1.961.495	2.267.706	4.204.388
Write-offs (-)	-	-	-
Sale (-)	-	-	3.991.861
Corporate and commercial loans	-	-	438.247
Consumer loans	-	-	2.664.838
Credit cards	-	-	888.776
Other	-	-	-
Current Period	8.731.890	10.076.727	19.111.077
Provision (-)	5.159.872	7.310.287	10.483.502
Net balance on balance sheet	3.572.018	2.766.440	8.627.575

In line with the decree of Bank's Board of Directors non-performing loans some of which were written off in previous periods, amounting to TL 4.258.584 have been liquidated for an amount of TL 1.486.200 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 collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Period end balance	202.336	1.354.103	11.817.772
Provision (-)	64.316	1.198.225	4.573.342
Net balance on-balance sheet	138.020	155.878	7.244.430
Prior Period			
Period end balance	101.944	6.823.946	6.811.789
Provision (-)	99.969	4.292.885	4.555.633
Net balance on-balance sheet	1.975	2.531.061	2.256.156

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 collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	3.572.018	2.766.440	8.627.575
Loans granted to real persons and corporate entities (gross)	8.731.890	10.076.727	19.026.914
Provision amount (-)	5.159.872	7.310.287	10.399.339
Loans granted to real persons and corporate entities (net)	3.572.018	2.766.440	8.627.575
Banks (gross)	-	-	774
Provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans (gross)	-	-	83.389
Provision amount (-)	-	-	83.389
Other loans (Net)	-	-	-
Prior Period (net)	992.684	3.549.240	3.384.222
Loans granted to real persons and corporate entities (gross)	2.956.202	10.400.706	13.388.137
Provision amount (-)	1.963.518	6.851.466	10.003.915
Loans granted to real persons and corporate entities (Net)	992.684	3.549.240	3.384.222
Banks (gross)	-	-	774
Provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.900
Provision amount (-)	-	-	83.900
Other loans and receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	529.907	454.193	229.114
Interest accruals and rediscounts and valuation differences	1.312.256	1.416.355	1.894.441
Provision amount (-)	782.349	962.162	1.665.327
Prior Period (net)	132.452	195.355	199.668
Interest accruals and rediscounts and valuation differences	327.091	605.675	1.610.291
Provision amount (-)	194.639	410.320	1.410.623

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 the BRSA, the Bank, during the period deemed appropriate under TFRS 9, may write off part of the loans for which the Bank has no reasonable expectation of recovery and that are classified under Group five with a life time expected credit loss due the to 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 Bank's right to receive.

1.8. Information on financial assets at amortized cost:

1.8.1. Characteristics and carrying values of financial assets measured at amortised cost which are subject to repurchase agreements and given as collateral / blocked:

As of September 30, 2024 financial assets measured at amortised cost given as repo transactions amounting to TL 212.481.759 (December 31, 2023 - TL 53.304.273). The securities subject to collateral/blocked are TL 116.253.324 (December 31, 2023 - TL 122.707.615).

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

	Current Period	Prior Period
Government bond	356.993.474	301.134.141
Treasury bill	-	-
Other public sector debt securities	7.711.682	4.200.353
Total	364.705.156	305.334.494

1.8.3. Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	377.157.636	314.180.903
Quoted on stock exchange	377.157.636	314.180.903
Not quoted	-	-
Impairment provision (-) ⁽¹⁾	12.452.480	8.846.409
Total	364.705.156	305.334.494

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

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

	Current Period	Prior Period
Beginning balance	305.334.494	163.300.598
Foreign currency differences on monetary assets ⁽¹⁾	51.531.498	84.232.334
Purchases during the year	23.788.176	66.445.598
Disposals through sales and redemptions(-)	12.342.941	4.457.774
Impairment provision (-) ⁽²⁾	3.606.071	4.186.262
Period end balance	364.705.156	305.334.494

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

(2) Includes amortisation 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)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage(%)
1	Tanı Pazarlama ve İletişim Hizmetleri A.Ş	Istanbul/Türkiye	38,05	38,05
2	Banque de Commerce et de Placements S.A.	Geneva/Switzerland	30,67	30,67
3	Kredi Kayıt Bürosu ⁽¹⁾	Istanbul/Türkiye	18,18	18,18
4	Bankalararası Kart Merkezi ⁽¹⁾	Istanbul/Türkiye	4,89	4,89

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period		Prior period		Fair value
						profit/loss	profit/loss	profit/loss	profit/loss	
1	257.448	(407.463)	155.388	584	-	(240.211)	(131.491)	-	-	
2	157.143.530	27.715.331	83.391	5.558.223	890.834	1.704.988	1.293.669	-	-	
3	2.124.966	655.264	834.191	58.703	-	349.229	102.761	-	-	
4	4.545.493	4.246.842	1.014.415	582.332	-	917.082	3.224.321	-	-	

(1) Financial statement information is June 30, 2024.

1.9.2. Movement of unconsolidated investments in associates:

	Current Period	Prior Period
Balance at the beginning of the period	6.208.730	2.910.408
Movements during the period	1.874.181	3.298.322
Purchases	-	-
Bonus shares obtained profit from current year's share	-	-
Profit from current year's income	620.188	1.240.416
Sales(-)	-	-
Revaluation (decrease) / increase ⁽¹⁾	1.421.477	2.152.936
Impairment provision (-) ⁽²⁾	167.484	95.030
Balance at the end of the period	8.082.911	6.208.730
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.

1.9.3. Information on sectors and the carrying amounts of unconsolidated financial investments in associates:

	Current Period	Prior Period
Banks	8.044.465	6.170.284
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial associates	-	-
Total	8.044.465	6.170.284

1.9.4. Information on investments in associates quoted on a stock exchange:

None (December 31, 2023 - None).

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1.10. Information on shareholders' equity of the significant 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.
Core capital					
Paid in capital	98.918	130.000	389.928	32.642	112.442
Inflation adjustment to share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital reserves	117.569	-	(217.104)	-	-
Other accumulated comprehensive income that will not be classified in profit or loss	15.919	(20.504)	(42.437)	(6.479)	-
Other accumulated comprehensive income that will be classified in profit or loss	(3.810)	-	5.189	-	16.710.433
Legal reserves	98.890	26.000	79.305	44.228	-
Extraordinary reserves	3.879.330	1.619.575	5.351.463	-	3.477.456
Other profit Reserves	-	-	-	-	-
Income or Loss	2.839.350	872.392	1.771.055	1.302.156	1.940.807
Current Year Income/Loss	2.909.296	872.392	1.682.640	939.535	1.940.807
Prior Years' Income/Loss	(69.946)	-	88.415	362.621	-
Leasehold improvements (-)	-	997	546	214	43
Intangible assets (-)	86.588	34.830	111.773	2.612	1.221
Total Tier I capital	6.959.578	2.591.636	7.225.080	1.369.721	22.239.874
Tier II capital	25.160	88.104	247.868	-	133.128
Capital	6.984.738	2.679.740	7.472.948	1.369.721	22.373.002
Deductions from the capital	-	-	-	-	-
Total shareholders' equity	6.984.738	2.679.740	7.472.948	1.369.721	22.373.002

The above information is based on the consolidated financial statements of the Bank as of September 30, 2024.

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.

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1.10.2. Information on subsidiaries:

Subsidiary	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1 Yapı Kredi Holding B.V.	Amsterdam/Holland	100,00	100,00
2 Yapı Kredi Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99,98	100,00
3 Yapı Kredi Faktoring A.Ş.	Istanbul/Türkiye	99,95	100,00
4 Yapı Kredi Finansal Kiralama A.O.	Istanbul/Türkiye	99,99	99,99
5 Yapı Kredi Portföy Yönetimi A.Ş.	Istanbul/Türkiye	12,65	99,99
6 Yapı Kredi Bank Nederland N.V.	Amsterdam/Holland	67,24	100,00
7 Yapı Kredi Azerbaycan	Baku/Azerbaijan	99,80	100,00
8 Enternasyonal Turizm Yatırım A.Ş.	Istanbul/Türkiye	99,99	99,99
9 Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	Istanbul/Türkiye	100,00	100,00
10 Yapı Kredi Teknoloji A.Ş.	Istanbul/Türkiye	100,00	100,00
11 Yapı Kredi Finansal Teknolojiler A.Ş.	Istanbul/Türkiye	100,00	100,00
12 Yapı Kredi Bank Deutschland OHG ⁽¹⁾	Frankfurt/Germany	-	100,00

(1) The acquisition of all shares of Bankhaus J. Faisst OHG, which has banking licenses in Germany, was completed on July 23, 2024. The title of Bankhaus J. Faisst OHG was changed to Yapı Kredi Bank Deutschland OHG on August 1, 2024. The Bank owns all shares of Yapı Kredi Deutschland GmbH and Yapı Kredi Beteiligungsgesellschaft mbH which are shareholders of Yapı Kredi Bank Deutschland OHG. In accordance with the provisional accounting of TFRS 3 "Business Combinations" standard, the net assets of Yapı Kredi Bank Deutschland OHG have been provisionally recognised in the unconsolidated financial statements as of September 30, 2024.

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

Financial statement information disclosed consolidated financial statements results.

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value	Required equity
1	126.437	123.842	-	-	-	9.743	2.910	-	-
2	15.440.919	7.046.166	196.943	4.720.496	80.147	2.909.296	2.065.264	-	-
3	15.038.060	2.627.463	50.063	4.285.898	-	872.392	567.929	-	-
4	45.480.083	7.337.399	120.648	5.701.869	-	1.682.640	1.255.362	-	-
5	1.682.843	1.372.547	7.153	383.247	-	939.535	380.344	-	-
6	123.005.581	22.241.138	59.509	4.988.290	400.343	1.940.807	1.049.561	-	-
7	11.789.305	2.287.367	465.736	572.784	79.650	158.396	97.904	-	-
8	1.035.716	1.022.664	849.417	11.501	-	(19.915)	7.228	-	-
9	319.605	121.700	15.869	357	-	7.853	18.158	-	-
10	244.220	127.876	112.647	15.769	-	66.439	(2.382)	-	-
11	25.015	25.015	-	-	-	-	-	-	-
12	2.631.918	2.631.918	-	-	-	-	-	-	-

1.10.4. Movement schedule of subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	31.525.881	17.905.733
Movements in period	14.046.280	13.620.148
Purchases ⁽¹⁾	2.466.063	-
Free shares obtained profit from current years share	-	-
Share of current year income	8.281.439	6.974.755
Sales(-)	-	-
Revaluation increase/decrease ⁽²⁾	3.552.349	6.915.441
Impairment provision (-) ⁽³⁾	253.571	270.048
Balance at the end of the period	45.572.161	31.525.881
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) Includes the acquisition cost and capital increase of Yapı Kredi Bank Deutschland OHG.

(2) Includes the shares taken from the other comprehensive income according to the equity method.

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

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

	Current Period	Prior Period
Banks	19.870.359	13.390.646
Insurance companies	-	-
Factoring companies	2.626.212	1.758.494
Leasing companies	7.336.947	5.694.593
Finance companies	-	-
Other financial subsidiaries	15.738.643	10.682.148
Total	45.572.161	31.525.881

1.10.6. Subsidiaries quoted on stock exchange:

None (December 31, 2023 - None).

1.11. Information on joint ventures (net):

None (December 31, 2023 – None).

1.12. Information on lease receivables (net):

None (December 31, 2023 - None).

1.13. Information on investment property:

None (December 31, 2023 - None).

1.14. Information on deferred tax :

In accordance with TAS 12, deferred tax assets and deferred tax liabilities in the financial statements are clarified and deferred tax asset amounting to TL 12.264.852 is presented in the financial statements (December 31, 2023 – TL 8.665.381 deferred tax assets).

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	1.026.089	1.035.873
Additions ⁽¹⁾	125.694	85.530
Disposals (-), net	821.040	95.314
Impairment provision reversal	-	-
Impairment (-)	-	-
Depreciation (-)	-	-
Net book value at the end of the period	330.743	1.026.089
Cost at the end of the period	332.013	1.027.363
Accumulated depreciation at the end of the period (-)	1.270	1.274
Net book value at the end of the period	330.743	1.026.089

(1) In current period, the carrying value of asset held for sale with a right of repurchase is TL 90.976 (December 31, 2023 – TL 16.000). The total net carrying value of asset held for sale with a right of repurchase is TL 171.484 (December 31, 2023 – TL 882.752).

As of September 30, 2024, the Bank booked impairment provision on assets held for sale with an amount of TL 1.223 (December 31, 2023 – TL 1.223).

1.16. Information on other assets:

As of September 30, 2024, other assets do not exceed 10% of the total assets.

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2. Explanations and notes related to 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 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulative savings account	Total
Saving deposits	130.440.432	11.609.029	214.325.783	115.547.713	34.563.110	8.636.292	113	515.122.472
Foreign currency deposits	262.213.624	28.476.702	45.148.500	2.322.304	1.790.512	2.314.583	-	342.266.225
Residents in Türkiye	252.144.233	27.133.897	44.101.721	2.199.172	710.676	587.129	-	326.876.828
Residents abroad	10.069.391	1.342.805	1.046.779	123.132	1.079.836	1.727.454	-	15.389.397
Public sector deposits	18.443.727	2.506.874	174.799	6.777	2.043	-	-	21.134.220
Commercial deposits	53.686.780	27.864.983	125.199.737	20.531.110	13.414.472	2.952.256	-	243.649.338
Other institutions deposits	1.482.422	1.316.869	5.535.446	981.771	554.205	103	-	9.870.816
Precious metals vault	102.695.045	-	8.709.624	-	1.434.624	275.834	-	113.115.127
Bank deposits	2.832.257	1.465.083	6.818.995	3.336.391	5.557.482	1.802.605	-	21.812.813
The CBRT	1.831.530	-	-	-	-	-	-	1.831.530
Domestic banks	19.105	1.354.996	2.617.430	3.336.391	5.557.482	1.802.605	-	14.688.009
Foreign banks	757.983	110.087	4.201.565	-	-	-	-	5.069.635
Participation banks	223.639	-	-	-	-	-	-	223.639
Other	-	-	-	-	-	-	-	-
Total	571.794.287	73.239.540	405.912.884	142.726.066	57.316.448	15.981.673	113	1.266.971.011
Prior Period	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulative savings account	Total
Saving deposits	71.503.238	12.316.588	180.556.060	67.060.644	63.655.624	4.046.941	189	399.139.284
Foreign currency deposits	236.198.004	31.245.223	44.378.132	2.796.545	738.134	2.228.808	-	317.584.846
Residents in Türkiye	227.928.695	30.591.376	42.705.009	2.549.676	672.643	611.694	-	305.059.093
Residents abroad	8.269.309	653.847	1.673.123	246.869	65.491	1.617.114	-	12.525.753
Public sector deposits	5.846.024	3.115.835	119.870	18.835	1.508	-	-	9.102.072
Commercial deposits	55.128.973	23.716.001	76.978.621	17.454.437	27.091.967	2.032.242	-	202.402.241
Other institutions deposits	755.091	919.243	4.980.443	1.066.252	521.736	169	-	8.242.934
Precious metals vault	64.463.474	-	1.854.413	-	1.070.896	203.323	-	67.592.106
Bank deposits	1.075.215	6.638.026	13.579.519	4.878.101	5.732.620	502.969	-	32.406.450
The CBRT	-	-	-	-	-	-	-	-
Domestic banks	56.007	6.626.558	1.264.438	4.878.101	5.732.620	502.969	-	19.060.693
Foreign banks	558.830	11.468	12.315.081	-	-	-	-	12.885.379
Participation banks	460.378	-	-	-	-	-	-	460.378
Other	-	-	-	-	-	-	-	-
Total	434.970.019	77.950.916	322.447.058	93.274.814	98.812.485	9.014.452	189	1.036.469.933

(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 131.164.133 (December 31, 2023 – TL 222.335.968).

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

(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	227.211.583	141.627.769	288.031.426	257.622.362
Foreign currency saving deposits	80.686.777	63.728.267	116.702.533	118.596.892
Other deposits	55.092.291	32.917.070	42.627.495	27.761.034
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	25.297.227	22.150.658	169.959.158	163.557.160
Foreign currency saving deposits	9.185.662	6.652.355	131.521.653	123.748.178
Other deposits	1.749.264	1.068.231	13.644.863	5.845.003
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	7.340.500	3.338.299
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	1.281.858	588.290
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 26.09.2004	-	-
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	1.086.932	11.294	180.708	6.414
Swap transactions	9.501.592	6.018.892	4.452.613	6.734.645
Futures transactions	6.085	-	10.023	-
Options	187.594	41.826	92.336	15.133
Other	-	-	-	-
Total	10.782.203	6.072.012	4.735.680	6.756.192

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges ⁽¹⁾	-	-	32.334	-
Hedges for investments made in foreign countries	-	-	-	-
Total	-	-	32.334	-

(1) Explained in Note 8 of section 4.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

2.3. Information about on banks and other financial institutions:

2.3.1. Information on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	1.042.003	3.730.951	1.424.138	1.909.903
From foreign banks, institutions and funds	43.349.970	179.011.554	397.285	136.575.807
Total	44.391.973	182.742.505	1.821.423	138.485.710

2.3.2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	42.995.543	24.147.611	1.488.963	15.067.923
Medium and long-term	1.396.430	158.594.894	332.460	123.417.787
Total	44.391.973	182.742.505	1.821.423	138.485.710

2.3.3. Information on securitization borrowings:

2.3.3.1. The Bank obtains borrowings via its structured entity, Yapı Kredi Diversified Payment Rights Finance Company, with future flow transactions which is founded on its future money transfers within its funding programme.

	Current Period		Prior Period	
	TL	FC	TL	FC
From foreign banks	-	-	-	-
From foreign institutions	-	94.740.106	-	88.426.163
From foreign funds	-	-	-	-
Total	-	94.740.106	-	88.426.163

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

The Bank 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 September 30, 2024, the total amount of financial liabilities classified as fair value through profit/loss is TL 77.100.462 (December 31, 2023 –TL 72.554.448) with an accrued interest income of TL 279.249 (December 31, 2023 - TL 649.336 income) and with a fair value difference of TL 333.575 recognized as an expense (December 31, 2023- TL 1.328.128 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 September 30, 2024 are TL 75.673.662 (December 31, 2023- TL 71.731.874) for buy legs and sell legs with a fair value differences amounting to TL 955.396 liability (December 31, 2023 – TL 1.247.239 liability). The mentioned total return swaps have 9 years maturity in average.

2.3.4. Information on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	8.442.923	27.199.979	7.055.826	10.933.847
Bills ⁽¹⁾	328.579	81.212.296	402.929	59.309.062
Total	8.771.502	108.412.275	7.458.755	70.242.909

(1) Does not include mortgage backed securities as of September 30, 2024 (December 31, 2023 – TL 402.929).

2.4. Information on other liabilities:

As of September 30, 2024, other liabilities do not exceed 10% of the total balance sheet commitments.

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2.5. Information on lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.613.741	1.114.812	1.036.046	729.304
Between 1 – 4 years	3.121.149	2.157.455	2.048.928	1.443.588
More than 4 years	2.095.179	1.447.401	1.440.699	1.015.059
Total	6.830.069	4.719.668	4.525.673	3.187.951

2.6. Information on provisions:

2.6.1. Information on provision for employee benefit:

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.

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

	Current Period	Prior Period
Discount rate (%)	2,90	2,90
Possibility of being eligible for retirement (%)	94,92	94,92

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 41.828,42 effective from July 1, 2024 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	3.160.252	2.756.809
Changes during the period	409.998	330.830
Recognized in equity	540.646	801.805
Paid during the period	(663.743)	(729.192)
Balance at the end of the period	3.447.153	3.160.252

In addition, the Bank has accounted for unused vacation provision amounting to TL 1.264.838 as of September 30, 2024 (December 31, 2023 - TL 733.627).

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

None (December 31, 2023 – None).

2.6.3. Other provisions:

	Current Period	Prior Period
Pension fund provision	10.027.806	10.027.806
Provisions on non-funded non cash loans	930.087	1.508.223
General provisions on non cash loans	661.656	1.782.092
Provision for lawsuits	138.557	175.098
Provisions for credit cards and promotion campaigns related to banking services	284.575	193.488
Other	997.354	3.484.063
Total	13.040.035	17.170.770

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

2.7. Information on taxes payable:**2.7.1. Information on taxes payable:**

	Current Period	Prior Period
Corporate Tax Payable	-	3.783.814
Banking Insurance Transaction Tax ("BITT")	3.462.309	1.895.222
Taxation of Marketable Securities Income	1.953.403	563.484
Foreign Exchange Transaction Tax	36.856	23.308
Value Added Tax Payable	67.411	115.302
Property Tax	18.449	11.526
Other	409.555	451.982
Total	5.947.983	6.844.638

2.7.2. Information on premium payables:

	Current Period	Prior Period
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	200.100	124.465
Bank pension fund premiums – employer	279.173	172.801
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	14.285	8.884
Unemployment insurance – employer	28.748	17.809
Other	-	-
Total	522.306	323.959

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

None (December 31, 2023 - 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	-	17.453.196	-	20.355.837
Subordinated loans	-	-	-	-
Subordinated debt	-	17.453.196	-	20.355.837
Debt instruments to be included in contribution capital calculation	1.330.516	39.909.692	1.260.412	15.229.890
Subordinated loans	-	-	-	-
Subordinated debt	1.330.516	39.909.692	1.260.412	15.229.890
Total	1.330.516	57.362.888	1.260.412	35.585.727

(1) Subordinated loans are explained in detail in Note "Details on Subordinated Liabilities" of 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. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share 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, 2023 – None).

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

None (December 31, 2023 – None).

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Notes to unconsolidated financial statements as of September 30, 2024

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

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

None (December 31, 2023 - None).

2.10.6. Information on prior period's indicators on the Bank'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 Bank within several risk and legal limits.

2.10.7. Privileges on the corporate stock:

None (December 31, 2023 - None).

2.10.8. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	682.969	25.321.536	682.298	20.312.923
Revaluation difference ⁽¹⁾	682.969	605.405	682.298	558.682
Foreign currency difference ⁽¹⁾	-	24.716.131	-	19.754.241
Financial assets at fair value through other comprehensive income	(10.485.570)	(198.350)	(4.178.436)	1.268.284
Revaluation difference ⁽²⁾	(10.485.570)	(198.350)	(4.178.436)	1.268.284
Foreign currency differences	-	-	-	-
Total	(9.802.601)	25.123.186	(3.496.138)	21.581.207

(1) Includes differences between historical cost basis and equity method of associates, subsidiaries and joint ventures.

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

2.10.9. Information on profit distribution:

In accordance with the General Assembly dated March 29, 2024, after the total cash dividend payment of TL 10.201.000 on April 3, 2024 from the net profit of TL 68.008.836 as of December 31, 2023; TL 56.773.802 transferred to extraordinary reserves after the separation of TL 977.864 to general legal reserves and allocated a special reserve of TL 56.170 in total of which TL 28.697 related to real estate and participation sales income within the framework of Article 5 clause 1/e of Corporate Tax Law Numbered 5520, TL 2.473 in accordance with Article 3/14 of the Law on Supporting R&D and Design Activities Numbered 5746 and TL 25.000 within the scope of Article 10/g of the Corporate Tax Law to be transferred to the venture capital investment fund for the purpose of purchasing venture capital investment fund shares.

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Notes to unconsolidated financial statements as of September 30, 2024

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

3. Explanations and notes related to 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	970.194.433	512.438.126
Asset purchase and sale commitments	112.990.792	72.643.748
Loan granting commitments	143.734.790	96.706.632
Commitments for cheques	11.129.312	8.435.319
Other irrevocable commitments	232.039.463	106.052.213
Total	1.470.088.790	796.276.038

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 Bank set aside general provision for its non-cash loans amounting to TL 661.656 (December 31, 2023 - TL 1.782.092) and specific provision amounting to TL 6.156.122 (December 31, 2023 - TL 2.028.872) for non-cash loans which are not indemnified yet amounting to TL 930.087 (December 31, 2023 - TL 1.508.223).

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	2.318.450	2.178.212
Letter of credits	56.355.522	51.798.505
Other guarantees and collaterals	43.950.766	28.183.409
Total	102.624.738	82.160.126

3.1.2.2. Guarantees, suretyships and other similar transactions:

	Current Period	Prior Period
Temporary letter of guarantees	9.538.944	5.075.662
Definite letter of guarantees	204.926.709	147.128.857
Advance letter of guarantees	53.216.956	44.721.720
Letter of guarantees given to customs	11.942.547	7.917.628
Other letter of guarantees	131.484.918	99.468.665
Total	411.110.074	304.312.532

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	127.957.081	96.627.631
With original maturity of 1 year or less than 1 year	18.517.401	9.930.139
With original maturity of more than 1 year	109.439.680	86.697.492
Other non-cash loans	385.777.731	289.845.027
Total	513.734.812	386.472.658

3.2. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 138.557 (December 31, 2023 – TL 175.098) for litigation and has accounted for it in the accompanying 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 cash outflow for such claims.

3.3. Information on services in the name and account 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.

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

4. Explanations and notes related to 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⁾	109.650.824	5.031.442	28.186.108	2.643.456
Medium/long-term loans ⁽¹⁾	77.438.368	14.358.676	38.144.172	10.963.177
Interest on loans under follow-up	5.810.956	-	2.318.203	-
Premiums received from resource utilization support fund	-	-	-	-
Total	192.900.148	19.390.118	68.648.483	13.606.633

(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	605.831	6.381	76.667	63.600
From domestic banks	627.300	37	208.683	-
From foreign banks	8.770	3.104.308	232	2.007.091
Headquarters and branches abroad	-	-	-	-
Total	1.241.901	3.110.726	285.582	2.070.691

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	-	140.835	-	87.105
Financial assets measured at fair value through other comprehensive income	25.677.842	1.142.498	14.223.622	1.502.869
Financial assets measured at amortised cost	57.236.768	4.687.737	37.919.135	2.545.867
Total	82.914.610	5.971.070	52.142.757	4.135.841

As of September 30, 2024, the valuation of related CPI-indexed government bonds has been calculated according to the annual inflation forecast of 47%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of September 30, 2024 will be impacted by approximately TL 1.112.471.

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

	Current Period	Prior Period
Interest received from associates and subsidiaries	1.330.976	654.259
Total	1.330.976	654.259

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	5.772.946	8.491.459	153.497	4.329.116
The CBRT	-	-	-	-
Domestic banks	275.092	220.066	98.819	107.062
Foreign banks	5.497.854	8.271.393	54.678	4.222.054
Headquarters and foreign branches	-	-	-	-
Other institutions	-	6.658.823	-	3.220.191
Total ⁽¹⁾	5.772.946	15.150.282	153.497	7.549.307

(1) Includes fees and commissions related to borrowings.

4.2.2. Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	417.320	431.868
Total	417.320	431.868

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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	3.241.765	8.919.935	1.791.868	4.681.805
Total	3.241.765	8.919.935	1.791.868	4.681.805

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	41.990.554	1.246.830	1.445.927	688.580
Total	41.990.554	1.246.830	1.445.927	688.580

4.2.5. Information on other interest expense:

As of September 30, 2024, commission expense amounting to TL 1.845.558 (September 30, 2023 – TL 223.509) 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	Time Deposit						Accumulating deposit	Total	Prior Period
	Demand Deposit	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 Year	More than 1 year			
TL									
Bank deposits	27.337	2.837.344	3.055.239	1.968	-	-	-	5.921.888	497.546
Saving deposits	-	2.592.465	56.944.692	32.857.342	26.149.253	1.474.444	18	120.018.214	50.809.887
Public sector deposits	-	246.068	34.109	5.786	545	-	-	286.508	130.670
Commercial deposits	168	7.536.596	27.240.999	6.472.429	7.543.661	630.560	-	49.424.413	17.124.494
Other deposits	-	543.385	10.366.146	1.838.528	384.117	15.232	-	13.147.408	6.210.762
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	27.505	13.755.858	97.641.185	41.176.053	34.077.576	2.120.236	18	188.798.431	74.773.359
FC									
Foreign currency deposits	2.146	234.719	322.418	8.638	45.408	2.388	-	615.717	440.823
Bank deposits	256.682	224.501	188.146	-	-	-	-	669.329	426.165
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	404	6.733	-	669	50	-	7.856	3.528
Total	258.828	459.624	517.297	8.638	46.077	2.438	-	1.292.902	870.516
Grand total	286.333	14.215.482	98.158.482	41.184.691	34.123.653	2.122.674	18	190.091.333	75.643.875

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

	Current Period	Prior Period
Profit	183.240.389	150.748.635
Gain from capital market transactions	3.000.830	2.926.290
Derivative financial transaction gains	93.055.010	70.050.752
Foreign exchange gains	87.184.549	77.771.593
Loss (-)	219.034.529	127.238.523
Loss from capital market transactions	44.157	57.700
Derivative financial transaction losses	105.048.222	47.862.362
Foreign exchange loss	113.942.150	79.318.461
Net trading profit/loss	(35.794.140)	23.510.112

The net gain resulting from the foreign exchange differences related to derivative financial transactions is TL 36.524.636 (September 30, 2023 – TL 17.368.318 gain).

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4.4. Allowance for expected credit losses and other provision expenses:

	Current Period	Prior Period
Allowance for expected credit losses	26.394.313	19.003.492
12-month expected credit losses (Stage 1)	500.812	4.721.662
Significant increase in credit risk (Stage 2)	10.410.612	5.205.291
Non performing loans (Stage 3)	15.482.889	9.076.539
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	41.319	70.758
Total	26.435.632	19.074.250

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
Provision for employee benefit	409.998	259.903
Provision expense for pension fund	-	-
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	1.522.894	849.165
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	339.073	220.667
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for sale	-	-
Depreciation expenses of assets held for sale	-	-
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	26.052.676	15.364.309
TFRS 16 exempt lease expenses	241.516	127.061
Repair and maintenance expenses	777.799	438.978
Advertising expenses	778.014	507.073
Other expense	24.255.347	14.291.197
Loss on sales of assets	-	-
Other	6.708.362	3.389.615
Total	35.033.003	20.083.659

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

The profit before tax includes TL 53.811.555 (September 30, 2023 – TL 49.131.595) of net interest income, TL 52.640.525 (September 30, 2023 – TL 21.492.518) of net fees and commissions income, TL 19.082.945 personnel expenses (September 30, 2023 – TL 10.618.501) and other operating expense amounting to TL 35.033.003 (September 30, 2023 - TL 20.083.659).

As of September 30, 2024, the Bank has no profit before tax from discontinued operations (September 30, 2023 – None).

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

As of September 30, 2024, the Bank tax expense from continued operations, from discontinued operations amounting to TL 229.399 (September 30, 2023 – TL 5.580.082 expense) and deferred tax income from continued operations amounting to TL 471.998 (September 30, 2023 - TL 8.376.235 deferred tax expense).

Yapı ve Kredi Bankası A.Ş.**Notes to unconsolidated financial statements as of September 30, 2024**

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

4.9. Information on net income/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 Bank'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. 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.

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

Current Period	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	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Bank's risk group ⁽¹⁾⁽²⁾						
Loans and other receivables						
Balance at the beginning of the period	4.006.916	749.568	35.697	1.304.299	16.194.885	9.439.424
Balance at the end of the period	5.804.034	1.279.919	13.997	605.925	20.457.922	16.162.015
Interest and commission income received ⁽³⁾	1.330.976	3.806	2.286	1.846	5.268.723	104.331
Prior Period	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	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Bank's risk group ⁽¹⁾⁽²⁾						
Loans and other receivables						
Balance at the beginning of the period	1.560.635	585.093	152.609	903.139	11.984.555	5.772.850
Balance at the end of the period	4.006.916	749.568	35.697	1.304.299	16.194.885	9.439.424
Interest and commission income received ⁽³⁾	654.259	1.960	22.453	3.013	2.972.402	33.630

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

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

(3) Prior period present profit / loss information of September 30, 2023.

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

Bank's risk group	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
Deposit						
Beginning of the period	4.993.999	4.268.084	25.111.812	27.722.742	123.672.839	70.370.899
End of the period	4.340.290	4.993.999	34.057.462	25.111.812	130.673.176	123.672.839
Interest expense on deposits ⁽³⁾	417.320	431.868	3.944.071	1.510.378	11.826.294	2.523.651

(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 present profit / loss information of September 30, 2023.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

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

Bank'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⁾	376.933	1.404.594	19.721.860	1.886.536	5.382.691	1.273.964
End of the period ⁽²⁾	9.515.232	376.933	-	19.721.860	3.401.548	5.382.691
Total profit / (loss)⁽³⁾	897.939	889.101	410.984	13.244	398.901	(57.524)
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 present profit / loss information of September 30, 2023.

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

Salaries and benefits paid to the Bank's top management amount to TL 231.320 as of September 30, 2024 (September 30, 2023 - TL 104.240).

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 unconsolidated financial statements for the period ended September 30, 2024 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's review report dated, October 31, 2024 is presented preceding the unconsolidated financial statements.

2. Explanations and notes prepared by independent auditor

None.

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Notes to unconsolidated financial statements as of September 30, 2024

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

Section Seven - Information on interim activity report⁽¹⁾

1. Interim activity report which also contains the evaluation of the Chairman and the CEO of the Bank about the interim period activities

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

Since the beginning of 2024, global economy is on recovery trend. However, geopolitical risks and inflationary pressures continue to pose challenges for financial markets. Notably, the monetary policies of central banks in developed countries have continued to exert their influence on global markets. Additionally, dynamics such as technological advancements, digital transformation, and sustainability continue to shape the global economic agenda.

The ongoing trend of declining inflation, coupled with reduced uncertainties and risks, has prompted major central banks, including the European Central Bank and the Federal Reserve (FED), to initiate interest rate cuts. Furthermore, 2024 marked a significant year as the Bank of Japan raised interest rates for the first time in 17 years, ending its negative interest rate policy. Rapid interest rate cuts are expected from developed markets, particularly from the FED, while in emerging economies, we have seen a gradual slowdown in rate cuts.

In light of all easing policies, global growth is expected to be maintained at 3,2% in both 2024 and 2025 respectively, according to the International Monetary Fund's (IMF) Global Economic Outlook report dated October 2024.

Our country's economy, continued its controlled growth during this normalization period and recorded a growth of 3,9% in the first half of 2024 compared to the same period of the previous year, with the support of both domestic and external demand. Leading indicators suggest that domestic demand has slowed down in the third quarter contributing to disinflation process. With the tight monetary policy implemented to control inflation, a slowdown in growth is expected for the rest of the year. However, deteriorations in pricing behavior and inflation expectations are delaying the reduction of inflation to desired levels. According to the Medium-Term Plan, the Turkish economy is expected to grow by 3,5% in 2024, with year-end inflation projected at 41,5%.

The Turkish banking sector continued its support to the economy, in the first nine months of the year, total loans grew by 40% on an annual basis and reached 13.975 trillion TL. The deposit base grew by 35% and reached 16.277 trillion TL in the same period. Yapı Kredi also sustained its strong contribution to the Turkish economy by increasing its cash and non-cash loan volume by 52% on an annual basis to 1.684 trillion TL in the first nine months of 2024.

Considering the wide impact area of the sector, Yapı Kredi has adopted a responsible growth approach that will increase the positive effects on all its stakeholders in its activities and create value for all of society. In parallel, our main approach in sustainability is based on creating long-term value for each aspect and stakeholder, while ensuring economic development and growth and have the utmost sensibility to social and environmental issues.

I would hereby like to extend my thanks to all our customers and shareholders for their continuous support and trust, and our employees and their families for their devoted efforts.

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 unconsolidated financial statements as of September 30, 2024

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

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

In the third quarter of 2024, several global trends have shaped the economic and market conditions; slowing but manageable growth, monetary easing and interest rate decisions and rising geopolitical tensions and uncertainties. The global economy seems to be slowing, but risks of a recession remain low, suggesting a "soft landing" for many regions. Most of the developed market central banks have started easing policies as greater confidence has been built towards the disinflation processes with recent economic data supporting the case for reductions. The European Central Bank cut interest rates for the third time this year in its October meeting whereas the Federal Reserve chose to lower its key overnight borrowing rate for the first time by a half percentage point at the September meeting. On the other hand, rising geopolitical tensions in the Middle East, ongoing conflict between Russia and Ukraine, as well as relations between US and China, weighs on global economic outlook.

In its October 2024 World Economic Outlook Report, the International Monetary Fund expects the global economy to grow by 3,2% in 2024 and 2025, with inflation being in a downward trend and the start of a controlled loosening in tight monetary policies.

Amid the challenging operating environment both domestically and abroad, alongside with the monetary tightening actions, Turkish economy recorded a controlled 2,5% growth, in the first half of 2024 compared to the same period of the previous year with positive contribution from both domestic and external demand. Accordingly, domestic demand was supported mostly through private consumption while stock building had negative contribution. Moreover, external demand was supported the growth through decline in imports.

Thanks to the continuation of the tight monetary policy stance of the Central Bank of Türkiye, as well as the use of macro prudential measures in place to control inflation, the International Monetary Fund, in its October 2024 World Economic Outlook Report, expects our country's economic growth to be 3,0% for 2024 and 2,7% for 2025. The inflation outlook has been improving and the targeted levels are expected to be reached by the end of the year.

The Turkish banking sector maintains to be resilient and continue its support to Turkish economy. In the first nine months of 2024, as Yapı Kredi, the support we have provided to the Turkish economy through cash and non-cash loans increased annually by 52%, reaching 1.684 trillion TL. In TL cash loans, the Bank recorded an annual growth of 49%, whereas the annual growth in TL customer deposits realized at 41%.

The Bank also strengthened its balance sheet through further increased provisions, while maintaining strong capital and liquidity ratios. As a reflection of the Bank's proactive asset quality approach, the total loan coverage increased to a comfortable 3,7% (on a bank-only basis). The FX liquidity coverage ratio was 292%, while the total liquidity coverage ratio realized at 124% level. On the capital side, the unconsolidated capital adequacy ratio remained strong at 15,8% whereas the Tier-1 ratio realized at 13,2% (without the impact of regulatory forbearances).

The Bank successfully completed a 5-year, 1-month term 500 million USD Eurobond issuance in the third quarter of the year, which received approximately four times the demand from foreign investors. The amount of successfully completed foreign borrowing since September 2023 has reached approximately 7 billion US dollars.

Yapı Kredi also continued to contribute to the Turkish economy and the Turkish banking sector with its commitment to sustainability in every aspect of its activities. Bearing in mind the great responsibility of the finance sector in finding solutions to environmental and social problems faced on a global scale, the Bank proactively manages the environmental and social impacts of both its own operations and the projects and investments it seeks to finance. In this context, Yapı Kredi became the first large-scale private bank in Türkiye to receive Science Based Targets Initiative (SBTi) approval for the reduction targets it set for scope 1 and 2 greenhouse gas emissions and scope 3 emissions from the financed loan portfolio until 2030. The Bank that leads sustainable transformation to leave a better world for future generations, thus, continues its efforts to increase the diversity and volume of sustainable financial products, which are the most important tools in supporting the transition to a net zero economy. It guides customers not only as a financier but also as an advisor and partner in order to support them on their journey to net zero.

In 2024, when Yapı Kredi celebrates its 80th anniversary, it expanded its international operations with Yapı Kredi Deutschland in Germany, and increased its customer base to over 16 million with more than 1 million new customers gained since the beginning of the year thanks to its pioneering products and strong service structure.

I would like to take this opportunity to thank our customers, our shareholders for their trust, and our employees for their valuable efforts.

Gökhan Erün
CEO

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2024

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

1.3. Overview of Financial Performance:

On October 31, 2024, Yapı Kredi announced its unconsolidated results for the first nine months of 2024 based on Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Legislation. The Bank's cash and non-cash loans reached to TL 1.684 trillion while total deposits reached to TL 1.267 trillion. The Bank's net income stood at TL 22,405 million indicating a return on average tangible equity of 16,3%.

Solidifying the outlook for upcoming periods, solid fundamentals

In the first nine months of 2024, the Bank increased its Turkish Lira cash loans by 26% and foreign currency loans by 35%, in US dollar terms, compared to the end of 2023. As a result, total performing loans reached to TL 1.170 trillion. During the same period, the Bank's Turkish Lira customer deposits increased by 28% when foreign currency customer deposits increased by 2% in US dollar terms. All incorporated total customer deposits reached to TL 1.245 trillion, as of first nine months of 2024. Equally important, TL customer demand deposits up by a hefty 53% and TL customer demand deposits in total TL deposits increased to 26%, 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 92%. The Bank's total and foreign currency liquidity coverage ratios realized at 124% and 292%, respectively.

Prudent and conservative asset quality approach

As of first nine months of 2024, Yapı Kredi's non-performing loan ratio realized as 3,1%, thanks to strength in collections, and TL 4.0 billion worth of NPL sales. Yapı Kredi continued to set aside additional provisions according to its prudent provisioning strategy. Prudent provisioning coupled with continued strength in collections led net cost of risk (adjusted for hedged foreign currency impact) to materialize at 29 basis points in the first nine months of 2024. Provisions to gross loans ratio stood at 3,7%.

Strong capital buffers

In the first nine months of 2024, the capital ratios continued to remain comfortably above regulatory levels and unconsolidated Capital Adequacy Ratio and Tier-1 ratio realized at 15,8% and 13,2% respectively, excluding regulatory forbearances.

Revenues impacted by the increasing interest rate environment

In the first nine months of the year, Yapı Kredi recorded TL 56,941 million of core banking revenues. In the first nine months of the year, TL loan-deposit spread was under pressure due to high interest rate environment and narrowed by 32 bps compared to last year. However thanks to the ongoing loan repricing, the controlled increase in the cost of deposits and strong demand deposit base TL loan deposit spread widened by 236 bps compared to previous quarter. The swap adjusted cumulative net interest margin realized as 31 basis points. Net fees and commissions income increased by 145% on an annual basis, reaching to TL 52,641 million in the first nine months of 2024. Operating costs, on the other hand, increased by a controlled 76% and stood at TL 54,116 million. As a result, fee coverage of operating costs ratio realized as high as 97%. All in all, the Bank achieved a net income of TL 22,405 million and 16,3% return on average tangible equity.

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Notes to unconsolidated financial statements as of September 30, 2024

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

1.4. Summary of Unconsolidated Financials

TL million	Current Period	Prior Period
Total Assets	2.330.975	1.738.651
Performing Loans	1.169.956	876.756
Total Deposits	1.266.971	1.036.470
Shareholder's Equity	190.967	178.852
Loans/Assets	50%	50%
Deposits/Assets	54%	60%
NPL	3,1%	3,0%
CAR ⁽¹⁾	17,7%	20,3%
TL million	Current Period	Prior Period
Net Profit	22.405	48.702
Return on Average Tangible Equity	16,3%	45,5%

(1) Reported

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

- On August 16, 2024, Yapı Kredi's Board of Directors resolved to sell non-performing loans amounting in aggregate to TL 1.9 billion for a total amount of TL 563.5 million.
- In September 2024, our Bank completed Eurobond issuance with a nominal amount of USD 500 million and a maturity of 5 years and 1 month, with a yield and a coupon rate of 7,125%.
- On September 6, 2024, International Rating Agency Fitch Ratings upgraded Türkiye's Sovereign rating to "BB-" from "B+" while revising the outlook to "Stable" from "Positive". Following this upward revision, on 17 September 2024, the rating agency upgraded Yapı ve Kredi Bank's long-term foreign currency deposit rating by 2 notches to "BB-" from "B", long-term local currency deposit rating by 1 notch to "BB-" from "B+", while revising the outlook to "Stable" from "Positive". Fitch has also upgraded Yapı ve Kredi Bank's Government support rating to "b-" from "no support".

1.6. Current Trends and Expectations for the Upcoming Period:

In the first nine months of 2024, Yapı Kredi maintained its year-end guidance.

2024 Yapı Kredi Expectations:

- Loans: Real growth on Turkish Lira loans, double digit increase in foreign currency loans
- Net Interest Margin (including swap costs): Around 2%; exit NIM: greater than 4.5%
- Core Revenue Margin: Around 6%
- Fees: Greater than 100% increase
- Costs: Lower than 65% increase
- Net Cost of Risk: Lower than 75 basis points
- Return on Tangible Equity: Mid-to-high twenties (adjusted with inflation accounting: positive)