

**BANK OF CHINA TURKEY A.Ş.**

**INDEPENDENT AUDITOR'S LIMITED REVIEW  
REPORT UNCONSOLIDATED INTERIM FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES FOR THE  
THREE MONTHS PERIOD ENDED MARCH 31, 2025**

**(Convenience translation of publicly announced  
unconsolidated financial statements, related disclosures  
and auditor's report originally issued in Turkish)**

## **Convenience Translation of the Auditor's Limited Review Report**

### **Independent Auditors' Report on Review of Interim Financial Information**

To the Board of Directors of Bank of China Turkey A.Ş.

#### **Introduction**

We have reviewed the statement of financial position of Bank of China Turkey A.Ş. ("the Bank") at March 31, 2025 and the related statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, statement of cash flows and a summary of significant accounting policies and other explanatory notes to the financial statements for the three month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency ("BRSA") and circulars and interpretations published by Banking Regulation and Supervision Authority ("BRSA") and Turkish Accounting Standard ("TAS") 34 "Interim Financial Reporting" for those matters not regulated by BRSA Legislation (together referred as "BRSA Accounting and Financial Reporting Legislation"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited 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.

#### **Other matter**

The financial statements of the Bank as at March 31, 2024 and December 31, 2024 were reviewed and audited by another audit firm, which expressed an unqualified conclusion and unqualified opinion in their reports issued on May 10, 2024 and February 24, 2025, respectively.

#### **Conclusion**

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



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with confidence**

***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 XII, are not consistent with the reviewed 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

Fatih Polat, SMMM  
Partner

May 13, 2025  
İstanbul, Türkiye

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH  
SEE NOTE I. OF SECTION THREE)**

**THE UNCONSOLIDATED FINANCIAL REPORT OF  
BANK OF CHINA TURKEY A.Ş. FOR THE YEAR ENDED MARCH 31, 2025**

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The unconsolidated interim financial report as at and for the three-month period ended prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, comprises the following sections;

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- EXPLANATIONS ON LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently audited.

<b>Xiaoqing ZHANG</b> Chairman of the Board of Directors	<b>Xiaoming GAO</b> Member of the Board of Directors and General Manager	<b>Qingyan ZHAO</b> Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	<b>Yan HAISI</b> Member of the Board of Directors
<b>Özgür DALGIÇ</b> Member of the Board of Directors and Member of the Audit Committee	<b>Dalei DING</b> Assistant General Manager	<b>Kun ZHAO</b> Head of Financial and Operational Control Department	<b>Sevda DIKICI</b> Financial Reporting, Budgeting and A&L Management Manager

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

Name-Surname/Title : **Sevda DİKİCİ** / Financial Reporting, Budgeting and A&L Management Manager  
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# BANK OF CHINA TURKEY A.Ş.

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# BANK OF CHINA TURKEY A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2025 (Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

### SECTION ONE

#### GENERAL INFORMATION

**I. History of the Bank including its corporation date, initial status and amendments to the initial status**

Bank of China Limited (“the Parent Company”) began its activities in Turkey through Bank of China Limited Turkey Representative Office opened in 2011. Banking Regulation and Supervisory Agency (BRSA) authorized the Bank to establish a deposit bank in Turkey with the decision numbered 6880 dated May 2, 2016. As BRSA’s establishment permission, as per the decision numbered 7612 dated December 1, 2017 and published on the Official Gazette no 30263 dated December 7, 2017, the Bank got the official operational license, with 99.99% of shareholding of the Parent Company; the Bank has been announced in the Trade Registry Gazette dated January 17, 2017, numbered 9243 along with the Articles of Association dated January 10, 2017.

The Bank started its banking activities on May 9, 2018.

**II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and the Group that the Bank belongs to**

Besides being one of the biggest public banks in the People’s Republic of China, the Parent Company, Bank of China Limited, who holds 99.99% of the Bank’s shares is also one of the biggest banks in the world and has a respectable reputation for over a hundred years. Since the establishment of the London Branch in 1929, which was the first overseas branch, Bank of China, who represents the People’s Republic of China best in the international arena, established its representative office in 2011, in Istanbul, Turkey. There have not been any changes in the Bank’s partnership structure in 2025.

**III. Information on the Board of Directors, Members of the Audit Committee, president and executive vice presidents, changes in these matters (if any) and shares of the Bank they possess**

Members of the Bank's Board of Directors, Audit Committee Members, General Manager and Deputies as of March 31, 2025 are stated below. None of the members of the Board of Directors (including General Manager) has shareholding interest in the Bank.

**The Chairman and the Members of the Board of the Directors:**

Name	Title	Assigned Date	Education
Xiaoqing ZHANG	Chairman of the Board of Directors	November 16, 2023	PhD Degree
Xiaoming GAO	Member of the Board of Directors and General Manager	September 10, 2021	PhD Degree
Yan Haisi	Member of the Board of Directors	December 5, 2024	Master’s degree
Qingyan ZHAO	Deputy Chairman of the Board of Directors	November 16, 2023	Master’s degree
Özgür DALGIÇ	Member of the Board of Directors	January 10, 2017	Master’s degree

**Members of the Audit Committee:**

Name	Title	Assigned Date	Education
Qingyan ZHAO	Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	December 5, 2023	Master’s degree
Özgür DALGIÇ	Member of the Audit Committee Responsible for Internal Systems	May 4, 2017	Master’s degree
Xiaoqing ZHANG	Member	March 9, 2024	PhD Degree

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

#### GENERAL INFORMATION (Continued)

#### III. Information on the Board of Directors, Members of the Audit Committee, president and executive vice presidents, changes in these matters (if any) and shares of the Bank they possess (Continued)

##### Assistant General Manager:

Name	Title	Assigned Date	Education
Dalei DING	Deputy of General Manager and Assistant General Manager Responsible for Financial Management and Control, Information Technologies, Credit Allocation, Human Resources and Administrative Affairs of the Bank	June 3, 2019	Bachelor's degree
Onur SEKİZYARALI	Deputy of General Manager and Assistant General Manager Responsible for Corporate Banking and Banking Service Department	November 23, 2024	Bachelor's degree

#### IV. Information on the Banks' Qualified Shareholders

In accordance with the definition of qualified share in the Banking Law As of September 28, 2017, numbered 5411 and Article 13 of the Regulation on the Bank's Transactions Subject to Permission and Indirect Shareholding, As of March 31, 2025, qualified shareholders are given below:

Name Surname/Company	Shares	Ownership	Paid-in Capital	Unpaid Capital
Bank of China Limited	1,051,229	99.99%	1,051,229	-

#### V. Summary Information on the Bank's Functions and Business Lines

As it is stated in Article 3 of the Articles of Association, the objective and purpose of the Bank whose General Directorate is located in Istanbul, is that the main field of activity is corporate banking. As of March 31, 2025, the Bank serves with 51 employees (December 31, 2024: 46 employees).

#### VI. Differences between the communicate 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

As of 31 March 2025 the bank has no subsidiaries subject to consolidation. (December 31, 2024: None)

#### VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between Bank and its subsidiaries and repayment of debts

None for the period 31 March 2025. (December 31, 2024: None)

**BANK OF CHINA TURKEY A.Ş.****UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**I. Balance Sheet (Statement of Financial Position)**

		Note (Section Five)	Current Period 31.03.2025			Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>ASSETS</b>		<b>1,070,404</b>	<b>1,743,344</b>	<b>2,813,748</b>	<b>1,623,897</b>	<b>2,642,647</b>	<b>4,266,544</b>
1.1	Cash and cash equivalents		1,070,404	1,743,344	2,813,748	1,623,897	2,642,647	4,266,544
1.1.1	Cash and balances at central bank	(5.1.1)	1,064,880	1,530,743	2,595,623	51,807	2,362,527	2,414,334
1.1.2	Banks	(5.1.4)	5,536	212,634	218,170	1,573,048	280,170	1,853,218
1.1.3	Money Market Placements		-	-	-	-	-	-
1.1.4	Expected Credit Losses (-)	(5.1.4)	12	33	45	958	50	1,008
1.2	Financial assets at fair value through profit or loss		-	-	-	-	-	-
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity securities		-	-	-	-	-	-
1.2.3	Other financial assets		-	-	-	-	-	-
1.3	Financial assets at fair value through other comprehensive income		-	-	-	-	-	-
1.3.1	Government debt securities		-	-	-	-	-	-
1.3.2	Equity securities		-	-	-	-	-	-
1.3.3	Other financial assets		-	-	-	-	-	-
1.4	Derivative financial assets	(5.1.3)	-	-	-	-	-	-
1.4.1	Derivative financial assets at fair value through profit and loss		-	-	-	-	-	-
1.4.2	Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
<b>II.</b>	<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>2,550,774</b>	<b>-</b>	<b>2,550,774</b>	<b>1,961,959</b>	<b>-</b>	<b>1,961,959</b>
2.1	Loans	(5.1.6)	617,929	-	617,929	500,428	-	500,428
2.2	Lease receivables		-	-	-	-	-	-
2.3	Factoring receivables		-	-	-	-	-	-
2.4	Other financial assets measured at amortised cost	(5.1.7)	1,933,414	-	1,933,414	1,462,107	-	1,462,107
2.4.1	Government debt securities		1,933,414	-	1,933,414	1,462,107	-	1,462,107
2.4.2	Other financial assets		-	-	-	-	-	-
2.5	Expected credit losses (-)	(5.1.6.7)	569	-	569	576	-	576
<b>III.</b>	<b>ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS(NET)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1	Held for sale		-	-	-	-	-	-
3.2	Discontinued operations		-	-	-	-	-	-
<b>IV.</b>	<b>EQUITY INVESTMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1	Investments in associates (net)		-	-	-	-	-	-
4.1.1	Associates accounted by using equity method		-	-	-	-	-	-
4.1.2	Unconsolidated associates		-	-	-	-	-	-
4.2	Subsidiaries (net)		-	-	-	-	-	-
4.2.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
4.3	Joint Ventures (net)		-	-	-	-	-	-
4.3.1	Joint ventures valued based on equity method		-	-	-	-	-	-
4.3.2	Unconsolidated jointly ventures		-	-	-	-	-	-
<b>V.</b>	<b>TANGIBLE ASSETS (Net)</b>	<b>(5.1.13)</b>	<b>57,926</b>	<b>-</b>	<b>57,926</b>	<b>57,222</b>	<b>-</b>	<b>57,222</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS (Net)</b>	<b>(5.1.14)</b>	<b>11,936</b>	<b>-</b>	<b>11,936</b>	<b>12,569</b>	<b>-</b>	<b>12,569</b>
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		11,936	-	11,936	12,569	-	12,569
<b>VII.</b>	<b>INVESTMENT PROPERTY (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>DEFERRED TAX ASSET</b>	<b>(5.1.17)</b>	<b>66,241</b>	<b>-</b>	<b>66,241</b>	<b>62,746</b>	<b>-</b>	<b>62,746</b>
<b>X.</b>	<b>OTHER ASSETS</b>	<b>(5.1.19)</b>	<b>30,959</b>	<b>64,096</b>	<b>95,055</b>	<b>18,875</b>	<b>54,107</b>	<b>72,982</b>
	<b>Total Assets</b>		<b>3,788,240</b>	<b>1,807,440</b>	<b>5,595,680</b>	<b>3,737,268</b>	<b>2,696,754</b>	<b>6,434,022</b>

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



# BANK OF CHINA TURKEY A.Ş.

## UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### I. Balance Sheet (Statement of Financial Position) (Continued)

		Note (Section Five)	Current Period 31.03.2025			Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	(5.II.1)	437,490	1,417,320	1,854,810	672,293	1,447,432	2,119,725
<b>II.</b>	<b>LOAN RECEIVED</b>	(5.II.3)	-	-	-	-	882,577	882,577
<b>III.</b>	<b>MONEY MARKET FUNDS</b>		-	-	-	-	-	-
<b>IV.</b>	<b>MARKETABLE SECURITIES (Net)</b>		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
<b>V.</b>	<b>FUNDS</b>		-	-	-	-	-	-
5.1	Borrower funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
<b>VI.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>	(5.II.2)	-	-	-	-	-	-
7.1	Derivative financial liabilities at fair value through profit or loss		-	-	-	-	-	-
7.2	Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
<b>VIII.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX.</b>	<b>LEASE LIABILITIES</b>	(5.II.5)	5,687	29,752	35,439	1,107	32,216	33,323
<b>X.</b>	<b>PROVISIONS</b>	(5.II.7)	371	183,434	183,805	331	142,614	142,945
10.1	Provisions for restructuring		-	-	-	-	-	-
10.2	Reserve for employee benefits		371	154,288	154,659	331	117,009	117,340
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		-	29,146	29,146	-	25,605	25,605
<b>XI.</b>	<b>CURRENT TAX LIABILITIES</b>	(5.II.8)	193,743	-	193,743	102,155	-	102,155
<b>XII.</b>	<b>DEFERRED TAX LIABILITIES</b>		-	-	-	-	-	-
<b>XIII.</b>	<b>LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SUBORDINATED DEBTS</b>		-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other debt instruments		-	-	-	-	-	-
<b>XV.</b>	<b>OTHER LIABILITIES</b>	(5.II.4)	152,910	936	153,846	46,346	14,279	60,625
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(5.II.11)	3,174,037	-	3,174,037	3,092,672	-	3,092,672
16.1	Paid-in capital		1,051,230	-	1,051,230	1,051,230	-	1,051,230
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Equity shares premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other accumulated comprehensive income that will not be reclassified in profit or loss		48	-	48	1	-	1
16.4	Other accumulated comprehensive income that will be reclassified in profit or loss		-	-	-	-	-	-
16.5	Profit reserves		1,902,704	-	1,902,704	1,207,928	-	1,207,928
16.5.1	Legal reserves		150,312	-	150,312	87,083	-	87,083
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		1,752,392	-	1,752,392	1,120,845	-	1,120,845
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or loss		220,055	-	220,055	833,513	-	833,513
16.6.1	Prior years' profits or losses		26,229	-	26,229	26,229	-	26,229
16.6.2	Current Period net profit or loss		193,826	-	193,826	807,284	-	807,284
16.7	Minority Shares		-	-	-	-	-	-
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,964,238</b>	<b>1,631,442</b>	<b>5,595,680</b>	<b>3,914,904</b>	<b>2,519,118</b>	<b>6,434,022</b>

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

**BANK OF CHINA TURKEY A.Ş.****UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**II. Statement of Off-Balance Sheet Commitments**

	Note	Current Period			Prior Period		
		31.03.2025			31.12.2024		
	(Section Five)	TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>	<b>(5.III.1)</b>	-	8,469,216	8,469,216	-	8,579,135	8,579,135
<b>I. GUARANTEES AND WARRANTIES</b>		-	8,469,216	8,469,216	-	8,579,135	8,579,135
1.1 Letters of Guarantee		-	612,565	612,565	-	524,653	524,653
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		-	612,565	612,565	-	524,653	524,653
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	7,856,651	7,856,651	-	8,054,482	8,054,482
1.9 Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		-	-	-	-	-	-
2.1 Irrevocable Commitments		-	-	-	-	-	-
2.1.1 Asset Purchase Commitments		-	-	-	-	-	-
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		-	-	-	-	-	-
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(5.III.2)</b>	-	-	-	-	-	-
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Fair Value Hedges		-	-	-	-	-	-
3.1.2 Cash Flow Hedges		-	-	-	-	-	-
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		-	-	-	-	-	-
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
3.2.2.1 Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2 Foreign Currency Swap-Sell		-	-	-	-	-	-
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest Rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		-	1,586,155	1,586,155	-	1,481,773	1,481,773
<b>IV. ITEMS HELD IN CUSTODY</b>		-	-	-	-	-	-
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Cheques Received for Collection		-	-	-	-	-	-
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		-	1,586,155	1,586,155	-	1,481,773	1,481,773
5.1 Marketable Securities		-	-	-	-	-	-
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		-	1,586,155	1,586,155	-	1,481,773	1,481,773
5.6 Other Pledged Items		-	-	-	-	-	-
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		-	10,055,371	10,055,371	-	10,060,908	10,060,908

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

**BANK OF CHINA TURKEY A.Ş.****UNCONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**III. Statements of Profit or Loss**

INCOME AND EXPENSE ITEMS			Current Period	Prior Period
		Note (Section five)	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(5.IV.1)</b>	<b>391,379</b>	<b>271,800</b>
1.1	Interest from Loans		84,870	1,930
1.2	Interest from Reserve Deposits		-	-
1.3	Interest from Banks		155,824	249,467
1.4	Interest from Money Market Transactions		-	-
1.5	Interest from Marketable Securities Portfolio		150,685	20,403
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		-	-
1.5.3	Financial Assets Measured at Amortized Cost		150,685	20,403
1.6	Interest from Financial Leases		-	-
1.7	Other Interest Income		-	-
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(5.IV.2)</b>	<b>67,486</b>	<b>8,961</b>
2.1	Interest on Deposits		66,612	6,346
2.2	Interest on Funds Borrowed		115	2,013
2.3	Interest Expense on Money Market Transactions		-	-
2.4	Interest on Securities Issued		-	-
2.5	Lease Interest Expenses		759	602
2.6	Other Interest Expenses		-	-
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>323,893</b>	<b>262,839</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME / LOSSES</b>		<b>44,211</b>	<b>59,664</b>
4.1	Fees and Commissions Received		44,502	59,805
4.1.1	Non-cash Loans		42,024	58,598
4.1.2	Other		2,478	1,207
4.2	Fees and Commissions Paid		291	141
4.2.1	Non-cash Loans		-	-
4.2.2	Other		291	141
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(5.IV.3)</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING INCOME/LOSS (Net)</b>	<b>(5.IV.4)</b>	<b>13,071</b>	<b>17,396</b>
6.1	Profit / Loss on Securities Trading		-	-
6.2	Profit / Loss on Derivative Financial Transactions		-	(455)
6.3	Foreign Exchange Gains / Losses		13,071	17,851
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5.IV.5)</b>	<b>1,087</b>	<b>5,283</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>382,262</b>	<b>345,182</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSSES (-)</b>	<b>(5.IV.6)</b>	<b>3,552</b>	<b>406</b>
<b>X.</b>	<b>OTHER PROVISIONS (-)</b>		<b>-</b>	<b>-</b>
<b>XI.</b>	<b>PERSONEL EXPENSES (-)</b>		<b>45,427</b>	<b>32,761</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES</b>	<b>(5.IV.7)</b>	<b>58,866</b>	<b>36,841</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>274,417</b>	<b>275,174</b>
<b>XIV.</b>	<b>INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>GAIN / LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)</b>	<b>(5.IV.8)</b>	<b>274,417</b>	<b>275,174</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	<b>(5.IV.9)</b>	<b>(80,591)</b>	<b>(79,692)</b>
18.1	Current Tax Provision		(84,108)	(84,509)
18.2	Expense Effect of Deferred Tax		3,517	(3,196)
18.3	Income Effect of Deferred Tax		-	8,013
<b>XIX.</b>	<b>NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)</b>	<b>(5.IV.10)</b>	<b>193,826</b>	<b>195,482</b>
<b>XX.</b>	<b>PROFIT FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1	Income From Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Other Income From Discontinued Operations		-	-
<b>XXI.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1	Expenses on Assets Held for Sale		-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Other Expenses From Discontinued Operations		-	-
<b>XXII.</b>	<b>P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1	Current Tax Provision		-	-
23.2	Expense Effect of Deferred Tax		-	-
23.3	Income Effect of Deferred Tax		-	-
<b>XXIV.</b>	<b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT / LOSS (XVIII+XXIII)</b>	<b>(5.IV.11)</b>	<b>193,826</b>	<b>195,482</b>
	Profit/Loss per share		0.18438	0.18596

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

**BANK OF CHINA TURKEY A.Ş.****UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**IV Statement of Profit or Loss and Other Comprehensive Income**

		<b>Current Period</b>	<b>Prior Period</b>
		<b>01.01.2025-31.03.2025</b>	<b>01.01.2024-31.03.2024</b>
<b>I</b>	<b>CURRENT PERIOD INCOME/LOSS</b>	<b>193,826</b>	<b>195,482</b>
<b>II</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>47</b>	<b>(11)</b>
<b>2.1</b>	<b>Other comprehensive income that will not be reclassified to profit or loss</b>	<b>47</b>	<b>(11)</b>
2.1.1	Gains (Losses) on Revaluation of Property and Equipment	-	-
2.1.2	Gains (Losses) on Revaluation of Intangible Assets	-	-
2.1.3	Gains (Losses) on Remeasurements of Defined Benefit Plans	68	(16)
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.1.5	Taxes Relating to Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	(21)	5
<b>2.2</b>	<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>	<b>-</b>	<b>-</b>
2.2.1	Exchange Differences on Translation	-	-
2.2.2	Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income	-	-
<b>2.2.3</b>	<b>Income (Loss) Related with Cash Flow Hedges</b>	<b>-</b>	<b>-</b>
2.2.4	Income (Loss) Related with Hedges of Net Investment Foreign Operations	-	-
2.2.5	Other Components of Other Comprehensive Income That Will Be Reclassified to Profit or Loss	-	-
2.2.6	Tax Relating to Components of Other Comprehensive Income That Will Be Reclassified to Profit or Loss	-	-
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)</b>	<b>193,873</b>	<b>195,471</b>

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

# BANK OF CHINA TURKEY A.Ş.

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### V. Statement of Changes in Shareholders' Equity

						Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / (Loss)	Current Period Net Income / (Loss)	Total Equity
						1	2	3	4	5	6				
	<b>Audited Current Period (31.03.2025)</b>		<b>Paid-in Capital</b>	<b>Share Premium</b>	<b>Share Certificate Cancellation Profits</b>	<b>Other Capital Reserves</b>									
I.	Balances at beginning of the Period (*)		1,051,230	-	-	-	-	1	-	-	-	1,207,928	833,513	-	3,092,672
II.	Correction made as per TAS 8 (*)		-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at beginning of the Period (I+II)		1,051,230	-	-	-	-	1	-	-	-	1,207,928	833,513	-	3,092,672
IV.	Total Comprehensive Income		-	-	-	-	-	47	-	-	-	-	-	193,826	193,873
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase through Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt		-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	694,776	(807,284)	-	-	(112,508)
11.1	Dividends		-	-	-	-	-	-	-	-	-	(112,508)	-	-	(112,508)
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	694,776	(694,776)	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances at the end of the Period (III+IV+.....+X+XI)</b>		<b>1,051,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,902,704</b>	<b>26,229</b>	<b>193,826</b>	<b>3,174,037</b>

							Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / (Loss)	Current Period Net Income / (Loss)	Total Equity
							1	2	3	4	5	6				
	<b>Audited Prior Period (31.03.2024)</b>		<b>Paid-in Capital</b>	<b>Share Premium</b>	<b>Share Certificate Cancellation Profits</b>	<b>Other Capital Reserves</b>										
I.	Balances at beginning of the Period (*)		1,051,230	-	-	-	-	33	-	-	-	-	908,190	374,711	-	2,334,164
II.	Correction made as per TAS 8 (*)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at beginning of the Period (I+II)		1,051,230	-	-	-	-	33	-	-	-	-	908,190	374,711	-	2,334,164
IV.	Total Comprehensive Income		-	-	-	-	-	(11)	-	-	-	-	-	-	195,482	195,471
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase through Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	299,738	(348,482)	-	-	(48,744)
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	(48,744)	-	-	(48,744)
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	299,738	(299,738)	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances at the end of the Period (III+IV+.....+X+XI)</b>		<b>1,051,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,207,928</b>	<b>26,229</b>	<b>195,482</b>	<b>2,480,891</b>

1. Tangible and Intangible Asset Revaluation Reserve
2. Accumulated Gains/Losses on Remeasurement of Defined Benefit Plans
3. Other (Other comprehensive income of Associates and Joint Ventures Accounted for Using Equity Method That Will Not Be Reclassified to Profit or Loss and Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss)
4. Exchange Differences on Translation
5. Accumulated Gains (Losses) due to revolution and/or reclassification of financial assets measured at fair value through other comprehensive income
6. Other (Accumulated gains or losses on Cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or loss)

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

**BANK OF CHINA TURKEY A.Ş.****UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**VI. Statement of Cash Flows**

	STATEMENT OF CASH FLOWS	Note	Current Period 01.01.2025-31.03.2025	Prior Period 01.01.2024-01.03.2024
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>		<b>267,180</b>	<b>252,254</b>
1.1.1	Interest received (+)		424,844	270,045
1.1.2	Interest paid (-)		57,377	8,309
1.1.3	Dividend received (+)		-	-
1.1.4	Fees and commissions received (+)		25,477	59,805
1.1.5	Other income (+)		-	-
1.1.6	Collections from previously written off loans and other receivables (+)		-	-
1.1.7	Payments to personnel and service suppliers (-)		59,368	41,734
1.1.8	Taxes paid (-)		62,553	27,006
1.1.9	Other (+/-)		(3,843)	(547)
<b>1.2</b>	<b>Changes in Operating Assets and Liabilities</b>		<b>(1,519,304)</b>	<b>740,287</b>
1.2.1	Net increase (decrease) in financial assets at fair value through profit or loss (+/-)		-	-
1.2.2	Net increase (decrease) in due from banks (+/-)		(355,952)	-
1.2.3	Net increase (decrease) in loans		117,501	42,067
1.2.4	Net increase (decrease) in other assets (+/-)		45	-
1.2.5	Net increase (decrease) in bank deposits (+/-)		11,816	259,172
1.2.6	Net increase (decrease) in other deposits (+/-)		(303,206)	807,433
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss (+/-)		-	455
1.2.8	Net increase (decrease) in funds borrowed (+/-)		(882,008)	(331,452)
1.2.9	Net increase (decrease) in matured payables (+/-)		-	-
1.2.10	Net increase (decrease) in other liabilities (+/-)		(107,500)	(37,388)
<b>I.</b>	<b>Net cash provided from banking operations</b>		<b>(1,252,124)</b>	<b>992,541</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net cash provided from investing activities (+/-)</b>		<b>(321,514)</b>	<b>(185,917)</b>
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2	Cash obtained for acquisition of investments, associates and subsidiaries		-	-
2.3	Purchases of property and equipment (-)		892	8
2.4	Disposals of property and equipment (+)		-	-
2.5	Cash paid for purchase of financial assets available- for sale (-)		-	-
2.6	Cash obtained from sale of financial assets available- for sale (+)		-	-
2.7	Cash paid for purchase of investment securities (-)		320,622	238,008
2.8	Cash obtained from sale of investment securities (+)		-	52,099
2.9	Other (+)		-	-
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net cash provided from financing activities (+/-)</b>		<b>(3,422)</b>	<b>(456)</b>
3.1	Cash obtained from funds borrowed and securities issued (+)		-	-
3.2	Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3	Issued equity instruments (+)		-	-
3.4	Dividends paid (-)		-	-
3.5	Payments for financial leases (-)		3,422	456
3.6	Other (+/-)		-	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>124,264</b>	<b>56,617</b>
<b>V.</b>	<b>Net increase in cash and cash equivalents (I+II+III+IV)</b>		<b>(1,452,796)</b>	<b>862,785</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of Period</b>		<b>4,266,544</b>	<b>3,418,018</b>
<b>VII.</b>	<b>Cash and cash equivalents at end of Period (V+VI)</b>		<b>2,813,748</b>	<b>4,280,803</b>

The accompanying notes form an integral part of these financial statements

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS AT MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**SECTION THREE**

**ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

**a. Preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures on the Accounting Practice and Documentation of Banks**

The unconsolidated financial statements are 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 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards (“TAS”) 34 - Interim Financial Reporting” and “Turkish Financial Reporting Standards (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and other decrees, notes and explanations related to the accounting and financial reporting principles published by the 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 Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act, the Turkish Commercial Code (“TCC”) and Turkish Tax Legislation.

The financial statements have been prepared in Turkish Lira (TL), based on the historical cost basis except for the financial assets, liabilities and derivatives, which are expressed with their fair values.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to “TAS 29 Financial Reporting in Hyperinflation Economies”. Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRS) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that;

- In accordance with Board decision on 12 December 2023, financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment.
- In accordance with Board decision on 11 January 2024, banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation adjustment as of 1 January 2025.
- In accordance with the Board decision numbered 11021 on 5 December 2024, banks, financial leasing, factoring, financing, savings financing and asset management companies will not apply inflation adjustment in 2025.

Based on this, “TAS 29 Financial Reporting in Hyperinflation Economies” has not been applied in the financial statements as of 31 March 2025.

# **BANK OF CHINA TURKEY A.Ş.**

## **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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### **ACCOUNTING POLICIES (CONTINUED)**

#### **I. BASIS OF PRESENTATION (Continued)**

##### **b. Accounting policies and valuation principles applied in preparation of financial statements**

The accounting policies and valuation principles used in the preparation of the financial statements are selected and applied in accordance with the requirements set out in regulations, communiqués, statements and guidance published by the BRSA and if there is no special regulation by the BRSA, in accordance with the principles within TAS / TFRS.

The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXII below.

In preparing the financial statements in accordance with TFRS, the Bank's management is required to make assumptions and estimates about the assets and liabilities on the balance sheet and conditional issues as of the balance sheet date. These assumptions and estimates are reviewed regularly, necessary adjustments are made, and the details of the effects of these adjustments are reflected in the income statement as described in the related footnotes.



**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**ACCOUNTING POLICIES (Continued)**

**I. BASIS OF PRESENTATION (Continued)**

**c. Changes in accounting policy**

The TFRS changes, effective from January 1, 2023, do not have a significant effect on the Bank's accounting policies, financial status and performance. The TFRS changes that were published but not put into effect as of the final date of the financial statements will not have a significant effect on the Bank's accounting policies, financial status and performance.

Within the scope of the Interest Rate Benchmark Reform published by the Public Oversight Agency in the Official Gazette dated December 14, 2019 and numbered 30978, the Phase 1 amendments made in TFRS 9, TAS 39 and TFRS 7 started to be implemented as of January 1, 2020. In 2020, the International Accounting Standards Board and POA published Phase 2 standards regarding the reform and related amendments to TFRS 9, TMS 39, TFRS 7, TFRS 4 and TFRS 16.

The Bank has loan and borrowing transactions within the scope of the reform mentioned in the previous paragraph. Bank transactions are indexed to EURIBOR and USD LIBOR benchmark interest rates. Necessary developments have been completed for the usage of USD LIBOR indexed transaction's overnight interest rate transition as of June 30, 2023. Besides, the Bank is using alternative interest rates for its floating interest transactions after the EURIBOR transition since June 30, 2023.

**II. EXPLANATIONS ON THE USAGE STRATEGY OF FINANCIAL INSTRUMENTS AND ON FOREIGN CURRENCY TRANSACTIONS**

The Bank operates in the fields of Corporate Banking and Treasury banking in Turkey. The Bank provides cash, non-cash loans, project financing and corporate finance services to its corporate customers under the umbrella of corporate banking.

The Bank's most important funding source is its capital. Most of the Bank's assets consist of placements to banks. While capital is evaluated in high quality financial assets, an asset-liability management strategy is followed to keep interest, liquidity and exchange rate risks within certain limits. Foreign currency, interest and liquidity risks carried in the balance sheet and off-balance sheet assets and liabilities are managed within the framework of various risk limits and legal limits adopted by the Bank. The position of the Bank as a result of its foreign currency operations is kept at a minimum level and the foreign exchange rate risk is monitored within the framework of the Banking Law.

**Explanation on foreign currency transactions:**

Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the Periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the Period and the related currency conversion differences are recognized as foreign exchange gains and losses.

**III. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS**

The Bank's derivative instruments are classified as "Derivative Financial Assets Measured at Fair Value through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "TFRS 9". In accordance with TFRS 9, forward foreign exchange contracts, swaps, options and futures transactions are classified as "Derivative Financial Assets Measured at Fair Value through Profit and Loss".

Derivative transactions are recorded at their fair value at the date of the contract. In addition, liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts at contractual amounts.

As of March 31, 2025, the Bank has no derivative financial liability which is classified as "Derivative Financial Liabilities Measured at Fair Value through Profit and Loss" (December 31, 2024: None)

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**ACCOUNTING POLICIES (Continued)**

**IV. INFORMATION ON INTEREST INCOME AND EXPENSES**

Interest income and expenses are recognized at fair value and accrued on an accrual basis using the effective interest method (the rate that equals the future cash flows of a financial asset or liability to its present net carrying amount) based on the principal amount outstanding.

**V. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES**

According to the nature of fees and commissions; commission income / expenses collected for any future transaction are recognized on an accrual basis and other fee and commission income / expenses are recognized in accordance with TFRS 15 in the Period in which they are incurred.

**VI. EXPLANATIONS ON FINANCIAL ASSETS**

Within the framework of the business plan, the Bank classifies and accounts for its financial assets as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets at amortized cost". Such financial assets are accounted for in accordance with the "TFRS 9 Financial Instruments" standard, which is about the classification and measurement of financial instruments published in the Official Gazette dated January 15, 2019 and numbered 30656 by the Public Oversight Accounting and Auditing Standards Authority. The Bank is registered or issued in accordance with the provisions of "Inclusion in Financial Statements and Exclusion from Financial Statements" in the third part of the standard, effective from January 1, 2018.

In the first measurement of financial assets other than "Financial Assets at Fair Value Through Profit/Loss", transaction costs are added to the fair value or deducted from the fair value.

The Bank recognizes a financial asset only when it is a party to the contractual provisions of the financial instrument. The first time that a financial asset is included in the financial statements, the characteristics of the business model and the contractual cash flows of the financial asset are taken into account by the Bank Management. When the business model determined by the bank management is changed, all financial assets affected by this change are reclassified and the reclassification is applied in the future. In such cases, no adjustments are made to the earnings, losses or interests previously recognized in the financial statements.

The Bank has no financial assets at fair value through profit or loss and other comprehensive income as of March 31, 2025. (December 31, 2024: None).

**Financial assets measured at amortized cost:**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at their acquisition cost including the transaction costs, which reflect the fair value of those instruments and are subsequently recognized at "Amortized Cost" by using "Effective Interest (Internal Efficiency) Rate" method. Interest income obtained from financial assets measured at amortized cost is accounted in the income statement.

**Loans and Receivables:**

Loans are financial assets that have fixed or determinable payments and are not quoted on an active market. Such loans are initially recognized at cost with fair value reflecting transaction costs and are measured at amortized cost using the "effective interest rate (internal rate of return) method".

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**ACCOUNTING POLICIES (Continued)**

**VII. INFORMATION ON IMPAIRMENT OF FINANCIAL ASSETS**

As of January 1, 2020, the Bank started to recognize provisions for impairment in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated June 22, 2016 numbered 29750. In this framework, as of December 31, 2019, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

The Bank sets aside the expected loss provision for its financial assets measured at amortized cost and at fair value through other comprehensive income.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

**Stage 1:**

For the financial assets at initial recognition or for those which do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is 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 is transferred to Stage 2. Impairment for credit risk is determined based on the instrument’s lifetime expected credit losses.

**Stage 3:**

Stage 3 includes financial assets that have objective evidence of impairment as of the reporting date. Lifetime expected credit losses are recorded for these assets.

**Use of current conditions, past events and macroeconomic forecasts:**

After making a segment separation according to the counterparty of the receivable, the Bank takes into account the different macroeconomic scenarios created for the corporate portfolio, using past events, current conditions and economic prospects for the future. The Bank uses three macroeconomic scenarios as base, positive and negative for future projections. The macroeconomic model is applied to reflect the outlook of the parameters used in the expected credit loss calculation.

**Expected credit loss provision calculation:**

The Bank uses the “Probability of Default x Loss in Default x Default” amount that takes into account the time value of money in the expected credit loss calculation. For the first stage receivables, 12-month expected credit loss calculation is applied, considering future information. For the second stage receivables, calculations are made for the expected life of the loan. Expected lifetime expected credit loss is calculated by discounting and collecting possible credit losses in every 12-month Period until maturity. The default probability is taken as 100% for non-performing loans and the expected loan losses are calculated in accordance with the expected life approach. Although methodological calculation methods have been determined, there are currently no loans classified in the second and third stages in the Bank's portfolio. The entire loan portfolio is at the first stage.

# **BANK OF CHINA TURKEY A.Ş.**

## **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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### **ACCOUNTING POLICIES (Continued)**

#### **VIII. DISCLOSURES ABOUT NETTING AND DERECOGNITION OF FINANCIAL INSTRUMENTS**

##### **Explanations on netting of financial instruments:**

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 recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

#### **IX. INFORMATION ON SALES AND REPURCHASE AGREEMENTS AND LENDING OF SECURITIES**

Funds provided by the Bank for securities sold under agreements for repurchase agreements ("Repo") are followed in the legal records in the "Funds Provided under Repurchase Agreements" and "Funds Provided under Repurchase Agreements-FC" Accounts.

Securities subject to repo (repurchase agreements) are classified as "Financial assets at fair value through profit or loss" or "Financial assets at fair value through other comprehensive income" according to their purposes to be held in the Bank's portfolio. Revenues from securities subject to repo are accounted for in interest income and expenses paid under repurchase agreements are accounted in interest expense accounts.

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from money market" in the balance sheet. Interest income accruals are calculated according to the "effective interest (internal rate of return) method" for the portion of the difference between repurchase agreements and purchase and resale prices. Difference between the purchase and resale prices determined by reverse repurchase agreements, the interest income accrual is calculated according to the "Effective interest rate method".

As of March 31, 2025, the Bank has no repo, reverse repo and foreclosed marketable securities (December 31, 2024: None).

#### **X. EXPLANATIONS ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND THE RELATED LIABILITIES**

Assets held for sale, consist of tangible assets due to non-performing loans are accounted for in accordance with "TFRS 5 related to Held for Sale Fixed Assets and Discontinued Operations Turkey Financial Reporting Standards" in the financial statements.

A discontinued operation is part of a bank's business classified as disposed or held-for-sale. It refers to a separate main business line or the geographical area of its activities. It is a part of the sale of a separate main line of business or geographical area of operations alone in a coordinated plan, or is a subsidiary acquired solely for resale.

As of March 31, 2025, the Bank has no assets held for sale and discontinued operations (December 31, 2024: None).

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

#### ACCOUNTING POLICIES (Continued)

##### XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the difference between the cost of goods sold and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree's entity / operation, and represents the payment made by the acquirer to the entity for future benefit recognition. Not included in the financial statements of the business acquired in business combinations; however, assets that are separable from goodwill, intangible assets (such as credit card brand value and customer portfolio) and / or contingent liabilities are recognized in the financial statements at fair value.

Goodwill calculated in accordance with TFRS 3 - Business Combinations Standard is not subject to amortization but instead is tested for impairment in accordance with TAS 36 - Impairment of Assets, more frequently, annually or in cases where the conditional changes in circumstances indicate it may be impaired.

Intangible assets are amortized using the straight-line method over their estimated useful lives. The determination of the useful life of the asset is made by assessing the expected duration of use of the asset, the technical, technological or other type of obsolescence and the maintenance costs required obtaining the expected economic benefit from the asset.

The main assets that the Bank classifies as intangible assets are the license and development fees paid by the Bank for the systems it uses. Intangible assets are depreciated using the straight-line method over their useful lives. The depreciation method and period are reviewed periodically at the end of each year.

As of March 31, 2025, there is no goodwill in the accompanying financial statements (December 31, 2024: None).

##### XII. EXPLANATIONS ON TANGIBLE ASSETS

In accordance with the "Accounting Standard for Tangible Fixed Assets" ("TAS 16"), the cost of the tangible assets is determined by adding the initial amounts of the tangible assets and other direct expenses required to make the asset available. Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

For assets that are less than an active accounting Period, depreciation is provided for the amount of the depreciation for the full year, as measured by the proportion of the asset over the life of the asset.

If the carrying amount of an item of property, plant and equipment is greater than its market value, an impairment loss is recognized for the excess amount and the amount is recognized in the financial statements. Gains or losses arising from the disposal of tangible fixed assets are transferred to profit and loss accounts of the related Period.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

Tangible Assets	Estimated Useful Life (Year)	Amortization Rate (%)
Operating Leases	2-9	11.11-50
Furniture	5-10	10-20
Office equipment	3-10	10-33.33
Safe	50	2
Vehicles	5	20

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**ACCOUNTING POLICIES (Continued)**

**XIII. EXPLANATIONS ON LEASING TRANSACTIONS**

The Bank is a lessee in the offices used for the marketing of operational area services and operations, and there are no financial leasing transactions.

**Explanations on TAS 16 Leases Standard:**

TAS 16 Leases Standard was published in the Official Gazette dated April 16, 2019 and numbered 29826, effective from January 1, 2019. This Standard specifies the principles for the leasing, presentation, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements. The Bank has started to apply the related standard on January 1, 2019.

**Measurement, Presentation and Reflection of Financial Leasing into Financial Statement**

The amount of the lease obligation is shown in the balance sheet as gross in proportion to the total of all cash payments under the contract and netted off with the interest expense arising from the contract. The usage right arising from the leasing transactions is capitalized at the date of the rental at the beginning of the lease by measuring the present value of the lease payments that have not been paid at that date. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio cannot be easily determined, the Bank's alternative borrowing interest rate announced by the Treasury Unit is used.

**XIV. EXPLANATIONS ON PROVISIONS AND CONTINGENT ASSETS/LIABILITIES**

Provisions and contingent liabilities except for the financial instruments within the scope of the TFRS 9 or the provisions recognized in accordance with other standards such as TAS 12 and TAS 19 are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" (TAS 37).

Provision is made in the financial statements if there is an existing obligation resulting from past events, it is probable that the obligation will be met and the obligation can be reliably measured. Provisions are calculated based on the Bank Management's best estimates of the expenditure required to settle the obligation at the balance sheet date and are discounted to the present value where the effect is material.

For liabilities that arise because of past events, provision is made if the probability of occurrence is high and the amount can be reliably estimated at the time when those liabilities are incurred.

Contingent assets usually consist of unplanned or other unexpected events that give rise to the possibility of entry into the business of economic benefits. The presentation of contingent assets in the financial statements is not included in the financial statements, as it may result in the recognition of an income that can never be obtained. Contingent assets are disclosed in the footnotes of financial statements if it is probable that the economic benefits will flow to the enterprise. Contingent assets are assessed on an ongoing basis to ensure that their development is accurately reflected in the financial statements. If it becomes almost certain that the economic benefit will enter the Bank, the related asset and related income are reflected in the financial statements of the Period in which the change occurs.

# **BANK OF CHINA TURKEY A.Ş.**

## **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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### **ACCOUNTING POLICIES (Continued)**

#### **XV. EXPLANATION ON LIABILITIES RELATED TO EMPLOYEE RIGHTS**

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. In accordance with the revised TAS 19 employee benefits standard ("TAS 19"), such payments are recognized as defined benefit plans.

The retirement pay liability recognized in the balance sheet is calculated according to the present value of the amount of the liability expected to arise in the future due to retirement of all employees and reflected to the financial statements. Amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. Changes require that all actuarial losses and gains be accounted for as other comprehensive income immediately in order to reflect the full value of the net retirement asset or liability in the balance sheet. Changes to TAS 19 should be applied retrospectively.

##### **a. Defined benefit plans:**

According to the laws and collective agreements existing in Turkey, retirement pay is paid in case of retirement or dismissal. The Bank recognizes the provision for the rights of its employees by estimating the present value of its future probable obligation in the event of retirement or dismissal. There are no foundations, pension funds or similar associations of which the employees are members.

##### **b. Defined contribution plans:**

The Bank, on behalf of its employees, must pay contributions to the Social Security Institution (SSI) in the amount determined by law. Apart from the contribution paid by the Bank, there is no other obligation to pay to its employees or the SSI. These premiums are reflected to the personnel expenses in the Period when they are accrued.

##### **c. Short-term benefits to employees:**

The liabilities arising from the vacation pay defined as "short-term benefits to employees" within the scope of TAS 19 are accrued and are not discounted at the Periods when they are earned.

#### **XVI. EXPLANATIONS ON TAXATION**

##### **a. Corporate tax:**

As of January 1, 2023 in Turkey, corporate earnings of Banks are subject to corporate tax at the rate of 30%.

With the Law No. 7456 published in the Official Gazette dated July 15, 2023 and numbered 32249, corporate tax rate for banks has been increased to 30% from 25%, and has been applied to the corporate earnings of the accounting periods starting from January 1, 2023.

Advance tax is calculated and paid quarterly for the earnings within first 9 month of accounting period by applying the corporate tax rate which is valid for corporate earnings of that year. Advance taxes which is paid within the year is offset to Corporate Tax on the corporate tax declaration of that year. Corporate tax declarations are prepared between 1st and 30th days of 4th month of the related fiscal year and are paid until the end of the following month in one instalment.

The corporations and income tax provisions calculated over the Period profits are recorded in the "Current Tax Liability" account in the liabilities and in the "Current Tax Provision" account in the income statement as expense.

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AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**ACCOUNTING POLICIES (Continued)**

**XVI. EXPLANATIONS ON TAXATION (Continued)**

**a. Corporate tax: (Continued)**

According to the Turkish Corporate Tax Law, financial losses in the declaration can be deducted from the corporate tax base of the Period not exceeding 5 years. Declarations and related accounting entries can be examined within five years by tax office.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions No.2009/14593 and No.2009/14594 of the Council of Ministers published in the Official Gazette No.27130 dated February 3, 2009, certain duty rates included in the articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated December 22, 2021. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

As of December 31, 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated January 29, 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated December 31, 2023 are subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base.

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated December 28, 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated November 21, 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.



**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**ACCOUNTING POLICIES (Continued)**

**XVI. EXPLANATIONS ON TAXATION (Continued)**

**a. Corporate tax: (Continued)**

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on January 14, 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç until December 30, 2023. Since the financial statements are subject to inflation adjustment as of 31 December 2022, real estates and depreciation units are not subject to revaluation as of December 31, 2022. Corporate tax is calculated by taking into account of real estates and depreciation units' amortized values until 31 December 2022.

**b. Deferred tax:**

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The Bank's deferred tax assets and liabilities are offsite in unconsolidated balance sheet. As of March 31, 2025, the Bank has TL 66,241 deferred tax asset (December 31, 2024: TL 62,746 deferred tax asset).

According to the temporary article 33 of the Tax Procedure Law, in the financial statements dated March 31, 2025, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of March 31, 2025.

As of March 31, 2025, deferred tax is calculated using enacted tax rates for items subject to deferred tax calculation in accordance with their useful lives. Deferred tax is calculated using enacted tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the temporary differences become taxable or deductible.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. As of January 1, 2020, with the provisions of TFRS 9, deferred tax assets have started to be calculated over the expected loss provisions that constitute a temporary difference.

Deferred taxes related to assets recognized directly in equity are associated with the equity account group and netted off with the related accounts in this group.

**c. Local and Global Minimum Supplementary Corporate Tax:**

**Global Minimum Supplementary Corporate Tax**

In September 2023, the POA published amendments to TMS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarified that TAS 12 will be applied to income data arising from tax laws that have entered into force or are close to entering into force in order to implement the Second Pillar Model Rules published by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure provisions for businesses affected by such tax laws. The exception that information on deferred taxes within this scope will not be recognized and disclosed and the disclosure provision that the exception has been applied will be implemented upon the publication of the amendment.

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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**ACCOUNTING POLICIES (Continued)**

**XVI. EXPLANATIONS ON TAXATION (Continued)**

**Global Minimum Supplementary Corporate Tax (Continued)**

The Pillar 2 regulations agreed upon by OECD member countries entered into force in Turkey with the Law No. 7524 on Amendments to Tax Laws and Certain Laws and Legislative Decree No. 375 published in the Official Gazette dated August 2, 2024. Although secondary legislation on the subject has not been published, preliminary assessments made by taking into account the regulations published by the OECD indicate that the regulations in question will not have any impact on financials.

**Domestic Minimum Corporate Tax**

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied starting from the 2025 accounting period. The regulation of the Minimum Corporate Tax was introduced with Law No. 7524, regarding the corporate tax calculated within this scope is not being less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

**c. Transfer pricing:**

Article 13 of the Corporate Tax Law No. 5520 has been rearranged under the name of "disguised profit distribution through transfer pricing" and the explanations regarding the said article, which entered into force on January 1, 2007, and the regulations made in Article 41 of the Income Tax Law with the Law No. 5615, are stated in the General Communiqué on Disguised Profit Distribution through Transfer Pricing published in the Official Gazette dated November 18, 2007/26704.

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. Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign-based taxpayer is subject to or exempt from tax.

As discussed under subject Communiqué's 7.1 Annual Documentation section, 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.

**XVI. ADDITIONAL EXPLANATIONS ON BORROWINGS**

The Bank's fund resources consist of borrowing from foreign financial institutions. Instrument regarding borrowings are valued with their fair values and other financial liabilities are carried at "amortized cost" using the effective interest method. As of March 31, 2025, the Bank has no obtained funds from foreign institutions. (December 31, 2024: TL 882,577).

**XVI. EXPLANATIONS ON SHARE CERTIFICATES ISSUED**

None (December 31, 2024: None).

# **BANK OF CHINA TURKEY A.Ş.**

## **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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### **ACCOUNTING POLICIES (Continued)**

#### **XIX. EXPLANATIONS ON BANK ACCEPTANCES AND BILLS OF GUARANTEE**

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset (December 31, 2024: None).

#### **XX. EXPLANATIONS ON GOVERNMENT INCENTIVES**

As of the balance sheet date, the Bank does not have any government incentives (December 31, 2024: None).

#### **XXI. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION**

Other than legal reserves in statutory financial statements, retained earnings and reserves set aside by the resolution of the general assembly are available for distribution, subject to the legal reserve requirement set out below. Legal reserves consist of first and second reserves as stipulated in the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve should be separated from profits at a rate of 5% until it reaches 20% of the total reserve paid-in capital. The second legal reserve is reserved at the rate of 10% on all cash dividend distributions exceeding 5% of the paid-in capital.

#### **XXII. EXPLANATIONS ON EARNINGS PER SHARE**

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

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier Period. Where the number of outstanding shares increase due to distribution of bonus shares after the balance sheet date but before the release of the financial statements, earnings per share computations are performed based on the revised average number of shares.

#### **XXII. EXPLANATIONS ON RELATED PARTIES**

Parties defined in Article 49 of the Banking Law No.5411, Bank's senior management and Board Members are deemed as related parties. Transactions regarding related parties are presented in Section Five.

#### **XXIII. EXPLANATIONS ON CASH and CASH EQUIVALENTS**

For the purposes of the preparation of statement of cash flows, "Cash" includes cash, effectives, and cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements and time deposits at banks with original maturity Periods of less than three months.

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

#### ACCOUNTING POLICIES (Continued)

#### XXIV. EXPLANATIONS ON SEGMENT REPORTING

The main segment of banking operations is Corporate Banking. As of March 31, 2025, the financial information per banking segments is presented below:

<b>Current Period</b>	<b>Corporate Banking</b>	<b>Fund Management</b>	<b>Unallocated</b>	<b>Total</b>
Operating income	62,469	318,741	1,052	382,262
Operating expense	(3,552)	(35)	(104,258)	(107,845)
Pre-tax income / (loss)	58,917	318,706	(103,206)	274,417
Tax provision (-)	-	-	(80,591)	(80,591)
<b>Net Profit / (Loss)</b>	<b>58,917</b>	<b>318,706</b>	<b>(183,797)</b>	<b>193,826</b>
Segment assets	617,460	4,747,062	231,158	5,595,680
Segment liabilities	1,883,956	-	537,687	2,421,643
Equity	-	3,174,037	-	3,174,037
<b>Prior Period (*)</b>	<b>Corporate Banking</b>	<b>Fund Management</b>	<b>Unallocated</b>	<b>Total</b>
Operating income	55,404	284,667	5,111	345,182
Operating expense	(562)	(16)	(69,430)	(70,008)
Pre-tax income / (loss)	54,842	284,651	(64,319)	275,174
Tax provision (-)	-	-	(79,692)	(79,692)
<b>Net Profit / (Loss)</b>	<b>54,842</b>	<b>284,651</b>	<b>(144,011)</b>	<b>195,482</b>
Segment assets	46,040	4,595,059	160,362	4,801,461
Segment liabilities	1,871,648	78,961	369,961	2,320,570
Equity	-	2,480,891	-	2,480,891

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

#### XXV. RECLASSIFICATIONS

In order to be consistent with the presentation of current Period financial statements, there can be certain reclassifications in case needed.

#### XXVI. EXPLANATIONS ON OTHER MATTERS

None. (December 31, 2024: None).

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS AT MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**SECTION FOUR**

**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT**

**I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY**

Total capital and capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

Within the scope of the regulations of the Banking Regulation and Supervision Agency dated January 31, 2023 and numbered 10496 the calculation of the amount subject to credit risk with the Central Bank's foreign exchange buying rates as of December 31, 2022 and the net value of the securities in the securities portfolio whose fair value difference is reflected in other comprehensive income.

In case the valuation differences are negative, these differences are not taken into account in the equity amount to be used for the capital adequacy ratio.

Equity amount and capital adequacy standard ratio are calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”. According to the last regulation changes, as of 31 March 2024; in the calculation of the amount subject to credit risk; In accordance with the Standard Approach, 0% risk weight is applied to foreign currency receivables from the Central Government of the Republic of Turkey.

As of March 31, 2025, the Bank's total capital has been calculated as TL 3,125,210 (December 31, 2024: TL 3,044,109) and the capital adequacy ratio is 29.12% (December 31, 2024: 29.44%). This ratio is well above the minimum ratio required by the legislation.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

##### Information on Equity Accounts:

	Current Period 31.03.2025	Amounts as per the regulation before 1/1/2014 (*)	Prior Period 31.12.2024	Amounts as per the regulation before 1/1/2014 (*)
<b>COMMON EQUITY TIER I CAPITAL</b>	<b>3,095,450</b>	-	<b>3,016,920</b>	-
Paid-in capital to be entitled for compensation after all creditors	1,051,230	-	1,051,230	-
Share Premium	-	-	-	-
Reserves	1,902,704	-	1,207,928	-
Gains recognized in equity as per TAS	-	-	-	-
Profit	220,055	-	833,513	-
Current Period profit	193,826	-	807,284	-
Prior Period profit	26,229	-	26,229	-
Bonus shares from associates, subsidiaries and joint ventures not accounted in current Period's profit	-	-	-	-
<b>Common Equity Tier I Capital Before Deductions</b>	<b>3,173,989</b>	-	<b>3,092,671</b>	-
<b>Deductions from Common Equity Tier I Capital</b>				
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	-	-	-
Current and Prior Periods' losses not covered by reserves, and losses accounted under equity according to TAS	-	-	1	-
Improvement costs for operating leasing (-)	362	-	436	-
Goodwill and other intangible assets and related deferred taxes (-)	-	-	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	10,141	-	10,643	-
Excess amount arising from deferred tax assets from temporary differences	68,036	-	64,671	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-	-	-
Securitization gains	-	-	-	-
Unrealized gains and losses arising from the differences in the credit value of the Bank's liabilities at fair value.	-	-	-	-
Net amount of defined benefit plans	-	-	-	-
Direct and indirect investments of the Bank on its own Tier I Capital (-)	-	-	-	-
Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-	-	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-	-	-	-
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)	-	-	-	-
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)	-	-	-	-
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-	-	-
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)	-	-	-	-
Excess amount arising from mortgage servicing rights	-	-	-	-
Excess amount arising from deferred tax assets from temporary differences (-)	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	-	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>78,539</b>	-	<b>75,751</b>	-
<b>Total Common Equity Tier I Capital</b>	<b>3,095,450</b>	-	<b>3,016,920</b>	-

(\*) In this section, the accounts that are liable to the temporary articles of "Regulation on Equities of Banks" which will be considered at the end of the Transition Period are shown.

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)****I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)**

	Current Period 31.03.2025	Amounts as per the regulation before 1/1/2014 (*)	Prior Period 31.12.2024	Amounts as per the regulation before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>				
Preferred stock not included in Tier I capital and the related share premiums	-	-	-	-
Debt instruments and the related issuance premiums defined by the BRSA	-	-	-	-
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	-	-	-	-
Shares of third parties in Additional Tier I Capital	-	-	-	-
Shares of third parties in Additional Tier I Capital (Temporary Article 3)	-	-	-	-
<b>Additional Core Capital before Deductions</b>	-	-	-	-
<b>Deductions from Additional Core Capital</b>	-	-	-	-
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-	-	-
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	-	-	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	-	-	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	-	-	-	-
Other items to be defined by the BRSA (-)	-	-	-	-
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>	-	-	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I 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 not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-	-	-
<b>Total Deductions from Additional Tier I Capital</b>	-	-	-	-
<b>Total Additional Tier I Capital</b>	-	-	-	-
<b>Total Tier I Capital (Tier I Capital=Common Equity Additional Tier I Capital)</b>	<b>3,095,450</b>	-	<b>3,016,920</b>	-
<b>TIER II CAPITAL</b>				
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	29,760	-	27,189	-
<b>Tier II Capital before Deductions</b>	<b>29,760</b>	-	<b>27,189</b>	-
<b>Deductions from Tier II Capital</b>	-	-	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	-	-	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-	-	-	-
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	-	-	-	-
Net long-term position of investments in capital assets of banks and financial institutions that have 10% or more of their shareholding interests and have not been consolidated	-	-	-	-
Other items to be defined by the BRSA (-)	-	-	-	-
<b>Total Deductions from Tier II Capital</b>	-	-	-	-
<b>Total Tier II Capital</b>	<b>29,760</b>	-	<b>27,189</b>	-
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>3,125,210</b>	-	<b>3,044,109</b>	-

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

	Current Period 31.03.2025	Amounts as per the regulation before 1/1/2014 (*)	Prior Period 31.12.2024	Amounts as per the regulation before 1/1/2014 (*)
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	<b>3,125,210</b>	-	<b>3,044,109</b>	-
Loans granted against the Articles 50 and 51 of the Banking Law (-)	-	-	-	-
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years (-)	-	-	-	-
Other items to be defined by the BRSA (-)	-	-	-	-
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-	-	-
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-	-	-
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-	-	-
<b>EQUITY</b>	<b>3,125,210</b>	-	<b>3,044,109</b>	-
Total Capital (Total of Tier I Capital and Tier II Capital)	3,125,210	-	3,044,109	-
Total Risk Weighted Assets	10,733,537	-	10,338,960	-
<b>CAPITAL ADEQUACY RATIOS</b>				
Core Capital Adequacy Ratio (%)	28.84	-	29.18	-
Tier I Capital Adequacy Ratio (%)	28.84	-	29.18	-
Capital Adequacy Ratio (%)	29.12	-	29.44	-
<b>BUFFERS</b>				
Bank-specific total Core Capital Ratio	2.64	-	2.62	-
Capital Conservation Buffer Ratio (%)	2.50	-	2.50	-
Bank-specific Counter-Cyclical Capital Buffer Ratio (%) (*)	0.14	-	0.12	-
The ratio of Additional Common Equity Tier I 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	24.34	-	24.68	-
<b>Amounts lower than Excesses as per Deduction Rules</b>				
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	-	-	-	-
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	-	-	-	-
Remaining mortgage servicing rights	-	-	-	-
Net deferred tax assets arising from temporary differences	-	-	-	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>				
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	29,760	-	27,189	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	110,400	-	114,915	-
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-	-	-
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0.6% risk weighted assets	-	-	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	-	-	-	-
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	-	-	-	-
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	-	-	-	-
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	-	-	-	-
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	-	-	-	-

(\*) To be filled by systemically important banks which are not obliged to prepare consolidated financial statements under Paragraph 4 of Article 4 of the Regulation on Systemic Banks, will be reported as zero by other banks.



# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

##### Explanations on reconciliation of shareholder's equity items to balance sheet:

The difference between "Equity" in equity table and "Shareholder's Equity" in the unconsolidated balance sheet mainly arises from TFRS 9 transition effect of Stage 1 provisions. In the calculation of Total Capital, TFRS 9 Stage 1 expected credit losses up to 1.25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operating leases followed under tangible assets in the balance sheet, and related deferred tax liabilities, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

	Current Period 31.03.2025	Prior Period 31.12.2024
<b>Paid in Capital</b>	<b>1,051,230</b>	<b>1,051,230</b>
Capital Reserves	1,902,704	1,207,928
Profit	220,055	833,513
<b>Total Equity before Deductions</b>	<b>3,173,989</b>	<b>3,092,671</b>
Deduction made within the scope of the Regulation	78,539	75,751
Common Equity Tier 1 Capital	3,095,450	3,016,920
Tier 1 Capital	3,095,450	3,016,920
General Provisions (Up to 1.25%)	29,760	27,189
<b>Total Equity</b>	<b>3,125,210</b>	<b>3,044,109</b>

#### II. EXPLANATIONS ON CURRENCY RISK

The difference between the Bank's foreign currency denominated on-balance sheet and off-balance sheet assets and the foreign currency denominated on-balance sheet and off-balance sheet liabilities are defined as "FC Net General Position" and form the basis for exchange rate risk. An important dimension of the exchange rate risk is the risk (cross-currency risk) caused by the exchange of values of the foreign currencies against each other in the FX net general position.

Measurable and manageable risks are taken within legal limits. The Bank applies stress tests against the fluctuations in foreign currency within the year.

The Bank uses the "standard method" which is also used in legal reporting to measure the foreign exchange risk.

There is no significant foreign currency position in relation to the balance sheet size of the Bank and if any exchange rate risk occurs, it is taken counter position and exchange rate risk is not transferred.

The Bank's current foreign exchange buying rates announced on March 31, 2025 and December 31, 2024 as well as the last five days financial statement valuation rates are as follows:

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)****II. EXPLANATIONS ON CURRENCY RISK (Continued)**

(All rates presented as full TL).

<b>31.03.2025</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>
<b>Rates:</b>	37.7656	40.7019	48.7963	5.1705
<b>1. Day Foreign Exchange Buying Rate</b>	37.8600	41.0400	48.9551	5.1898
<b>2. Day Foreign Exchange Buying Rate</b>	37.9086	40.9489	48.9180	5.1916
<b>3. Day Foreign Exchange Buying Rate</b>	37.9287	40.9326	48.8902	5.1919
<b>4. Day Foreign Exchange Buying Rate</b>	37.9323	40.8740	48.9378	5.1923
<b>5. Day Foreign Exchange Buying Rate</b>	37.7656	40.7019	48.7963	5.1705
<b>Arithmetic mean of last 30 days</b>	37.0406	39.9427	47.6781	5.0790
<b>31.12.2024</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>
<b>Rates:</b>	35.2233	36.7429	44.2458	4.7985
<b>1. Day Foreign Exchange Buying Rate</b>	35.1814	36.5693	44.0230	4.7936
<b>2. Day Foreign Exchange Buying Rate</b>	35.2162	36.6592	44.1238	4.7980
<b>3. Day Foreign Exchange Buying Rate</b>	35.2033	36.6076	44.0423	4.7960
<b>4. Day Foreign Exchange Buying Rate</b>	35.1368	36.6134	43.9486	4.7867
<b>5. Day Foreign Exchange Buying Rate</b>	35.1368	36.6134	43.9486	4.7867
<b>Arithmetic mean of last 30 days</b>	34.9136	36.5744	44.0569	4.7681

**Sensitivity analysis on currency risk:**

The table below demonstrates prospective increase and decrease in equity and profit/loss as of March 31, 2025 and December 31, 2024 (excluding tax effect) on condition that 10 percent revaluation/devaluation of the foreign currencies below against TL. This analysis has been prepared assuming that other variables, particularly interest rates, remain constant.

<b>Current Period 31.03.2025</b>	<b>Change in Foreign Currency</b>	<b>Impact on Profit / Loss (*)</b>	<b>Impact on Equity</b>
	10% Increase	10,608	10,608
EUR	10% Decrease	(10,608)	(10,608)
	10% Increase	12,705	12,705
USD	10% Decrease	(12,705)	(12,705)
<b>Prior Period 31.12.2024</b>	<b>Change in foreign currency</b>	<b>Impact on Profit / Loss (*)</b>	<b>Impact on Equity</b>
	%10 Increase	25.901	25.901
EUR	%10 Decrease	(25.901)	(25.901)
	%10 Increase	(3.819)	(3.819)
USD	%10 Decrease	3.819	3.819

(\*) Pre-tax figures.

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)****II. EXPLANATIONS ON CURRENCY RISK (Continued)****Explanations on currency risk:**

	EUR	USD	Other FC	Total
<b>Current Period 31.03.2025</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	262,747	1,267,996	-	1,530,743
Due from Banks (*)	21,744	68,253	122,604	212,601
Financial Assets at Fair Value through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Loans and Receivables	-	-	-	-
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	51,228	9,779	3,089	64,096
<b>Total Assets</b>	<b>335,719</b>	<b>1,346,028</b>	<b>125,693</b>	<b>1,807,440</b>
<b>Liabilities</b>				
Bank Deposits	-	-	107,400	107,400
Foreign Currency Deposits	208,893	1,099,093	1,934	1,309,920
Money Market Borrowings	-	-	-	-
Funds Provided from Other Financial Institutions	-	-	-	-
Securities Issued	-	-	-	-
Sundry Creditors	-	-	-	-
Derivative Fin. Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	20,751	119,884	73,487	214,122
<b>Total Liabilities</b>	<b>229,644</b>	<b>1,218,977</b>	<b>182,821</b>	<b>1,631,442</b>
<b>Net Balance Sheet Position</b>	<b>106,075</b>	<b>127,051</b>	<b>(57,128)</b>	<b>175,998</b>
<b>Net Off-Balance Sheet Position</b>				
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans (**)	5,230,020	3,045,302	193,894	8,469,216
<b>Prior Period 31.12.2024</b>				
Total Assets	638,917	1,877,554	180,283	2,696,754
Total Liabilities	379,910	1,915,746	223,462	2,519,118
Net Balance Sheet Position	259,007	(38,192)	(43,179)	177,636
Net Off-Balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans (**)	4,605,684	3,793,215	180,236	8,579,135

(\*) Banks include balance of expected loss provisions amounting to TL 33.

(\*\*) There is no effect on the net balance sheet position.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### III. EXPLANATIONS ON INTEREST RATE RISK

Interest rate risk is the probability of loss due to changes in interest rates depending on the Bank's position regarding the interest-bearing financial instruments. Interest rate risk arises because of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves.

Interest rate risk arises from maturity mismatches in the repricing of assets and liabilities, changes in the correlation between interest rates on different financial instruments, and unexpected changes in the shape and slope of yield curves. The Bank is exposed to interest rate risk when there is a mismatch between assets and liabilities that are sensitive to changes in interest rates. The Bank handles interest rate risk in terms of market risk management and asset-liability management. Within the scope of asset-liability management, sensitivity analysis is performed to measure the effects of changes in the yield curve on the balance sheet structure. The results are regularly presented to the Risk Committee and senior management. Sensitivity and scenario analyses are used to analyze how the Bank will be affected by interest rate fluctuations (volatility) in future periods. In these analyses, interest rate shocks are applied to calculate the possible losses in fair value changes on interest rate sensitive products.

In the calculation of the Bank's exposure to interest rate risk, standard method is used.

#### Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates)

Current Period 31.03.2025	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,064,696	-	-	-	-	1,530,927	2,595,623
Banks	5,921	-	-	-	-	212,249	218,170
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-
Loans	-	-	350,000	267,929	-	-	617,929
Financial Assets Measured at Amortized Cost	652,671	-	1,280,743	-	-	-	1,933,414
Other Assets	-	-	-	-	-	230,544	230,544
<b>Total Assets</b>	<b>1,723,288</b>	<b>-</b>	<b>1,630,743</b>	<b>267,929</b>	<b>-</b>	<b>1,973,720</b>	<b>5,595,680</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	61,488	1,161,885	366,570	-	-	108,567	1,746,243
Interbank Money Market Received	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	3,740,870	3,740,870
<b>Total Liabilities</b>	<b>61,488</b>	<b>1,161,885</b>	<b>366,570</b>	<b>-</b>	<b>-</b>	<b>4,005,737</b>	<b>5,595,680</b>
Balance sheet long position	1,661,800	(1,161,885)	1,264,173	267,929	-	-	2,032,017
Balance sheet short position	-	-	-	-	-	(2,032,017)	(2,032,017)
Off-Balance sheet long position	-	-	-	-	-	-	-
Off-Balance sheet short position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>1,661,800</b>	<b>(1,161,885)</b>	<b>1,264,173</b>	<b>267,929</b>	<b>-</b>	<b>(2,032,017)</b>	<b>-</b>

(\*) Include balance of expected loss provisions amounting to TL 614.

(\*\*) Including TL 3,174,037 shareholders' equity.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### III. EXPLANATIONS ON INTEREST RATE RISK (Continued)

Prior Period 31.12.2024	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,874,537	-	-	-	-	539,797	2,414,334
Banks	1,669,765	-	-	-	-	183,453	1,853,218
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-
Loans	-	500,428	-	-	-	-	500,428
Financial Assets Measured at Amortized Cost	-	-	1,462,107	-	-	-	1,462,107
Other assets(*)	-	-	-	-	-	203,935	203,935
<b>Total Assets</b>	<b>3,544,302</b>	<b>500,428</b>	<b>1,462,107</b>	<b>-</b>	<b>-</b>	<b>927,185</b>	<b>6,434,022</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	96,751	96,751
Other Deposits	1,588,833	-	327,066	-	-	107,076	2,022,975
Interbank Money Market Received	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	882,577	-	-	-	-	-	882,577
Other Liabilities (**)	-	-	-	-	-	3,431,719	3,431,719
<b>Total Liabilities</b>	<b>2,471,410</b>	<b>-</b>	<b>327,066</b>	<b>-</b>	<b>-</b>	<b>3,635,546</b>	<b>6,434,022</b>
Balance sheet long position	1,072,892	500,428	1,135,041	-	-	-	2,708,361
Balance sheet short position	-	-	-	-	-	(2,708,361)	(2,708,361)
Off-Balance sheet long position	-	-	-	-	-	-	-
Off-Balance sheet short position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>1,072,892</b>	<b>500,428</b>	<b>1,135,041</b>	<b>-</b>	<b>-</b>	<b>(2,708,361)</b>	<b>-</b>

(\*) Include balance of expected loss provisions amounting to TL 1,584.

(\*\*) Including TL 3,092,672 shareholders' equity.

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)****III. EXPLANATIONS ON INTEREST RATE RISK (Continued)****Average interest rates applied to financial instruments (%)**

<b>Current Period 31.03.2025</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>TL</b>
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	3.71	3.71	-	45.43
Banks and Receivables from Other Financial Institutions	-	4.35	1.59	46.39
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-
Loans	-	-	-	49.41
Financial Assets Measured at Amortized	-	-	-	48.21
<b>Liabilities</b>	-	-	-	-
Bank Deposits	-	-	-	44.00
Other Deposits	1.98	2.15	-	44.11
Interbank Money Market Received	-	-	-	-
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	4.65	5.30	-
<b>Prior Period 31.12.2024</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>TL</b>
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	4.70	4.70	-	-
Banks and Receivables from Other Financial Institutions	-	4.68	3.57	49.76
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-
Loans	-	-	-	53.22
Financial Assets Measured at Amortized	-	-	-	47.89
<b>Liabilities</b>	-	-	-	-
Bank Deposits	-	-	5.50	50.89
Other Deposits	2.08	2.05	5.50	48.70
Interbank Money Market Received	-	-	-	-
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	4.69	5.30	-

**IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES****1. Balance sheet values, fair value and market value comparison of equity investments**

None (December 31, 2024: None).

**2. Information on realized gains or losses on revaluation surplus, unrealized gains or losses and their included amounts in Tier 1 and 2 capital**

None (December 31, 2024: None).

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

The Bank established Liquidity Management Principles in order to monitor, audit and manage its liquidity position and liquidity requirement. Liquidity risk of the Bank is managed through taking potential funding sources, unexpected situation plans and legal limits into consideration within the framework of limits which are updated at least annually. It is aimed to carry out activities through ensuring a liquidity level which can provide to make payments at any time to sustain the trustable bank image of the Bank in the sector via taking risk/return balance of the Bank into consideration. Cash inflow and outflows in Turkish Lira and foreign currencies are tried to be kept under control continuously in liquidity risk management approach, long-term cash flow tables are formed and scenario analysis based on expectations and stress tests are performed to determine the resistance against the sudden crisis.

The Bank determines the liquidity risk appetite and strategy written under the Liquidity Risk Policy. In this context, the Bank controls maturity mismatch between assets and liabilities to be protected from liquidity risk and maintains liquid values in order to ensure the liquidity needs that can arise because of market fluctuations.

#### Presentation of assets and liabilities according to their remaining maturities:

Current Period 31.03.2025								
Assets	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,530,927	1,064,696	-	-	-	-	-	2,595,623
Banks	212,249	5,921	-	-	-	-	-	218,170
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-
Loans	-	-	-	350,000	267,929	-	-	617,929
Financial Assets Measured at Amortized Cost	-	652,671	-	1,280,743	-	-	-	1,933,414
Other Assets (*)	-	-	-	-	-	-	230,544	230,544
<b>Total assets</b>	<b>1,743,176</b>	<b>1,723,288</b>	<b>-</b>	<b>1,630,743</b>	<b>267,929</b>	<b>-</b>	<b>230,544</b>	<b>5,595,680</b>
<b>Liabilities</b>								
Bank Deposits	108,567	-	-	-	-	-	-	108,567
Other Deposits	156,300	61,488	1,161,885	366,570	-	-	-	1,746,243
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-	-
Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	-	3,740,870	3,740,870
<b>Total Liabilities</b>	<b>264,867</b>	<b>61,488</b>	<b>1,161,885</b>	<b>366,570</b>	<b>-</b>	<b>-</b>	<b>3,740,870</b>	<b>5,595,680</b>
<b>Net Liquidity Gap</b>	<b>1,478,309</b>	<b>1,661,800</b>	<b>(1,161,885)</b>	<b>1,264,173</b>	<b>267,929</b>	<b>-</b>	<b>(3,510,326)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Assets	-	-	-	-	-	-	-	-
Financial Derivative Liabilities	-	-	-	-	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>232,348</b>	<b>922,563</b>	<b>871,612</b>	<b>3,390,760</b>	<b>3,051,933</b>	<b>-</b>	<b>8,469,216</b>

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets and prepaid expenses are included in this column.

(\*\*) Shareholders' equity, provisions and unallocated part of sundry creditors are classified in other liabilities in unallocated column.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

##### Presentation of assets and liabilities according to their remaining maturities (Continued):

Prior Period 31.12.2024								
Assets	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	539,797	1,874,537	-	-	-	-	-	2,414,334
Banks	183,453	1,669,765	-	-	-	-	-	1,853,218
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-
Loans	-	-	500,428	-	-	-	-	500,428
Financial Assets Measured at Amortized Cost	-	-	-	1,462,107	-	-	-	1,462,107
Other Assets (*)	-	-	-	-	-	-	203,935	203,935
<b>Total assets</b>	<b>723,250</b>	<b>3,544,302</b>	<b>500,428</b>	<b>1,462,107</b>	<b>-</b>	<b>-</b>	<b>203,935</b>	<b>6,434,022</b>
<b>Liabilities</b>								
Bank Deposits	96,751	-	-	-	-	-	-	96,751
Other Deposits	107,076	1,588,833	-	327,066	-	-	-	2,022,975
Funds Borrowed from Other Financial Institutions	-	882,577	-	-	-	-	-	882,577
Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>203,827</b>	<b>2,471,410</b>	<b>-</b>	<b>327,066</b>	<b>-</b>	<b>-</b>	<b>3,431,720</b>	<b>6,434,022</b>
<b>Net Liquidity Gap</b>	<b>519,423</b>	<b>1,072,893</b>	<b>500,428</b>	<b>1,135,041</b>	<b>-</b>	<b>-</b>	<b>(3,227,785)</b>	<b>-</b>
<b>Net Off-Balance Sheet</b>								
<b>Position</b>	-	-	-	-	-	-	-	-
Financial Derivative Assets	-	-	-	-	-	-	-	-
Financial Derivative Liabilities	-	-	-	-	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>367,842</b>	<b>184,966</b>	<b>1,534,644</b>	<b>3,447,439</b>	<b>3,044,244</b>	<b>-</b>	<b>8,579,135</b>

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets and prepaid expenses are included in this column.

(\*\*) Shareholders' equity, provisions and unallocated part of sundry creditors classified in other liabilities in unallocated column.



# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

##### Liquidity coverage ratio:

The liquidity coverage ratio is calculated by dividing the high-quality liquid assets to the Bank's net cash outflows in the next 30 days' period. Important balance sheet items that determine the ratio are required reserves held by the CBRT, corporate deposits and receivables from banks. These items have higher impact on the liquidity coverage ratio than the other items due to high share of liquid assets and net cash outflows, higher rate of consideration and variability.

Current Period 31.03.2025		Total Unweighted Value (Average)(*)		Total Weighted Value (Average)(*)	
High-Quality Liquid Assets		TL+FC	FC	TL+FC	FC
1	Total high-quality liquid assets (HQLA)			4,029,554	1,439,119
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured wholesale funding, of which:	1,575,399	1,303,915	638,016	527,824
6	Operational deposits	-	-	-	-
7	Non-operational deposits	1,562,303	1,293,485	624,920	517,394
8	Unsecured funding	13,096	10,430	13,096	10,430
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which:	-	-	-	-
11	Outflows related to derivative exposures and other collateral requirements	4,862	4,488	4,862	4,488
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	54,442	58,979	2,722	2,949
16	Total Cash Outflows			645,601	535,260
<b>Cash Inflows</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	473,348	274,608	467,396	274,608
19	Other cash inflows	12,529	10,076	12,529	10,076
20	Total Cash Inflows	485,877	284,684	479,925	284,684
21	Total HQLA			4,029,554	1,439,119
22	Total Net Cash Outflows			161,400	133,815
23	Liquidity Coverage Ratio (%)			1,603	586

(\*) The arithmetic average of the last three months weekly-unconsolidated Liquidity Coverage Ratios are used.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

##### Liquidity coverage ratio:

Prior Period 31.12.2024		Total Unweighted Value (Average)(*)		Total Weighted Value (Average)(*)	
High-Quality Liquid Assets		TL+FC	FC	TL+FC	FC
1	Total high-quality liquid assets (HQLA)			3,617,245	1,426,524
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured wholesale funding, of which:	1,433,176	1,206,717	605,863	515,217
6	Operational deposits	-	-	-	-
7	Non-operational deposits	1,378,855	1,152,500	551,542	461,000
8	Unsecured funding	54,321	54,217	54,321	54,217
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which:	-	-	-	-
11	Outflows related to derivative exposures and other collateral requirements	34,365	18,488	34,365	18,488
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	53,207	57,641	2,660	2,882
16	Total Cash Outflows			642,888	536,587
<b>Cash Inflows</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	332,867	231,293	328,641	231,293
19	Other cash inflows	17,689	9,950	17,689	9,950
20	Total Cash Inflows	350,556	241,243	346,330	241,243
21	Total HQLA			3,617,245	1,426,524
22	Total Net Cash Outflows			160,722	134,147
23	Liquidity Coverage Ratio (%)			1,093	487

(\*) The arithmetic average of the last three months weekly-unconsolidated Liquidity Coverage Ratios are used.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity coverage ratios are calculated on a weekly and monthly basis as of January 1, 2015 in accordance with the "Regulation on Calculation of the Liquidity Coverage Ratio of Banks" published in the Official Gazette No. 28948 dated March 21, 2014 and are subject to legal reporting. Liquidity coverage ratio must be at least 80% for foreign currency assets and liabilities for 2021, and at least 100% for total assets and liabilities. The dates and values of the lowest and highest foreign currency and total unconsolidated liquidity coverage ratios calculated weekly for the last three months are explained in the table below:

<b>Current Period 31.03.2025</b>					
	<b>Highest</b>	<b>Date</b>	<b>Lowest</b>	<b>Date</b>	<b>Average</b>
TL+FC	2,556	February 21, 2025	973	March 28, 2025	1,603
FC	1,124	January 10, 2025	277	January 03, 2025	586
<b>Prior Period 31.12.2024</b>					
	<b>Highest</b>	<b>Date</b>	<b>Lowest</b>	<b>Date</b>	<b>Average</b>
TL+FC	3,245	December 06, 2024	503	October 25, 2024	1,093
FC	1,097	December 06, 2024	221	November 15, 2024	487

The net stable funding ratio (NSFR), which is a complementary liquidity measurement method to the LCR that measures banks' resilience to short-term liquidity shocks and is calculated by taking maturity matching into account, was legally shared as of January 1, 2024. The BRSA has set out the principles and procedures for banks to ensure stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and unconsolidated basis in the long term. Pursuant to the "Regulation on Banks' Calculation of Net Stable Funding Ratio" published in the Official Gazette No. 32202 dated May 26, 2023, the three-month simple arithmetic average of the consolidated and unconsolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than 100% as of March, June, September and December.

NSFR is defined as the ratio of available stable funding (ASF) to required stable funding (RSF). The book values of assets and liabilities in accordance with IFRS are taken into account and weighted by multiplying the disclosure schedules published by the BRSA by the NSFR and GRF factors. Available stable funding is capital and liabilities that provide resources to the bank for more than 1 year. Required stable funding is a function of the maturity and liquidity capacity of the bank's assets and the liquidity risk arising from off balance sheet transactions. Capital, long-term borrowings, and customer deposits constitute the largest weight in the bank's current stable funding.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

		Unweighted Amount According to Residual Maturity				
Current Period		Demand	Residual	Residual	Residual	Total Weighted Amount Applied
			Maturity Less than 6 Months	Maturity of 6 Months and Longer But Less Than 1 Year	Maturity of 1 Year and More	
<b>Available Stable Funding</b>						
1	Capital Instruments	3,174,037	-	-	-	3,125,210
2	Tier 1 and Tier 2 Capital	3,125,210	-	-	-	3,125,210
3	Other Capital Instruments	48,827	-	-	-	-
4	Real-person and Retail Customer Deposits	-	-	-	-	-
5	Stable Deposit/Participation Fund	-	-	-	-	-
6	Low Stable Deposit/Participation Fund	-	-	-	-	-
7	Obligations to Other Parties	264,866	1,521,783	-	-	839,041
8	Operational Deposit/Participation Fund	156,299	1,521,783	-	-	839,041
9	Other Obligations	108,567	-	-	-	-
10	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11	Other Liabilities	151,294	459,144	12,627	11,929	-
12	Derivative Liabilities	-	-	-	-	-
13	All other equity not included in the above categories	151,294	459,144	12,627	11,929	-
14	<b>Available Stable Funding</b>					<b>3,964,251</b>
<b>Required Stable Funding</b>						
15	High Quality Liquid Assets	777,826	1,817,312	-	-	-
16	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	212,250	55	-	-	31,846
17	Performing Loans	-	901,712	1,048,136	250,000	589,992
18	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	901,712	698,136	-	79,992
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	-	-	-
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	350,000	250,000	510,000
21	Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
22	Residential mortgages	-	-	-	-	-
23	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	-	-	-	-	-
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	168,098	332,036	70,326	17,929	570,460
27	Physical traded commodities, including gold	-	-	-	-	-
28	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	-	-	-
29	Derivative Assets	-	-	-	-	-
30	Derivative Liabilities Before Deduction of Variation Margin	-	-	-	-	-
31	Other Assets not Included Above	168,098	332,036	70,326	17,929	570,460
32	Off-balance sheet commitments	-	1,317,658	708,865	6,442,693	423,461
33	<b>Required Stable Funding</b>					<b>1,615,759</b>
34	<b>Net Stable Funding Rate (%)</b>					<b>245.35</b>

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

		Unweighted Amount According to Residual Maturity				Total Weighted Amount Applied
		Demand	Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year	Residual Maturity of 1 Year and More	
Prior Period						
Available Stable Funding						
1	Capital Instruments	3,044,109	-	-	-	3,044,109
2	Tier 1 and Tier 2 Capital	3,044,109	-	-	-	3,044,109
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	-	-	-	-	-
5	Stable Deposit/Participation Fund	-	-	-	-	-
6	Low Stable Deposit/Participation Fund	-	-	-	-	-
7	Obligations to Other Parties	203,827	2,756,219	-	-	990,644
8	Operational Deposit/Participation Fund	107,076	1,874,211	-	-	990,644
9	Other Obligations	96,751	882,008			-
10	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11	Other Liabilities	41,519	296,697	9,414	82,237	-
12	Derivative Liabilities	-	-	-	-	-
13	All other equity not included in the above categories	41,519	296,697	9,414	82,237	-
14	Available Stable Funding					4,034,753
Required Stable Funding						
15	High Quality Liquid Assets	811,403	1,602,333			-
16	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	183,453	1,661,215			489,206
17	Performing Loans	-	666,234	812,993	250,000	233,961
18	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	466,234	812,993	-	63,961
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets					
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	200,000	-	250,000	170,000
21	Loans with a risk weight of less than or equal to 35%					
22	Residential mortgages					
23	Residential mortgages with a risk weight of less than or equal to 35%					
24	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics					
25	Assets equivalent to interconnected liabilities					
26	Other Assets	151,369	214,823	80,199	-	446,391
27	Physical traded commodities, including gold					
28	Initial Margin for Derivative Contracts or Guarantee					
29	Fund Given to Central Counterparty		-	-	-	-
30	Derivative Assets	-	-	-	-	-
31	Derivative Liabilities Before Deduction of Variation Margin		-	-	-	-
32	Other Assets not Included Above	151,369	214,823	80,199	-	446,391
33	Off-balance sheet commitments	-	1,377,764	709,688	6,491,683	428,957
33	Required Stable Funding					1,598,515
34	Net Stable Funding Rate (%)					252.41

Net stable funding ratio for the last three months including the reporting period was 245.35% (Last quarter of 2024: 252.41%).

The Bank's Net Stable Funding Ratio (NSFR) declined from 252.41 % to 245.35 between December 2024 and March 2025, but remained above the legal limit (100%).

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### VI. EXPLANATIONS ON LEVERAGE RATIO

The leverage ratio calculated by the Bank in accordance with the “Regulation on Measurement and Evaluation of Leverage Level of Banks” is 22.93 % (December 31, 2024: 20.68 %). This rate is above the minimum rate, and the regulation stipulated the minimum leverage rate as 3%.

The table of leverage ratio calculated in accordance with the Regulation on Assessment and Calculation of Banks’ Leverage ratio published in the Official Gazette numbered 28812 and dated November 5, 2013 shown below.

	Current Period 31.03.2025 (*)	Prior Period 31.12.2024 (*)
1 Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	5,506,506	5,871,102
2 (Assets deducted in determining Tier 1 capital)	81,622	65,546
3 Total balance sheet risks (sum of lines 1 and 2)	5,424,884	5,805,556
<b>Derivative financial instruments and credit derivatives</b>		
4 Replacement cost associated with all derivative financial instruments and credit derivatives	-	-
5 Potential credit risk associated with all derivative financial instruments and credit derivatives	-	-
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	-	-
<b>Securities or commodity financing transactions (SCFT)</b>		
7 Risks from SCFT assets (except for on-balance sheet)	-	-
8 Risks from brokerage activities related exposures	-	-
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
<b>Off-balance sheet transactions</b>		
10 Gross notional amounts of off-balance sheet transactions	8,123,700	8,643,697
11 (Adjustments for conversion to credit equivalent amounts)	-	-
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	8,123,700	8,643,697
<b>Capital and total risks</b>		
13 Tier 1 capital	3,102,430	2,985,851
14 Total risks (sum of lines 3, 6, 9 and 12)	13,548,584	14,449,254
15 <b>Leverage ratio</b>	<b>22.93</b>	<b>20.68</b>

(\*) Represents yearly weighted average amounts.

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**

**VII. EXPLANATIONS ON SECURITIZATION POSITIONS**

None.

**VIII. EXPLANATIONS ON RISK MANAGEMENT**

Footnotes and related explanations are given in the section prepared based on “Communiqué on Public Disclosures Regarding to Banks Risk Management” published in Official Gazette No. 29511 at October 23, 2015 and became effective as of December 31, 2016. Based on this communiqué, the tables, which are to be prepared according to Internal rating-based (IRB) approach must be presented, are not presented because standard approach is used in calculation of the Bank’s capital adequacy.

**1. Explanations on Risk Management and Risk Weighted Assets**

**1.1. Bank’s Risk Management Approach**

Risk management covers the processes of measuring and monitoring risks, controlling and reporting risks within certain limits. These activities are carried out by Risk Management by reporting directly to the Internal Systems Officer. The Risk Management function is independent from the executive units and fulfils its responsibilities to the Board of Directors through the Audit Committee and the Risk Committee. Risk Control Committee has been established to act as senior management level subcommittee for risk management.

Under overarching principles of Comprehensive Risk Management policy, policies and procedures related to each quantifiable risks such as Credit Risk, Market Risk, Liquidity Risk, Operational Risk Management Policies as well as of un-quantifiable risks such as Reputation Risk Policy have been formulated and approved by the Board of Directors.

The Internal Capital Adequacy Assessment Procedure for the determination of the internal capital requirements of the Bank and evaluating its adequacy was approved by the Board of Directors.

Credit and operational risk constitute the major risk factors in terms of the types of risks that the Bank is exposed to. For the quantifiable and significant risks that the Bank is exposed to, written limits, risk appetite and early warning thresholds were set in the General Risk Limit Policy which is approved by the Board of Directors.

Risk appetite and limits are reviewed regularly by the Internal Systems Officer, Risk Management Director, Risk Committee and the Bank's top management in a manner not to exceed the legal limits stated in the legislation and if deemed necessary, re-determined with the approval of the Board of Directors.

Risks are measured using methods that comply with international and local regulations, the Bank’s policies and procedures suitable for the Bank's structure, stress tests and scenario analyses are conducted and reported regularly to the senior management, Risk Committee and the Board of Directors. Risk measurements are included in the Bank's decision-making processes.

The risk reports prepared for assessing the risks of the Bank are regularly shared with the Board of Directors and senior management. Within the scope of the reports; information on compliance with the limits and risk appetite indicators defined on the basis of each type of risk, results related to capital adequacy and results of stress tests are given.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

#### VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 1. Explanations on Risk Management and Risk Weighted Assets (Continued)

##### 1.2. Overview of Risk Weighted Amounts

		Risk Weighted Amounts		Minimum Capital Liability	
		Current Period 31.03.2025	Prior Period 31.12.2024	Current Period 31.03.2025	Prior Period 31.12.2024
1	Credit risk (excluding counterparty credit risk) (CCR)	8,831,992	9,193,197	706,559	735,456
2	Standardized approach (SA)	8,831,992	9,193,197	706,559	735,456
3	Internal rating-based (IRB) approach	-	-	-	-
4	Counterparty credit risk	-	-	-	-
5	Standardized approach for counterparty credit risk (SACCR)	-	-	-	-
6	Internal Model method (IMM)	-	-	-	-
7	Basic risk weight approach to internal modals equity position in the banking account	-	-	-	-
8	Investments made in collective investment companies –look– through approach	-	-	-	-
9	Investments made in collective investment companies –mandate-based approach	-	-	-	-
10	Investments made in collective investment companies –%1250 weighted risk approach	-	-	-	-
11	Settlement risk	-	-	-	-
12	Securitization positions in banking accounts	-	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-	-
14	IRB supervisory formula approach (SFA)	-	-	-	-
15	SA/simplified supervisory Formula Approach (SSFA)	-	-	-	-
16	Market risk	175,998	177,637	14,080	14,211
17	Standardized approach (SA)	175,998	177,637	14,080	14,211
18	Internal model approaches (IMM)	-	-	-	-
19	Operational risk	1,725,547	968,126	138,044	77,450
20	Basic indicator approach	1,725,547	968,126	138,044	77,450
21	Standard approach	-	-	-	-
22	Advanced measurement approach	-	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-	-
24	Floor Adjustments	-	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>10,733,537</b>	<b>10,338,960</b>	<b>858,683</b>	<b>827,117</b>



# **BANK OF CHINA TURKEY A.Ş.**

## **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### **SECTION FIVE**

#### **EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS**

#### **I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS**

##### **1. Information on cash and balances with the Central Bank of Turkey**

###### **1.1 Information on cash and cash equivalents**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash in TL /Foreign Currency	-	-	-	-
Balances with the Central Bank of Turkey	1,064,880	1,530,743	51,807	2,362,527
Other	-	-	-	-
<b>Total</b>	<b>1,064,880</b>	<b>1,530,743</b>	<b>51,807</b>	<b>2,362,527</b>

###### **1.2 Information related to account of Central Bank of Turkey**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Unrestricted Demand Deposits	2,880	466,531	1,807	488,588
Unrestricted Time Deposits	1,062,000	-	50,000	-
Restricted Time Deposits	-	1,064,212	-	1,873,939
<b>Total</b>	<b>1,064,880</b>	<b>1,530,743</b>	<b>51,807</b>	<b>2,362,527</b>

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

##### 2. Information on financial assets at fair value through profit or loss

###### 2.1 Information on financial assets at fair value through profit or loss subject to repurchase agreement

As of March 31, 2025, there are no financial assets at fair value through profit or loss subject to repurchase agreement (December 31, 2024: None).

As of March 31, 2025, the Bank does not have any collateral assets in exchange for Istanbul Stock Exchange (December 31, 2024: None).

###### 2.2 Positive differences related to financial assets at fair value through profit or loss

None (December 31, 2024: None).

##### 3. Positive differences related to derivative financial assets

None (December 31, 2024: None).

##### 4. Information on Banks

###### 4.1. Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
<i>Domestic</i>	5,536	13,321	1,573,048	10,349
<i>Foreign</i>	-	199,313	-	269,821
<i>Foreign head-offices and branches</i>	-	-	-	-
<b>Total</b>	<b>5,536</b>	<b>212,634</b>	<b>1,573,048</b>	<b>280,170</b>

###### 4.2. Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	21,747	145,687	-	-
USA, Canada	51,309	30,203	-	-
OECD Countries *	126,257	93,931	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>199,313</b>	<b>269,821</b>	<b>-</b>	<b>-</b>

(\*) OECD countries other than European Union countries, USA and Canada

###### 4.3 Expected credit losses for cash and cash equivalents

Current Period	Stage 1	Stage 2	Stage 2	Total
<b>Balances at End of Prior Period</b>	<b>841</b>	-	-	<b>841</b>
Additions during the Period	24	-	-	24
Disposal	(820)	-	-	(820)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	-	-	-	-
<b>Balances at End of Period</b>	<b>45</b>	-	-	<b>45</b>

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)****5. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income****5.1. Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral/blocked**

As of March 31, 2025, there are no financial assets at fair value through other comprehensive income subject to repurchase agreement (December 31, 2024: None). As of March 31, 2025, there are no financial assets given as collateral/blocked (December 31, 2024: None).

**5.2. Other financial assets measured at amortized cost**

As of March 31, 2025, the Bank's other financial asset measured at amortized cost is TL 1,933,414. (December 31, 2024: TL 1,462,107).

	Current Period	Prior Period
<b>Debt Securities</b>	<b>1,933,414</b>	<b>1,462,107</b>
Quoted at Stock Exchange	1,933,414	1,462,107
Unquoted at Stock Exchange	-	-
<b>Stocks and Shares</b>	<b>-</b>	<b>-</b>
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	-	-
Value Increases/Impairment Losses (-)	-	-
<b>Total</b>	<b>1,933,414</b>	<b>1,462,107</b>

**6. Information on Loans****6.1. Information on all types of loans and advances given to shareholders and employees of the Bank**

None (December 31, 2024: None).

**6.2. Information on the first and second group loans and other receivables including rescheduled or restructured loans**

Cash Loans	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring		
		Loans and Receivables Not Subject to Restructuring	Restructured Loans and Receivables	
			Loans and Receivables with Revised Contract Terms	Re-finance
<b>Non-Specialized Loans</b>	<b>617,929</b>	-	-	-
Loans Given to Enterprises	-	-	-	-
Export Loans	267,929	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	-	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	350,000	-	-	-
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>617,929</b>	<b>-</b>	<b>-</b>	<b>-</b>

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)****6. Information on Loans (Continued)****6.2. Information on the first and second group loans and other receivables including rescheduled or restructured loans (continued)**

<b>Expected Credit Losses</b>	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
12 Months Expected Credit Loss	469	-
Significant Increase in Credit Risk	-	-
<b>Total</b>	<b>469</b>	<b>-</b>

**6.3. Distribution of cash loans according to their maturities**

	<b>Standard Loans</b>	<b>Loans Under Close Monitoring Loans without Revised Contract Terms</b>	<b>Restructured Loans</b>
Short-term Loans	-	-	-
Medium and Long-term Loans	617,929	-	-
<b>Total</b>	<b>617,929</b>	<b>-</b>	<b>-</b>

**6.4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

None (December 31, 2024: None).

**6.5. Information on commercial instalment loans and corporate credit cards**

None (December 31, 2024: None).

**6.6. Loans according to types of borrowers**

	<b>Current Period</b>	<b>Prior Period</b>
Public	-	-
Private	617,929	500,428
<b>Total</b>	<b>617,929</b>	<b>500,428</b>

**6.7. Distribution of domestic and foreign loans**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	617,929	500,428
Foreign Loans	-	-
<b>Total</b>	<b>617,929</b>	<b>500,428</b>

**6.8. Loans given to associates and subsidiaries**

None (December 31, 2024: None).

**6.9. Credit-Impaired Losses Stage III Provisions**

None (December 31, 2024: None).

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

##### 6. Information on Loans (Continued)

###### 6.10. Explanations on non-performing loans

In order to ensure the collection and liquidation of the Bank's receivables that have become problematic due to loss of creditworthiness and for which legal proceedings have been ordered, the most appropriate course of action is determined by evaluating issues such as the nature of the loan, the collateral situation, the goodwill of the debtor and the urgency of the proceedings. Although the liquidation of the risk is mainly preferred through administrative initiatives and negotiations with the debtors, within the scope of the evaluations made, the method of liquidation of the receivable is also applied by directly initiating legal proceedings. However, the initiation of legal proceedings does not mean the end of administrative negotiations. An agreement can be made with the debtor for the liquidation of the Bank's receivable at any stage, provided that it is agreed upon.

###### 6.11. Explanations on write-off policy

In order to ensure the collection and liquidation of the Bank's receivables, which are given legal follow-up instructions due to the loss of credit worthiness, the subjects such as the quality of the loan, the condition of the loan, the good will of the debtor and the urgency of the follow-up are determined, and the most appropriate action style is determined. Although the elimination of the risk is preferred through the administrative interventions and negotiations in the debtors, the liquidation method of the receivable is used by directly initiating legal follow-up procedures. However, the fact that legal proceedings have been initiated does not mean that administrative interviews have ended. An agreement can be made with the debtor regarding the liquidation of the Bank's receivables at each stage, if it is agreed.

As of March 31, 2024, the Bank does not have any written-off assets (December 31, 2024: None).

###### 6.12. Explanations on expected credit losses for loans

Current Period	Stage 1	Stage 2	Stage 3	Total
<b>Balances at End of Prior Period</b>	<b>417</b>	-	-	<b>417</b>
Additions during the Period	109	-	-	109
Disposal	(57)	-	-	(57)
Debt Sale	-	-	-	-
Write-offs	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	-	-	-	-
<b>Balances at End of Period</b>	<b>469</b>	-	-	<b>469</b>

###### 6.13. Information on interest accruals, rediscounts, valuation differences and their provisions calculated for non-performing loans in accordance with TFRS 9

None (December 31, 2024: None).

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

##### 7. Information on financial assets measured at amortized cost

###### 7.1. Information on financial assets that are subject to repo transactions and are given as collateral / blocked, and measured financial assets

There are no financial assets subject to repurchase agreements in the current Period (December 31, 2024: None). As of March 31, 2025, the Bank does not have securities given as collateral (December 31, 2024: None).

###### 7.2. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bond	1,933,414	1,462,107
Treasury Bonds	-	-
Other Public Debt Securities	-	-
<b>Total</b>	<b>1,933,414</b>	<b>1,462,107</b>

###### 7.3. Information on investments measured at amortized cost

	Current Period	Prior Period
Debt Securities	1,933,414	1,462,107
<i>Quoted at Stock Exchange</i>	1,933,414	1,462,107
<i>Unquoted at Stock Exchange</i>	-	-
Value Increases/Impairment Losses (-)	-	-
<b>Total</b>	<b>1,933,414</b>	<b>1,462,107</b>

###### 7.4. Movements of investments measured at amortized cost during the year

	Current Period	Prior Period
<b>Opening balance</b>	1,462,107	128,362
Foreign exchange differences in monetary assets	-	-
Purchases during the year	320,622	22,998,264
Disposals through sales and redemptions	-	(21,664,519)
Change in the fair values of financial assets	150,685	-
<b>Period end balance</b>	<b>1,933,414</b>	<b>1,462,107</b>

###### 7.5. Explanations on expected credit losses for financial assets measured at amortized cost

Current Period	Stage 1	Stage 2	Stage 2	Total
<b>Balances at End of Prior Period</b>	<b>119</b>	-	-	<b>119</b>
Additions during the Period	25	-	-	25
Disposal	(44)	-	-	(44)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	-	-	-	-
<b>Balances at End of Period</b>	<b>100</b>	-	-	<b>100</b>

##### 8. Information on associates

The Bank has no associates as of March 31, 2025 (December 31, 2024: None).

##### 9. Information on subsidiaries (net)

The Bank has no subsidiaries as of March 31, 2025 (December 31, 2024: None).

# **BANK OF CHINA TURKEY A.Ş.**

## **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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### **EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

#### **I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)**

##### **10. Information on entities under common control (Joint Ventures)**

The Bank does not have investments in entities under common control as of March 31, 2025 (December 31, 2024: None).

##### **11. Information on lease receivables**

The Bank does not have lease receivables as of March 31, 2025 (December 31, 2024: None).

##### **12. Information on derivative financial assets held for hedging purposes**

There are no derivative financial instruments for hedging purposes (December 31, 2024: None).

##### **13. Information on tangible assets**

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks."

##### **14. Information on intangible assets**

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks."

##### **15. Information on investment properties (net)**

None (December 31, 2024: None).

##### **16. Information on current tax assets**

None (December 31, 2024: None).

##### **17. Information on Deferred Tax asset**

For taxable temporary differences arising between the book value of an asset or liability and its tax base determined in accordance with the tax legislation, the Bank will obtain financial profit that can be deducted in the following periods according to the provisions of "TAS 12 - Income Taxes", BRSA's explanations and circulars and tax legislation, calculates deferred tax on deductible temporary differences, to the extent possible.

As of March 31, 2025, net deferred tax assets amounted to TL 78,557 (December 31, 2024: TL 69,322) has been reflected in the financial statements of the Bank after netting the deferred tax asset amounting to TL 12,316 (December 31, 2024: TL 6,576) and the tax liability amounting to TL 66,241 (December 31, 2024: TL 62,746).

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)****18. Information on Deferred Tax asset (continued)**

Current and prior period deferred tax assets and liabilities movements are as follows:

	<b>Accumulated Temporary Differences</b>		<b>Deferred Tax Assets/(Liabilities)</b>	
	<b>31.03.2025</b>	<b>31.12.2024</b>	<b>31.03.2025</b>	<b>31.12.2024</b>
- Retirement Pay and Unused Vacation Provision	3,220	2,706	966	812
- Bonus Provision	151,439	114,634	45,432	34,390
- Differences Arising from Market Value of Derivative Financial Instruments	-	-	-	-
- Commission charged in advance	49,543	38,075	14,863	11,423
- Expected Credit Loss According to TFRS 9	29,760	27,189	8,928	8,157
- MTM-TFRS16 difference	27,894	29,233	8,368	8,770
- MTM-TFRS difference for interest income/expense	-	564	-	168
- MTM – SL securities interest difference	-	18,672	-	5,601
<b>Deferred Tax Assets</b>	<b>261,856</b>	<b>231,073</b>	<b>78,557</b>	<b>69,322</b>
- Tangible Assets Amortization Differences	(20,185)	(21,920)	(6,055)	(6,576)
- MTM – SL securities interest difference	(123)	-	(37)	-
- MTM-TFRS difference for interest income/expense	(15,258)	-	(4,578)	-
- Financial Activity Fee	(5,485)	-	(1,646)	-
<b>Deferred Tax Liabilities</b>	<b>(41,051)</b>	<b>(21,920)</b>	<b>(12,316)</b>	<b>(6,576)</b>
<b>Deferred Tax Assets/(Liabilities), Net</b>	<b>220,805</b>	<b>209,153</b>	<b>66,241</b>	<b>62,746</b>

**18. Information on assets held for sale and non-current assets related to discontinued operations**

None (December 31, 2024: None).

**19. If the other assets item of the balance sheet exceeds 10% of the total balance sheet excluding commitments in the off-balance sheet accounts, the names and amounts of the sub-accounts constituting at least 20% of the balance sheet**

Other assets do not exceed 10% of total assets excluding the off-balance sheet items (December 31, 2024: None).



# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

#### 1. Information on deposits

##### 1.1. Information on maturity structure of deposits

Current Period	Demand	7 Days' Notice	Up to 1 Month	1-3 Months	3-6 Months	6-1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Deposits	148,035	-	-	1,161,885	-	-	-	-	1,309,920
Residents in Turkey	148,035	-	-	1,161,885	-	-	-	-	1,309,920
Residents Abroad	-	-	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	8,265	-	61,488	-	366,570	-	-	-	436,323
Other Ins. Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Interbank Deposits	108,567	-	-	-	-	-	-	-	108,567
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	107,400	-	-	-	-	-	-	-	107,400
Foreign Banks	1,167	-	-	-	-	-	-	-	1,167
Special Finan. Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>264,867</b>	<b>-</b>	<b>61,488</b>	<b>1,161,885</b>	<b>366,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,854,810</b>
Prior Period	Demand	7 Days' Notice	Up to 1 Month	1-3 Months	3-6 Months	6-1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Deposits	100,847	-	1,251,002	-	-	-	-	-	1,351,849
Residents in Turkey	100,847	-	1,251,002	-	-	-	-	-	1,351,849
Residents Abroad	-	-	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	6,230	-	336,051	-	328,844	-	-	-	671,125
Other Ins. Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Interbank Deposits	96,751	-	-	-	-	-	-	-	96,751
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	95,584	-	-	-	-	-	-	-	95,584
Foreign Banks	1,167	-	-	-	-	-	-	-	1,167
Special Finan. Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>203,828</b>	<b>-</b>	<b>1,587,053</b>	<b>-</b>	<b>328,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,119,725</b>

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

##### 1.2. Information on saving deposits under insurance

###### 1.2.1. Amounts exceeding the insurance limit

In accordance with the “Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund” published in the Official Gazette dated August 27, 2022 and numbered 31936, the official institutions, credit institutions and financial institutions other than those belonging to the credit institutions All deposit and participation funds have been insured.

Saving deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Deposits	5,504	3,289	430,819	667,838
Foreign currency saving deposits	2,802	4,032	1,307,118	1,346,285
Other deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

##### 1.3. Saving deposits that are not under the guarantee of deposit insurance fund

There are no saving deposits that are not under the guarantee of deposit insurance fund as of March 31, 2025 (December 31, 2024: None).

#### 2. Information on derivative financial liabilities

##### 2.1. Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	-	-	-

#### 3. Information on borrowings

##### 3.1. Banks and other financial institution

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From domestic Banks and Institutions	-	-	-	-
From Foreign Banks, Institutions and Funds	-	-	-	882,577
<b>Total</b>	-	-	-	882,577

##### 3.2. Maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	-	-	-	882,008
Medium and Long-term	-	-	-	569
<b>Total</b>	-	-	-	882,577

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

**4. If the foreign liabilities of the balance exceed 10% of the total balance sheet excluding the penalty and off-balance sheet commitments, the names and amounts of the sub-accounts constituting at least 20%**

Other foreign liabilities do not exceed 10% of the balance sheet total (December 31, 2024: Not exceeding).

**5. Information on Lease Obligations**

**5.1. Criteria used in the determination of lease instalments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**

The Bank does not have any financial lease agreement (December 31, 2024: None).

**5.2. Detailed explanation of contract amendments and new obligations of these amendments to the Bank**

The Bank does not have any financial lease agreement (December 31, 2024: None).

**5.3. Information on lease liabilities**

As of March 31, 2025, total net lease liability amount of the Bank is TL 35,439 (December 31, 2024: TL 33,323).

**5.4. Information on “Sale -and- lease back” agreements**

The Bank does not have any sale-and-lease back transactions in the current Period (December 31, 2024: None).

**6. Information on derivative financial liabilities for hedging purposes**

There are no derivative financial liabilities for hedging purposes (December 31, 2024: None).

**7. Information on Provisions**

**7.1. Information on provisions related with foreign currency difference of foreign indexed loans**

As of March 31, 2025, the Bank has no provision related to foreign currency differences of foreign indexed loans (December 31, 2024: None).

**7.2. Information on provisions for non-cash loans that are non-funded and non-transformed into cash**

	Current Period	Prior Period(*)
Provisions for Non-cash Loans	29,146	25,605
<b>Total</b>	<b>29,146</b>	<b>25,605</b>

**7.2.1. Provision for probable losses**

None (December 31, 2024: None).

**7.2.2. The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions**

Other provisions do not exceed 10% of the total provisions (December 31, 2024: Not exceed).

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

#### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

##### 7.2.3. Explanations on reserves for employee benefit

The table of current and prior period retirement pay provision is as follows:

	Current Period	Prior Period
Opening Balance, January 1	331	1,433
Period expenses	108	(1,056)
Payments made	-	-
Actuarial Difference	(68)	(46)
<b>Closing Balance, December 31</b>	<b>371</b>	<b>331</b>

In accordance with the current labour law in Turkey, the Bank is required to pay termination benefits to the personnel who are dismissed from work due to retirement or who are terminated for reasons other than resignation and abuse. These compensations are the 30-day Gross wage for each year of work based on the wage on the date of dismissal. As of March 31, 2025, and December 31, 2024, the ceiling of the provision for employment termination benefits is TL 46,655.43 (full TL).

In the financial statements of March 31, 2025 and December 31, 2024, the Bank calculates the termination indemnity by discounting the annual inflation and interest rate usage. The inflation and interest rates used are as follows:

	Current Period	Prior Period
Inflation Rate	24.82%	24.82%
Interest Rate	27.50%	27.50%

As of March 31, 2025, total provision for employee benefits amounting to TL 154,659 (December 31, 2024: TL 117,340) is composed of TL 2,849 unused vacation provision (December 31, 2024: TL 2,375), TL 151,439 bonus provision (December 31, 2024: TL 114,634), TL 371 provision for employee termination benefits (December 31, 2024: 1,433 TL).

#### 8. Explanations on Tax Liability

As of March 31, 2025, the Bank has current tax liability of TL 193,743 (December 31, 2024: TL 102,155).

The Bank has a corporate tax amount of TL 168,233 (December 31, 2024: TL 84,126)

##### 8.1. Information on tax payables

	Current Period	Prior Period
Corporate taxes payable	168,233	84,126
Taxation on securities	806	731
Property tax	63	17
Banking and Insurance Transaction Tax (BITT)	6,039	1,637
Taxes on foreign exchange transactions	-	-
Value added taxes payable	337	2,615
Other	15,582	10,725
<b>Total</b>	<b>191,060</b>	<b>99,851</b>

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

#### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

##### 8.2. Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	1,005	902
Social Security Premiums- Employer	1,500	1,235
Unemployment Insurance- Employee	59	56
Unemployment Insurance- Employer	119	111
Other	-	-
<b>Total</b>	<b>2,683</b>	<b>2,304</b>

##### 8.3. Explanations on deferred tax liabilities

None (December 31, 2024: None).

#### 9. Information on liabilities regarding assets held for sale and discontinued operations

None (December 31, 2024: None).

#### 10. Explanations on Subordinated loans

None (December 31, 2024: None).

#### 11. Information on Shareholders' equity

##### 11.1. Paid in Capital

The Bank's paid-in capital is TL 1,051,230 as of March 31, 2025 (December 31, 2024: TL 1,051,230). The capital does not have a share certificate.

##### 11.2. Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling

Registered share capital system is not applied.

##### 11.3. Capital increases and sources in the current period and other information based on increased capital shares

None (December 31, 2024: None).

##### 11.4. Information on share capital increases from capital reserves during the current period

None (December 31, 2024: None).

##### 11.5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

None (December 31, 2024: None).

##### 11.6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators

Forecasts are made taking into account the prior period indicators of the Bank's income, profitability and liquidity and the uncertainties in these indicators, and their estimated effects on equity are prepared by the Finance Department and reported to the top management.

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

#### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

##### 11. Information on Shareholders' equity (Continued)

##### 11.7. Information on privileges given to shares representing the capital

None (December 31, 2024: None).

##### 11.8. Information on marketable securities value increase fund

None (December 31, 2024: None).

##### 11.9. Information on profit distribution

It was decided to distribute unconsolidated net profit of the year 2024 in the amount of TL 807,284 in accordance with the General Assembly dated March 27, 2025 as follows: TL 63,229 to be transferred to legal reserves, TL 631,548 to be transferred to undistributed profits and TL 112,508 to be distributed as cash dividend. The transfer of TL 807,284 to reserve funds and dividend payable accounts was carried out on March 27, 2025. The portion of the dividends amounting to TL 112,508 has not yet been paid to partners and payment is planned for May.

##### 11.10. Information on minority interest

None (December 31, 2024: None).

##### III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

##### 1. Information on off-balance sheet commitments

##### 1.1. Nature and amount of irrevocable loan commitments

None (December 31, 2024: None).

##### 1.2. Possible losses and commitments related to off-balance sheet items, including the ones listed below

##### 1.2.1. Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Guarantees	7,856,651	8,054,482
Bills of Exchange and Acceptances	-	-
Letters of Credit	-	-
<b>Total</b>	<b>7,856,651</b>	<b>8,054,482</b>

##### 1.2.2. Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Temporary letter of guarantees	56,648	-
Revocable letters of guarantee	-	-
Letters of guarantee given in advance	12,144	76,966
Other letter of guarantees	543,773	447,687
<b>Total</b>	<b>612,565</b>	<b>524,653</b>

## BANK OF CHINA TURKEY A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

#### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (Continued)

##### 1.3. Explanation on Non-cash loans

##### 1.3.1. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	7,856,651	8,054,482
With Original Maturity of 1 Year or Less Than 1 Year	193,893	180,236
With Original Maturity of More Than 1 Year	7,662,758	7,874,246
Other Non-Cash Loans	612,565	524,653
<b>Total</b>	<b>8,469,216</b>	<b>8,579,135</b>

##### 1.4. Explanation on expected losses for non-cash loans and irrevocable commitments

Current Period	Stage 1	Stage 2	Stage 3	Total
<b>Balances at End of Prior Period</b>	<b>25,604</b>	-	-	<b>25,604</b>
Additions during the Period	3,341	-	-	3,341
Disposal	(7,460)	-	-	(7,460)
Sold Credits	-	-	-	-
Deleted from Active	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	7,661	-	-	7,661
<b>Balances at End of Period</b>	<b>29,146</b>	-	-	<b>29,146</b>

#### 2. Explanations on financial derivatives

It is not prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes Announced to Public by Banks.

#### 3. Explanation on credit derivatives and risk exposures due to these credit derivatives

None (December 31, 2024: None).

#### 4. Explanation on contingent liabilities and assets

None (December 31, 2024: None).

#### 5. Information on services in the name and account of others

None (December 31, 2024: None).

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT****1. Information on interest income****1.1. Information on interest on loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans	84,870	-	-	1,930
Short-term Loans	-	-	-	-
Medium/Long-term Loans	84,870	-	-	1,930
Interest on Loans Under Follow-up	-	-	-	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>84,870</b>	<b>-</b>	<b>-</b>	<b>1,930</b>

**1.2. Information on interest income received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	10,442	-	7,728
Domestic Banks	144,875	-	240,754	-
Foreign Banks	-	507	-	985
Branches and Head Office Abroad	-	-	-	-
<b>Total</b>	<b>144,875</b>	<b>10,949</b>	<b>240,754</b>	<b>8,713</b>

**1.3 Interest received from marketable securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Financial Assets Measured at Amortized Cost	150,685	-	20,403	-
<b>Total</b>	<b>150,685</b>	<b>-</b>	<b>20,403</b>	<b>-</b>

**1.4. Information on interest income received from associates and subsidiaries**

None (December 31, 2024: None).

**2. Information on Interest Expense****2.1. Information on interest on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>2,013</b>
TR Central Bank	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	-	115	-	2,013
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>2,013</b>



**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT  
(Continued)****2.2. Information on interest expenses to associates and subsidiaries**

None (December 31, 2024: None).

**2.3. Information on interest expenses to marketable securities**

None (December 31, 2024: None).

**2.4. Information on interest expense to maturity structure of deposits**

Current Period 31.03.2025								
Time Deposit								
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Month	Up to 1 Year	Over 1 Year	Accum. Deposit	Total
<b>Turkish Currency</b>								
Bank Deposits	-	138	-	-	-	-	-	138
Savings Deposits	-	-	-	-	-	-	-	-
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	6,251	14,629	39,272	-	-	-	60,152
Other Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>6,389</b>	<b>14,629</b>	<b>39,272</b>	-	-	-	<b>60,290</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	1,280	5,042	-	-	-	-	6,322
Bank Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,280</b>	<b>5,042</b>	-	-	-	-	<b>6,322</b>
<b>Grand Total</b>	-	<b>7,669</b>	<b>19,671</b>	<b>39,272</b>	-	-	-	<b>66,612</b>
Prior Period 31.03.2024								
Time Deposit								
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Month	Up to 1 Year	Over 1 Year	Accum. Deposit	Total
<b>Turkish Currency</b>								
Bank Deposits	-	10	-	-	-	-	-	10
Savings Deposits	-	-	-	-	-	-	-	-
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	3,021	-	-	-	-	-	3,021
Other Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious metal deposits	-	10	-	-	-	-	-	-
<b>Total</b>	-	<b>3,031</b>	-	-	-	-	-	<b>3,031</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	159	3,156	-	-	-	-	3,315
Bank Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>159</b>	<b>3,156</b>	-	-	-	-	<b>3,315</b>
<b>Grand Total</b>	-	<b>3,190</b>	<b>3,156</b>	-	-	-	-	<b>6,346</b>

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT (Continued)

##### 2. Information on Interest Expense (Continued)

###### 2.5. Interest expense on lease liabilities

	Current Period	Prior Period
Lease Interest Expenses	759	602
<b>Total</b>	<b>759</b>	<b>602</b>

##### 3. Information on dividend income

None (December 31, 2024 : None).

##### 4. Information on net trading income / loss

	Current Period	Prior Period
<b>Income</b>	<b>870,875</b>	<b>440,151</b>
Gains on Capital Market Operations	-	-
Gains on Derivative Financial Instruments	-	-
Foreign Exchange Gains	870,875	440,151
<b>Loss (-)</b>	<b>857,804</b>	<b>422,755</b>
Losses on Capital Market Operations	-	-
Losses on Derivative Financial Instruments	-	455
Foreign Exchange Losses	857,804	422,300
<b>Total</b>	<b>13,071</b>	<b>17,396</b>

##### 5. Information on other operating income

	Current Period	Prior Period
Adjustment to previous years expenses	986	5,220
Other	101	63
<b>Total</b>	<b>1,087</b>	<b>5,283</b>

##### 6. Impairment provisions on loans and other receivables

	Current Period	Prior Period
<b>Expected Credit Losses</b>	<b>3,552</b>	<b>406</b>
12 Month Expected Credit Loss (Stage 1)	3,552	406
Significant increase in credit risk (Stage 2)	-	-
Non-Performing Loans (Stage 3)	-	-
<b>Marketable Securities Impairment Provision</b>	<b>-</b>	<b>-</b>
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other	-	-
Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Held-to-</b>	<b>-</b>	<b>-</b>
<b>Maturity Securities Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
<b>Total</b>	<b>3,552</b>	<b>406</b>

**BANK OF CHINA TURKEY A.Ş.****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT  
(Continued)****7. Information related to other operational expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Employee Termination Benefits	110	70
Provision for Bank's Social Aid Fund Deficit	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Charges of Tangible Assets	5,306	1,994
Impairment Losses on Intangible Assets	-	-
Impairment losses on goodwill	-	-
Amortization Charges of Intangible Assets	1,525	705
Impairment Losses on Investment Accounted for under Equity Method	-	-
Impairment of Assets to be Disposed	-	-
Depreciation of Assets to be Disposed	-	-
Impairment of Assets Held for Sale	-	-
Other Operating Expenses	15,698	8,850
<i>Operational Leases Expenses</i>	-	-
<i>Repair and Maintenance Expenses</i>	22	9
<i>Advertisement Expenses</i>	-	-
<i>Other Expenses (*)</i>	15,676	8,841
<i>Losses on Sale of Assets</i>	-	-
Taxes	3,915	3,853
Other (**)	32,312	21,369
<b>Total</b>	<b>58,866</b>	<b>36,841</b>

(\*) The amount of TL 15,676 (March 31, 2024: TL 8,841) in the "Other Expenses" title consists of TL 9,612 (March 31, 2024: TL 4,127) IT services expenses, TL 1,128 (March 31, 2024: TL 453) outsource services, TL 1,462 (March 31, 2024: TL 1,152) data line service expenses, TL 3,474 (March 31, 2024: TL 3,109) other operating expenses.

(\*\*) The amount of TL 32,312 (March 31, 2024: TL 21,369) in the "Other" title consists of TL 28,905 (March 31, 2024: TL 17,537) employee benefits provisions, TL 3,055 (March 31, 2024: TL 3,694) auditing services and advisory services, TL 352 (March 31, 2024: TL 138) operational costs.

**8. Fees related with the services provided by independent auditors/independent audit agencies**

It is not prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes Announced to Public by Banks.

**9. Information on profit/loss before tax from continued and discontinued operations**

As of March 31, 2025, Profit before tax from continued operations is TL 274,417 (March 31, 2024: TL 275,174).

**10. Explanations on tax provision for continued and discontinued operations**

The tax expense for the Period ended March 31, 2025 is TL 80,591 (March 31, 2024: TL 79,692).

**11. Information on profit/loss after tax from continued and discontinued operations**

As of March 31, 2025, operating profit after-tax is TL 193,826 (March 31, 2024: TL 195,482).

**12. Information on net profit/loss for the Period**

Interest income from ordinary banking transactions amounted to TL 391,379 (March 31, 2024: TL 271,800). Interest expenses arising from ordinary banking transactions are TL 67,486 (March 31, 2024: TL 8,961). As of March 31, 2025, operating profit after-tax is TL 193,826 (March 31, 2024: TL 195,482).

There is no profit or loss related to minority shares.

**13. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement**

Other items in the statement of income do not exceed 10% of the statement of income.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### V. EXPLANATIONS AND DISCLOSURES ON THE RISK GROUP OF THE BANK

##### 1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

###### a) Explanations and disclosures on the risk group of the Bank

March 31, 2025:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash (**)	Non-Cash	Cash (**)	Non-Cash	Cash (**)	Non-Cash
<b>Current Period</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	142,830	524,653	-	-
Balance at the End of the Period	-	-	147,559	612,565	-	-
Interest and Commission Income Received	-	-	232	32,708	-	-

(\*) It is defined in paragraph 2 of Article 49 of the Banking Act No. 5411.

(\*\*) The information in the above table includes the receivables from banks as well as the commissions to be received in the maturity.

December 31, 2024:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash (**)	Non-Cash	Cash (**)	Non-Cash	Cash (**)	Non-Cash
<b>Prior Period</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	82,158	430,529	-	-
Balance at the End of the Period	-	-	230,571	431,749	-	-
Interest and Commission Income Received	-	-	245	48,490	-	-

(\*) It is defined in paragraph 2 of Article 49 of the Banking Act No. 5411.

(\*\*) The information in the above table includes the receivables from banks as well as the commissions to be received in the maturity.

###### b) Information on deposits of the Bank's risk group

None (31 March 2024: None).

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### V. EXPLANATIONS AND DISCLOSURES ON THE RISK GROUP OF THE BANK (Continued)

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period (continued)
- c) Information on forward and option agreements and similar agreements made with Bank's risk group

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets at Fair Value</b>						
<b>Through Profit and Loss:</b>						
Balance at the Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-
<b>Transactions for Hedging Purposes:</b>						
Balance at the Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

- d) Information on the benefits provided to the Bank's top management

As of March 31, 2025, TL 8,938 (March 31, 2024: TL 4,418) was paid to the top management of the Bank.

- e) Other transactions with the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Borrowing</b>						
Balance at the Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-

(\*) It is defined in paragraph 2 of Article 49 of the Banking Act No. 5411.

#### VI. EXPLANATIONS ON THE BANK'S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR INVESTMENTS IN ASSOCIATES AND FOREIGN REPRESENTATIVE OFFICES

	Number	Number of Employees		
Domestic Branch	-	51		
Foreign Representation Office			Country of Incorporations	
			1-	
			2-	
Foreign Branch				Statutory Share Capital
			1-	
			2-	
Off-shore Banking Region Branches			1-	

**BANK OF CHINA TURKEY A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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**SECTION SIX**

**OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK**

None.

**II. EVENTS AFTER THE BALANCE SHEET DATE**

None.

## **BANK OF CHINA TURKEY A.Ş.**

### **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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#### **SECTION SEVEN**

##### **EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

###### **I. EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

The unconsolidated financial statements and annotations of the Bank as of March 31, 2025 have been prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi and the independent audit report dated May 13, 2025 is presented before the unconsolidated financial statements.

###### **II. OTHER FOOTNOTES AND EXPLANATIONS PREPARED BY INDEPENDENT AUDITORS'**

None.

# BANK OF CHINA TURKEY A.Ş.

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)



BANK OF CHINA TURKEY A.Ş.

### BANK OF CHINA TURKEY A.Ş. STATEMENT REGARDING INTERIM ACTIVITY REPORT AS AT MARCH 31, 2025

This Interim Activity Report of Bank of China Turkey A.Ş. has been prepared in accordance with the Article 10, 13 and 14 of “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published by Banking Regulation and Supervision Agency and enclosed herewith.

<b>Xiaoqing ZHANG</b> Chairman of the Board of Directors	<b>Xiaoming GAO</b> Member of the Board of Directors and General Manager	<b>Qingyan ZHAO</b> Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	<b>Yan HAISI</b> Member of the Board of Directors
<b>Özgür DALGIÇ</b> Member of the Board of Directors and Member of the Audit Committee	<b>Dalei DING</b> Assistant General Manager	<b>Kun ZHAO</b> Head of Financial and Operational Control Department	<b>Sevda DIKICI</b> Financial Reporting, Budgeting and A&L Management Manager



# BANK OF CHINA TURKEY A.Ş.

## UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### SECTION EIGHT

#### REMARKS REGARDING INTERIM ACTIVITY REPORT

#### I. THE INTERIM ACTIVITY REPORT CONTAINING EVALUATIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER REGARDING INTERIM PERIOD OPERATIONS

##### A. Summary Information on Bank of China Turkey A.Ş.

The Trade Name of the Bank	Bank of China Turkey Anonim Şirketi
Trade Registry Number	65510-5
Head Office Address	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No: 209 Şişli İstanbul
Head Office Telephone Number	(0 212) 260 88 88
Head Office Fax Number	(0 212) 279 88 66
Website	<a href="http://www.bankofchina.com.tr">www.bankofchina.com.tr</a>
Electronic mail address	<a href="mailto:contact@bankofchina.com.tr">contact@bankofchina.com.tr</a>

##### B. Shareholding Structure

According to definition of qualified share given by the Banking Law numbered 5411 and to Article 13 of Regulation on Transactions of Banks Subject to Permit and Indirect Shareholding, ratios of the qualified shareholders who hold a stake in the capital of the Bank are as follows:

Name-Surname/Trade Name	Share Amounts	Share Ratios	Paid-up Shares	Unpaid Portion
Bank of China Limited	1,051,229	99.99%	1,051,229	-

##### C. Members of the Board of Directors and the Audit Committee

Members of the board of directors, members of the audit committee, general manager and assistant general managers of the Bank as of March 31, 2025 are listed below: None of the members of the Board of Directors (including the General Manager) has shareholding in the Bank.

Chairman and Members of the Board of Directors:

Name Surname	Title	Assigned Date	Education
Xiaoqing ZHANG	Chairman of the Board of Directors	November 16, 2023	PhD Degree
Xiaoming GAO	Member of the Board of Directors and General Manager	September 10, 2021	PhD Degree
Yan HAISI	Member of the Board of Directors	December 05, 2024	Master's degree
Qingyan ZHAO	Member of the Board of Directors	November 16, 2023	Master's degree
Özgür DALGIÇ	Deputy Chairman of the Board of Directors	January 10, 2017	Master's degree

Members of the Audit Committee:

Name Surname	Position	Assigned Date	Education
Qingyan ZHAO	Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	December 05, 2023	Master's degree
Özgür DALGIÇ	Member of the Audit Committee Responsible for Internal Systems	May 04, 2017	Master's degree
Xiaoqing ZHANG	Member of the Audit Committee	March 09, 2024	PhD Degree

Assistant General Managers:

Name Surname	Position	Assigned Date	Education
Dalei DING	Deputy of General Manager and Assistant General Manager Responsible for Financial Management and Control, Information Technologies, and Credit Allocation Department of the Bank.	June 03, 2019	Bachelor's degree
Onur Sekizyuralı	Assistant General Manager Responsible for Corporate Banking and Banking Services Department of the Bank.	December 23, 2024	Bachelor's degree

# BANK OF CHINA TURKEY A.Ş.

## UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF MARCH 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

### REMARKS REGARDING INTERIM ACTIVITY REPORT (Continued)

#### I. THE INTERIM ACTIVITY REPORT CONTAINING EVALUATIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER REGARDING INTERIM PERIOD OPERATIONS (Continued)

##### D. Information on Branches and Personnel

As of March 31, 2025, Bank of China Turkey A.Ş. has 51 employees and no branch. The Bank runs its operations at its head office (December 31, 2024: 46 employees).

##### E. Evaluations of the Chairman of the Board of Directors and the General Manager

Bank of China Limited ("Main Shareholder") started its representative operations in Turkey through Bank of China Limited Turkey Representative Office incorporated in 2011. Pursuant to the decision of the Banking Regulation and Supervision Agency ("BRSA") dated May 2, 2016 and numbered 6880, Bank of China Turkey Anonim Şirketi (the "Bank") was granted the permission to incorporate a deposit bank in Turkey. After the incorporation of the Bank by obtaining the incorporation permission from BRSA, the Bank was officially granted permission for operation following the publication of the decision of BRSA dated December 1, 2017 and numbered 7612 on the volume of the Official Gazette dated December 7, 2017 and numbered 30263. With 99.99% shares of the Main Shareholder, the Bank was incorporated with its registration before Istanbul Trade Registry Office on January 10, 2017 and the said matter was announced on the Turkish Trade Registry Gazette dated January 17, 2017 and numbered 9243 together with the Bank's Articles of Association.

Our Bank started its banking operations on May 9, 2018.

Total assets of the Bank as of March 31, 2025 are TL 5,595,680 (December 31, 2024: TL 6,434,022). While our equity amounts to TL 3,174,037 (December 31, 2024: TL 3,092,672) our capital adequacy ratio is at the level of 29,12 % (December 31, 2024: 29,44%). As of March 31, 2025, the profit after tax of the Bank for the Period is TL 193,826 (March 31, 2024: 195,482). The majority of such profit is the interest income derived from banks placements, government bonds and loans.

With the support and guidance of our shareholders and Board of Directors, we believe that our Bank will achieve its future goals successfully by prioritizing the customer satisfaction.

#### II. ECONOMIC DEVELOPMENTS AND BANKING SECTOR OVERVIEW

The International Monetary Fund (IMF) projects a global growth rate of 3.3% for 2025. This rate remains below the 2000-2019 average of 3.7%. According to the IMF, global trade growth is expected to decline to 1.7% in 2025. This decline is due to increasing trade tensions and policy uncertainties. Global inflation is expected to trend downward.

However, upward revisions have been made in some countries. Possible scenarios include the acceleration of global trade growth and the upward movement of global growth with easier access to liquidity in line with the interest rate cuts to be made by the ECB and the FED. The FED is keeping the policy rate constant at 4.25-4.5%.

Market expectations are that three interest rate cuts will be made in 2025. These cuts are among the scenarios that are likely to be monitored in July, September and October. The risks that arise are that FED Chairman Powell may say that the tariffs implemented by the Trump administration may make it harder to fight inflation and that interest rate cuts may be delayed.

On the European Central Bank (ECB) side, it reduced the deposit/operating interest rate by 25 basis points on April 17, 2025, setting the deposit/operating interest rate at 2.25%. Analysts expect the ECB to continue reducing interest rates and reduce the deposit rate to 2.0% in June 2025. The ECB revised its 2025 growth forecast for the Eurozone to 0.9%.

The CBRT reduced the policy rate by 250 basis points to 42.5% in March 2025. However, it was increased by 350 basis points to 46% at the meeting on April 17, 2025. The main reasons for the policy rate to rise again are the political uncertainties.

## **BANK OF CHINA TURKEY A.Ş.**

### **NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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#### **REMARKS REGARDING INTERIM ACTIVITY REPORT (Continued)**

**I. THE INTERIM ACTIVITY REPORT CONTAINING EVALUATIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER REGARDING INTERIM PERIOD OPERATIONS (CONTINUED)**

**II. ECONOMIC DEVELOPMENTS AND BANKING SECTOR OVERVIEW (Continued)**

Due to the tension in the markets, it was observed that the Central Bank suppressed the exchange rate by selling foreign exchange. The Turkish lira continued to lose value against strong currencies in Q1.

With the uncertainty experienced in the first quarter, the CDS rate was monitored at 326 levels. The March CPI rate was monitored as 38.1% and the expected decline in inflation continues. The pressure that the high policy rate will create on growth rates and unemployment rates creates a negative image in year-end expectations.

As of Q1, the total asset size of the banking sector is monitored at 18.39 trillion TL. The total credit volume was monitored as 11.28 trillion TL and the total deposit rate is also equal to 11.28 trillion TL. The total receivables under follow-up were 384.5 billion TL. The credit under follow-up rate is at 3.4%.

**BANK OF CHINA TURKEY A.Ş.****UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

**REMARKS REGARDING INTERIM ACTIVITY REPORT (Continued)****III. FINANCIAL INFORMATION AND EVALUATIONS REGARDING BANK OF CHINA TURKEY A.Ş.*****Financial Summary Information Regarding the Interim Period***

Total assets of Bank of China Turkey A.Ş. are TL 5,595,680 (December 31, 2024: TL 6,434,022) as of the Period that ended on March 31, 2025. 50% of the assets are composed of bank placements whereas 11% is Government Bonds. The balance sheet's biggest source of funding is the equity.

	31/03/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021
<b>Total assets</b>	<b>5,595,680</b>	<b>6,434,022</b>	<b>3,777,344</b>	<b>2,784,718</b>	<b>2,662,692</b>
Cash Assets and Central Bank	2,595,623	2,414,334	1,137,225	122,985	249,873
Banks	218,170	1,853,218	2,282,739	638,447	625,417
Loans	617,929	500,428	84,208	532,185	654,721
Government debt securities measured at amortized cost	1,933,414	1,462,107	128,362	1,368,229	1,044,541
Financial Derivative Assets	-	-	-	-	-
Other Assets	230,544	203,935	144,810	122,872	88,140
<b>Total liabilities and equities</b>	<b>5,595,680</b>	<b>6,434,022</b>	<b>3,777,344</b>	<b>2,784,718</b>	<b>2,662,692</b>
Deposits	1,854,810	2,119,725	769,663	336,275	367,907
Provisions	183,805	142,945	112,267	73,059	40,051
Financial Derivative Liabilities	-	882,577	410,151	106,943	180,930
Loan Received	-	882,577	-	149,893	199,564
Other Liabilities	383,028	196,103	151,099	95,173	102,637
Shareholders' Equity	3,174,037	3,092,672	2,334,164	2,023,375	1,771,603
Letter of Guarantees	612,565	524,653	430,529	295,982	388,135
Other Guarantees	7,856,651	8,054,482	6,713,579	4,957,703	2,963,605
Derivatives	-	-	-	288,612	469,487

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022	01.01.2021- 31.03.2020
Net Interest Income	323,893	262,839	60,676	67,089	47,814
Non-Interest Income	44,211	59,664	39,913	28,380	9,801
Trading Income/Loss	13,071	17,396	7,237	10,905	(6,356)
<b>Total Operating Income/(Expense)</b>	<b>381,175</b>	<b>339,899</b>	<b>107,826</b>	<b>106,374</b>	<b>51,259</b>
Staff Cost (-)	45,427	32,761	15,982	10,692	5,988
Other Total Operating Income/(Expense)	57,779	31,558	(12,953)	(8,260)	(10,656)
Loan Provisions	3,552	406	934	163	293
<b>Net Operating Profit/(loss)</b>	<b>274,417</b>	<b>275,174</b>	<b>77,957</b>	<b>87,259</b>	<b>40,310</b>
Tax Provision (-)	80,591	79,692	(20,132)	20,240	8,077
<b>Net Profit / Loss for the Period</b>	<b>193,826</b>	<b>195,482</b>	<b>57,825</b>	<b>67,019</b>	<b>32,233</b>

***Financial Ratios***

	31.03.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Capital Adequacy Ratio (%)	29.12	29.44	28.11	30.22	35.84
Equity/ Assets (%)	56.72	48.07	61.79	72.66	66.53

## **BANK OF CHINA TURKEY A.Ş.**

### **UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF MARCH 31, 2025**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated)

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#### **REMARKS REGARDING INTERIM ACTIVITY REPORT (Continued)**

#### **III. FINANCIAL INFORMATION AND EVALUATIONS REGARDING BANK OF CHINA TURKEY A.Ş. (Continued)**

##### **Information Regarding Distribution of Profit**

The legal reserves are allocated to the first and second reserves in accordance with Turkish Commercial Code (TTK). First legal reserves are allocated as 5% of the profit until the total reserves reach 20% of the paid-in capital. Second legal reserves are allocated as 10% of excess amount on profit distribution which is more than 5% of capital.

It was decided to distribute unconsolidated net profit of the year 2024 in the amount of TL 807,284 in accordance with the General Assembly dated March 27, 2025 as follows: TL 63,229 to be transferred to legal reserves, TL 631,548 to be transferred to undistributed profits and TL 112,508 to be distributed as cash dividend. The transfer of TL 807,284 to reserve funds and dividend payable accounts was carried out on March 27, 2025. The portion of the dividends amounting to TL 112,508 has not yet been paid to partners and payment is planned for May.

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