

Annual Report 2024



Anadolubank
Nederland

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Vision

Our vision is to be the preferred partner for our clients.

Mission

Our mission is to strive to be knowledgeable and responsible in order to provide excellent customer service and pave the way for a successful and sustainable banking business.



Values

Commitment

reflects our unwavering dedication to our clients, striving to meet their financial needs with integrity, reliability, and a promise to build lasting relationships.

Ownership

empowering us to deliver exceptional results and continuously improve in service to our clients and stakeholders.

Collaboration

fostering teamwork and open communication to achieve shared goals and create value for our clients and stakeholders.

Resilience

pushes us to meet challenges head-on, make meaningful decisions, and continuously improve to shape a better financial future for our clients.

Three-year key figures

in EUR thousand	2024	2023	2022
Total assets	1,115,822	1,004,845	833,065
Loans	727,108	583,614	468,305
Bank loans	346,022	300,581	262,889
Corporate loans	381,086	283,033	205,416
Securities	124,421	124,167	113,929
Deposits	885,685	827,032	572,774
Shareholders' equity (including results after tax)	156,516	132,769	112,068
Operating result before tax and impairments	31,416	26,767	12,217
Expected credit losses	(628)	(1,172)	(958)
Result after tax and impairments	22,859	19,005	8,397
%			
Net return on average equity	15.8	15.5	7.8
Loans/deposits	82.1	70.6	81.8
Cost/income ratio	28.4	29.9	40.8
Cost/average assets	1.2	1.1	1.2
Capital adequacy ratio	19.3	20.6	22.3
Liquidity coverage ratio	160	385	369
Net stable funding ratio	155	195	188

Net return on average equity is calculated using average shareholders' equity.

Cost/income ratio is calculated using total expenses and total income. Expected credit losses are excluded.

Cost/average assets ratio is calculated using total expenses and average assets. Expected credit losses are excluded.

The following ratios are defined in accordance with capital requirements regulation ("CRR"):

- Capital adequacy ratio
- Liquidity coverage ratio
- Net stable funding ratio

Net return on average equity %	Cost / income ratio %	Capital adequacy ratio %
2024 15.8	2024 28.4	2024 19.3
2023 15.5	2023 29.9	2023 20.6
2022 7.8	2022 40.8	2022 22.3

Anadolubank Nederland N.V. in 2024

NET PROFIT

€22.9 m

2023: €19.0 m

OPERATING INCOME

€43.9 m

2023: €38.2 m

TOTAL LOANS

€727 m

2023: €584 m

TOTAL ASSETS

€1,116 m

2023: €1,005 m

NET INTEREST MARGIN
(swap adjusted)

3.5%

2023: 3.4%

COST INCOME RATIO

28.4%

2023: 29.9%

RETURN ON EQUITY

15.8%

2023: 15.5%

TOTAL CAPITAL RATIO

19.3%

2023: 20.6%

SUPERVISORY BOARD REPORT



General

The most important role of the Supervisory Board is supporting, challenging and assisting management while ensuring effective governance. Among other duties, it is an impartial arbiter of corporate conduct and compliance. In general, the Supervisory Board is highly engaged in its advisory role in setting the Bank's risk appetite, strategy, and organizational culture. Members of the Supervisory Board, particularly the Chairperson, maintain frequent informal contacts with the Management Board, both as a whole or with individual members, in addition to their interactions during formal meetings.



The year 2024

Anadolubank Nederland N.V. continued the transformation program into a diversified client-based bank concentrating on providing financial services to Dutch and European customers. The significant impact on several economies through inflationary pressures had limited impact on Anadolubank Nederland N.V. following its consistent conservative approach on lending. The Bank was still able to maintain a high level of liquidity and solid capital ratios in 2024.

The key priorities for 2024 were:

- Pursue a strategy of continued expansion and diversification of lending, where feasible;
- Preserve a solid, well-capitalized and liquid bank to withstand the economic challenges arising from the Russian-Ukrainian conflict;
- Adjust the risk appetite, maintain a very conservative approach towards new customers;
- Continue activities to meet regulatory requirements for climate and environmental risks;
- Initiate activities to meet the Digital Operational Resilience Act (DORA) regulatory requirements.

As the Supervisory Board, we are pleased and confident that Anadolubank Nederland N.V., through the careful management of the Management Board, supported by the Supervisory Board, has remained in control while continuing to assist its clients, maintaining business operations through teleworking, ensuring all key ratios remained positive, and closing the year with a solid net profit.

Dutch Corporate Governance Code

While the code is applicable to listed companies, Anadolubank Nederland N.V. uses the principles in the code as guideline for its structure, policies and procedures.

The Supervisory Board discusses the Corporate Governance Code and the impact of the code on the Bank regularly. The Supervisory Board supports the way in which the Bank applies the principles as guideline.

Culture

The Supervisory Board and Management Board consider an open and transparent communication structure within the Bank to be of utmost importance. During the past years, much time was spent analyzing the Bank's culture and identifying needed or potential improvements. The combined team is pleased to note that nearly all recommendations from the past analysis have been implemented. However it remains high on the agenda of the Supervisory Board and the Management Board. Therefore, we launched a refreshed culture program in 2023, as there have been a few changes at the Board level, and it is important to ensure that everyone in the Bank remains focused on maintaining an open and sound culture.

Strategy

During the year 2024, the Supervisory Board was actively involved in discussions with the Management Board on the strategic focus, and the difficult circumstances surrounding the Bank, assisting, supporting and monitoring the execution of the strategy, and the challenges faced. The strategy of Anadolubank Nederland N.V. is to focus more on the diversification of corporate lending, while retaining the existing portfolio. The effective implementation of the new strategy has been a key priority for the past, and will be in the coming years. Special meetings between Supervisory Board and Management Board together with senior staff are dedicated to discuss the strategy and to define next steps for implementation, being:

- The Supervisory Board has emphasized that one of the Bank's

key objectives for the longer term is sustainable profitability;

- Supported by prudent and stringent risk management;
- Successful execution of the strategy is followed and monitored by the Supervisory Board.

The Supervisory Board concludes that good progress is being made on the implementation of the strategy.

Risk Appetite

Every year the Supervisory Board discusses the risk appetite with the Management Board.

In its meetings with the Management Board, held every two months, the Supervisory Board discusses the various risk types and monitors the actual risk profile by means of an integrated performance & risk dashboard. It is the Supervisory Board's opinion that a conservative risk appetite protects the Bank's reputation and ensures the continuity and sustainability of the Bank for its clients.

Control Framework

The banking industry is considered one of the most heavily regulated industries. However, as Anadolubank Nederland N.V. is well capitalized and maintains high liquidity ratios, the Bank is well positioned to meet all necessary requirements.

The Bank continuously evaluates the design and effectiveness of risk management, compliance and internal controls to oversee the embedded risks and also enable the right business growth. The Management Board is responsible for the control, the actual daily routines framework and the staff mindset, whilst working in close collaboration with the Supervisory Board. The Supervisory Board is satisfied with the strength, stability and performance of all those functions that are part of the control framework.

Management Board

As per January 1, 2024 Mr. **Nedim Sabah** became the new CEO.

As per December 31, 2024 Mr. **Ab Otten** stepped down from the Management Board after having served the Bank as an MB member for almost 12 years. We thank Mr. Ab Otten for his contribution to the Bank, especially to bring the compliance framework on the professional level it is now.

Mr. Otten will support the Bank in the compliance area as an advisor till mid-2025.

Mr. **Ersoy Erturk** has been appointed as the new member of the Management Board, effectively as per February 17, 2025. Mr. Erturk has been in the Bank as Head of Finance since May 2013. His dedication and expertise have been instrumental to our success and we are fully happy with him taking up his new role.

Due to the changes in the Management Board, the portfolio's of the individual MB members have been re-arranged. The most important change is the separation of Risk and Finance as strongly recommended by DNB.

We believe that the new management heralds a new era for our bank, and Anadolubank Nederland N.V. will continue its successful course under the leadership of the new Management Board.

Cooperation with the Management Board

The Supervisory Board is closely involved, in its advisory role, in the company's business, especially regarding the Bank's strategy and the risk appetite. The Chairperson of the Supervisory Board and Management Board have frequent contact outside of formal meetings. The other Supervisory Board members and Management Board members also maintain regular contact outside of meetings.

Supervisory Board structure

The Supervisory Board has formulated a membership profile that defines its size and composition. The Supervisory Board consists of four Members of which two are independent and two are dependent according to the principles of the Governance code. This composition is in line with the requirement of DNB. All members are jointly and severally liable for the execution of the Supervisory Board's duties. Due to the size of the Supervisory Board and its composition, no separate committees are installed. Instead, all members have been assigned specific areas of attention. Each area of attention is in principle assigned to two members: one independent and one dependent.

In the general shareholder meeting of May 2024, Mrs. **Gülden Taner Ünver** resigned as dependent member of the Supervisory Board. Mrs. Taner Ünver was member of the Supervisory Board since 2019. We thank Mrs. Taner Ünver for her contribution to the Bank during these years.

As per September 17, 2024 Mrs. **Merih Yurtkuran** was appointed as new (dependent) member of the Supervisory Board. Mrs. Yurtkuran brings in a long experience in the (international) financial industry so we are glad she joined the Supervisory Board.

In the General Shareholder Meeting of May 27, 2025 Mr. **Smith** stepped down as Chairperson of the Supervisory Board. He has been the Chairperson for 12 years. We thank him for his contribution to the Bank during these years.

Mr. **Rosenberg** became the Chairperson as per May 27, 2025.

Further Mrs. **Nieke Martens** joined the Supervisory Board as independent Member of the Supervisory Board to fill in the vacancy due to the departure of Mr. Smith, effective 27 May 2025. DNB provided a declaration of no objection on her appointment on May 15, 2025.

Mrs. Martens has a long and wide experience in the (international) financial industry, so we welcome her as a new member.

Supervisory Board meetings

During the year 2024 the Supervisory Board met six times (in principle once per two months) with the Management Board to review the interim figures, management reports, reports of the internal and external auditors and audits by DNB. Meetings were mostly face-to-face. One meeting was held in Istanbul. Furthermore, the Supervisory Board meets with the external auditor at least once a year. In all these meetings the members of the Management Board were present. Furthermore, the Supervisory Board meets at least once a year without the Management Board to conduct a self-evaluation. During all these Supervisory Board meetings, all appointed Members of the Supervisory Board were present.

Life-long training

The Supervisory Board members, members of the Management Board and senior officers do participate in a permanent education program to stay on top of new developments in the industry like new regulations, technological developments and culture issues. In 2024 the topics of the training were:

- High Performing Teams
- Digital Operational Resilience Act (DORA)
- AI Implementation in Banking
- Recovery and Resolution Planning

Self-evaluation of the Supervisory Board

One of the principles of the Dutch Corporate Governance Code states that the Supervisory Board is collectively responsible for its own

functioning and that an annual self-assessment needs to be conducted. Every three years this self-evaluation should be performed under the guidance of an independent advisor. It had been decided that the self-evaluation under the guidance of an independent advisor would be postponed initially due to the recent changes in the Supervisory Board.

The self-evaluation was performed internally in 2023 and the self-evaluation under the guidance of an independent advisor was performed in mid-2024. In 2025, we will try to implement the outcomes of the self-evaluation, including providing more room for deep-dive presentations and discussions, and intensifying contact with senior managers.

Capital

In March 2025, the shareholder made a capital injection of € 30 million into the Bank. This will support the Bank in its continued effort to grow and diversify. It shows the confidence of the shareholder in the Bank's strategy and the Management Board.

Priorities for 2025

We will continue to transform the Bank into a bank that is focused on the Dutch and European SME markets, and on good clients related to the Turkish home market in Europe or UK. In addition, the Bank will analyze the consequences and impact of regulations related to ESG factors (Environmental, Social, and Governance). Also, the strengthening of the HR framework will have a high priority in 2025. We realize that these projects will create a heavy burden on the organization and staff, but we are confident that these projects can be managed properly.

Adoption of financial statements

We hereby present the annual report and financial statements for the 2024 financial year, as prepared

by the Management Board. The achievements and overall results of 2024 are in line with our vision and with our continuing efforts to maximize the Bank's performance and stability.

The Bank has a business model and a structure that is straightforward. The year 2024 was (again) a challenging year. The Bank reported net profit of €23 million for 2024 and an asset size of above € 1 billion. Taking into account the market circumstances this is a result the Bank can be very proud of. For the Bank this is an all-time high profit and asset size.

The Supervisory Board has discussed the 2024 financial statements with the Management Board and the independent auditor, Deloitte Accountants N.V., who issued an unqualified opinion. The Supervisory Board members have signed the financial statements in conformity with their statutory obligation. We recommend that the General Meeting of Shareholders adopt the financial statements for 2024 at the General Meeting of Shareholders to be held on May 27, 2025. We propose that the profit after tax and impairments be added to the Bank's reserves. Furthermore, we propose that the General Meeting of Shareholders discharge the members of the Management Board from responsibility for their management and the Supervisory Board from responsibility for their supervision in the 2024 financial year.

Conclusion

The Supervisory Board wishes to express its appreciation to our shareholders and clients for their trust, as well as to our Management Board and our employees for their ongoing commitment to create value and to participate in the long-term growth of our business.

Amsterdam, 12 June 2025

Mr A.J. Smith, Chairperson

Mr F. Canbay, Vice-Chairperson

Mr M.F. Rosenberg, Member

Mrs M. Yurtkuran, Member

MANAGEMENT BOARD REPORT



We are proud to report that the Bank delivered a record-high net profit in 2024, reaching EUR 22.9 million, marking the highest financial result in our history and a significant increase of EUR 3.9 million compared to the previous year. This outstanding performance reflects the resilience of our core business model, our disciplined risk management, and the successful execution of our strategic roadmap.

Our total capital ratio stood at a strong 19.3%, supported by high liquidity levels, underscoring the Bank's sound financial position. The efficiency ratio slightly improved to 28.4%, a year-on-year improvement of 1.5 percentage points, highlighting our continued focus on cost discipline and operational excellence. In parallel, our efforts in funding diversification and liquidity optimization have further strengthened the Bank's stability and growth potential.

In March 2025, the Bank successfully completed a EUR 30 million capital increase, further reinforcing its capital base. This substantial injection reflects the continued confidence of our shareholder and positions the

Bank to pursue its growth ambitions with even greater resilience and strategic flexibility.

As we look ahead to 2025, we aim to build on the momentum achieved

in 2024. While macroeconomic uncertainty and regulatory expectations will remain high on our agenda, our overarching focus will continue to be placing the customer at the heart of our strategy.

Focusing on four-point strategy



In order to realize the vision and mission outlined earlier, we will continue to focus on key management priorities which remain central to our journey toward sustainable and healthy asset growth:

- Reduce earnings volatility by diversifying across geographies, sectors, and products
- Clear product focus on trade finance, marine and vessel financing, corporate/commercial lending
- Maintain asset growth aligned with lower capital requirements by focusing on interest-bearing assets
- Increase the number of customers and build a robust corporate customer portfolio
- Enhance flexibility in pricing

strategies to increase fee and commission income

- Strengthen performance management and financial reporting for better operational effectiveness
- Ensure robust regulatory reporting and compliance frameworks to uphold transparency, mitigate risks, and align with evolving banking standards.

On behalf of the Management Board, we would like to express our heartfelt gratitude to the Supervisory Board and our shareholders for their continued trust, to our valued customers for their loyalty, and to our dedicated colleagues, whose hard work and commitment made 2024 a milestone year for Anadolubank Nederland N.V..

The Management Board is composed of the following members:

Name	Position	Membership Since
N. Sabah	CEO	2023
N. Plotkin	Managing Director	2013
E. Erturk	Managing Director	2025

2.1 Outlook

Global growth is anticipated to be 3.3% in both 2025 and 2026, which is lower than the historical average of 3.7% from 2000 to 2019. The 2025 forecast remains largely unchanged from the October 2024 World Economic Outlook of IMF, mainly due to an upward revision in the

United States that offsets downward revisions in other major economies. Global headline inflation is projected to decrease to 4.2% in 2025 and to 3.5% in 2026, returning to target sooner in advanced economies compared to emerging market and developing economies.

Medium-term risks to the baseline are skewed to the downside, while the near-term outlook features divergent risks. Upside risks could enhance already strong growth in the United States in the short term, whereas other countries face downside risks amid high policy uncertainty. Policy-induced disruptions to the ongoing disinflation process could hinder the shift to easing monetary policy, affecting fiscal sustainability and financial stability. Addressing these risks requires a focused policy approach to balance trade-offs between inflation and real activity, rebuild buffers, and boost medium-term growth prospects through enhanced structural reforms and stronger multilateral rules and cooperation.

World trade volume projections for 2025 and 2026 are slightly down due to a significant rise in trade policy uncertainty, which is expected to disproportionately impact investment among trade-intensive firms. Global financial conditions remain largely accommodative, though they vary across jurisdictions. Equity valuations in emerging market and developing economies have been more subdued, with a broad-based strengthening of the US dollar—driven by expectations of new tariffs and higher interest rates in the United States—keeping financial conditions tighter.

Our main scenario for the coming year is for ECB and FED to continue cutting their main refinancing rates in line with market expectations. As was the case for 2024, in 2025 liability costs are expected to be the main subject in the Banking sector. This is especially true in the retail deposit market where deposits rates are coming down much slower than the rate cut expectations. We expect the asset and liability margin to be

narrower when compared to the past two years.

2.2 Economic Developments

The global economy remains stable, though the strength varies significantly across countries. Global GDP growth in 2024 was 3.2%, slightly decreased from the previous year. China's growth, at 4.7% year-over-year, fell short of expectations. Faster-than-anticipated net export growth only partially compensated for a quicker-than-expected slowdown in consumption, amid delayed stabilization in the property market and persistently low consumer confidence. India's growth also decelerated more than anticipated, driven by a sharper-than-expected slowdown in industrial activity. Growth in the euro area remained subdued, with Germany lagging behind other euro area countries, primarily due to ongoing weakness in manufacturing and goods exports, despite a pickup in consumption aligned with the recovery in real incomes. In Japan, output contracted slightly due to temporary supply disruptions. Conversely, the United States maintained strong momentum, with the economy growing at a rate of 2.8% year-over-year in 2024, fueled by robust consumption.

Meanwhile, the momentum on global disinflation is slowing, signaling bumps along the path. This reflects different sectoral dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods. However, within the last couple of months the narrative has shifted from disinflation concerns to tariff concerns which could easily spark new inflationary risks.

Nominal wage growth remains brisk, above price inflation in some countries, partly reflecting the outcome of wage negotiations earlier this year and short-term inflation expectations that remain above

target.

Going into the next year, the market sees less decrease in the interest rate levels where FED and ECB benchmark rates. However, China starting to stimulate its economy, energy prices starting to rise as well as elevating global geopolitical risks pose a great risk to the magnitude of this rate cutting cycle.

In first couple of months of 2025, President Trump's tariffs, particularly those on China, Mexico, Canada and Europe disrupted global trade patterns. Countries affected by the tariffs, projected tariff related declines in GDP, with China seeing a reduction of 0.68% and the EU seeing a drop of 0.11%. Tariffs incentivized some companies to shift manufacturing operations to the US, aiming to avoid import duties. This bolstered domestic manufacturing but also led to higher production costs. US farmers faced retaliatory tariffs from other countries, reducing their export opportunities and impacting their income.

Inflation and interest rates

In the face of heightened uncertainty, policies must mitigate short-term risks and rebuild reserves while advancing efforts to enhance medium-term growth prospects. Monetary policy should aim to restore price stability while supporting economic activity and employment. In economies where inflationary pressures persist and the risk of upward shocks increases, a restrictive stance should be maintained until there is clear evidence that underlying inflation is sustainably returning to target. Conversely, in economies where activity is rapidly cooling and inflation is on track to return to target, a less restrictive stance is warranted.

Inflation is forecasted to reach above target in 2025 in the US and UK. By contrast, euro-area inflation is likely to stay around 2% in 2025 according to Bloomberg Economics. For advanced economies taken together, price gains are on course to end 2025 around 2.2%, down from an estimated 2.4%

at end-2024 and 3.1% at end-2023. In emerging markets, the picture is more varied. China continues to battle deflation. In Argentina, price gains are coming down but remain way outside the comfort zone. Outliers aside, the global picture is the post-pandemic spike in inflation subsiding, and with remarkably little cost in unemployment or impact on price expectations.

Inflation edging back to target and fresh concerns about growth have shifted central banks' focus toward rate cuts. Bloomberg Economics forecasts another 75 basis points of easing from the Fed by end-2025, which is 50 bps less than before Trump's election win. In the euro area, where inflation is subsiding more quickly, another 50 bps of ECB cuts in 2025 is forecasted to 2% levels. The Bank of England would also ease by 50 bps, delivering to 4% levels. In Asia, the PBOC has stepped up stimulus and is likely to ease further. Having escaped the yield curve control, it is expected the BOJ to continue normalizing policy, hiking early in the year.

Dutch Economy

After experiencing a sharp slowdown between Q3 2022 and Q1 2024 that was mainly caused by the weakness in global trade, lower private investment and reduced household consumption, the Dutch economy recovered in 2024 and is set to be more robust in 2025 through 2027. Several factors should contribute to the uptrend. Private consumption (43% of GDP) is expected to be one of the main drivers. Contractual wages are set to increase by 6.4% in 2024, and current negotiations suggest slightly slower growth estimated at 4.2% year-over-year in 2025. Together with an increase in welfare benefits, real purchasing power is expected to increase by 2.5% in 2024 and by 0.7% in 2025, according to estimates by the Netherlands Bureau for Economic Policy Analysis. A tax cut for very low-income households has been included in the estimate. The loss of purchasing power caused

by the inflation shock of 2022-2023 should therefore be reversed in 2025. Additional support for private households is also coming from the real estate sector. Real estate prices recovered in the first half of 2024 and are above their previous peak of Q3 2022, registering the strongest quarterly growth rates of the past decade. This is supporting the wealth effects of private households.

In addition to prices, construction activity recovered in 2024 and should rebound further in 2025. The number of building permits rose noticeably in the first half of 2024 to a mere 7% short of the peak of H1 2021. Construction activity is following suit but with a certain time lag, suggesting stronger activity in the following quarters. One reason for the recovery is probably also the fall in interest rates during the past months. According to De Nederlandsche Bank, the borrowing capacity of first-time buyers already improved in 2024. ECB continues with rate cuts in 2025 to a "neutral" level of 2-2.5%. This interest-rate level should neither slow down nor act as a boost to the European economy. At the same time, however, the ECB is also set to continue trimming back its balance sheet from 2025; the maturing assets of all QE programs will no longer be reinvested.

Overall, the interest rate environment should support private investment. While public investment growth should remain subdued and be mainly devoted to infrastructure and defense projects, the development of external trade in 2025 is not so clear, with the possibility of US blanket tariffs of 20% looming on all imports. Only 5% of all Dutch exports are destined for the US (the country's No. 5 export destination), but as the Netherlands operates as a main trade hub for all of Europe, the effects on the Dutch economy could be noticeably negative. This would also depend on the price elasticity of demand in the US and on the capacity of the US economy to produce substitutes. Moreover, given the recovery of private consumption

and investments in the Netherlands, Dutch imports should improve in 2025.

Turkish Economy

For Turkish economy, growth recorded at 3.2% in 2024 and forecasted to decline 2.6% in 2025 while picking up in 2026 to 3.2%. Although policymakers acknowledge the delay in disinflation in the service sector, they remain committed to keeping monetary policy tight until inflation is on a consistently downward path. CBRT remains focused on two important sources of potential risks, a reversal of the domestic de-dollarization achieved and a reacceleration in loan growth, which require it to be very cautious in its communication and implementation of rate cuts.

After Fitch Rating's most recent credit rating upgrade to BB- from B+ with stable outlook, Türkiye became the only country in 2024 to receive a credit rating increase from the three major credit rating agencies. Fitch expects inflation to decline to 30% levels in 2025 (21% at end-2026), the highest in the 'BB' rating category.

CBRT is embarking on a prolonged easing cycle, starting with a rate cut in December and plans to continue lowering rates and easing regulations to stimulate the economy. Inflation is decreasing but remains elevated, projected to be around 25% by the end of 2025. The unemployment rate has decreased to 8.5%, but it is expected to slightly pick up to above 9% levels through 2027. The CBRT has also been active in foreign exchange markets, building reserves to record levels. However, the pace of reserve gains is expected to slow as the easing cycle continues. The budget deficit is forecasted to be 3.5% of GDP in 2025 and 3% in 2026, with increased taxes on deposits contributing to revenue.

In 2024 Turkish Banking sector saw significant asset growth in USD terms, with a 19.9% increase, despite the Turkish Lira weakening by 18% against the USD. Loan growth was primarily driven by the corporate segment

and credit cards. However, there was a shift towards short-term deposits, indicating a hunt for additional funding to support increased lending activity. Public banks, in particular, benefited from foreign currency lending. The sector achieved net profits of approximately \$18.8 billion (658.97 billion TRY), marking a 6.2% increase compared to 2023. The key interest rate movements remained predictable since March 2024 and loan and deposit rates continued to grow. There was a slight increase in NPL ratios, particularly in retail lending. Turkish banking sector demonstrated resilience and adaptability in 2024, navigating challenges such as currency fluctuations and regulatory pressures while maintaining growth and profitability.

2.3 Financial Institutions

The Financial Institutions and Structured Finance (FI) department serves as a key driver of the Bank's growth, fostering business development across strategic regions and emerging markets. Operating within the Bank's defined risk framework, FI actively cultivates and expands partnerships with domestic and international financial institutions, including Dutch Central Bank. Its role extends beyond relationship management, contributing to the Bank's broader strategic realignment in response to evolving market dynamics and regulatory landscapes.

Since its inception in 2008, FI has played a crucial role in asset origination, securing long-term wholesale funding through syndications and trade-related transactions, and facilitating the secondary market distribution of assets. The department works in close collaboration with Treasury, Trade Finance, Corporate Banking, Operations, and Credit Risk teams to ensure seamless execution and delivery of financial solutions tailored to the Bank's clients.

A core focus of FI is trade and forfaiting, providing a comprehensive suite of structured finance products, including Letters of Credit, Promissory Notes, Bills of Exchange, Bank Guarantees, Schuldschein, and Syndicated and Bilateral Loans. As a long-standing member of the International Trade & Forfaiting Association (ITFA), the Bank capitalizes on a broad network of international partners to enhance its trade finance capabilities and explore innovative funding solutions.

In 2024, the FI department undertook a series of strategic initiatives aimed at strengthening its market position and driving profitability. Key areas of focus included:

- **Business Restructuring:** A refined organizational framework was introduced to enhance efficiency, streamline decision-making, and align with the Bank's long-term objectives.
- **Expansion of High-Value Products:** The department placed greater emphasis on sophisticated solutions to meet the growing demand from institutional clients.
- **Optimization of Risk-Return Profiles:** Enhanced risk assessment methodologies were integrated to improve asset quality and maximize returns.
- **Operational Efficiencies:** Automation and process optimization efforts were implemented to increase transaction speed and improve client service delivery.
- **Strengthening Global Partnerships:** The Bank deepened relationships with key financial institutions to unlock new funding opportunities and expand cross-border business activities.

As a result of these targeted initiatives, FI achieved its highest profitability to date, reinforcing its role as a core revenue-generating division of the Bank.

Building on the successes of 2024, the FI department remains committed to delivering competitive and innovative financial solutions while maintaining strict regulatory compliance. By leveraging international relationships, embracing digitalization, and exploring new market opportunities, FI aims to further strengthen its contribution to the Bank's sustainable growth and long-term success.

2.4 Trade Finance

Trade Finance business has been one of the key business lines consistently adding value to Anadolubank Nederland N.V. financially and reputation-wise. While diversifying Trade Finance product range, execution and understanding of customer requirements have also improved drastically. The Trade Finance team's expertise is dedicated to applying the appropriate structure for each transaction, ensuring the timely and efficient handling of the underlying financial instruments and other related documents.

After three years of extreme volatility, commodities prices are set to broadly stabilise in 2024. This apparent stability may come as a surprise given the many geopolitical headwinds pounding the global economy at the moment. These range from adverse weather conditions to escalating conflict in the Middle East and rocketing freight rates owing to disrupted shipping routes through the Suez and Panama canals. Over the last year, commodity prices have been buffeted by a wide range of developments, including shifting expectations about supply management, surges in conflict-related risk, trade restrictions, and weather-related supply shocks. In recent months, the commodity market effects of these shocks have largely subsided, leading to greater dispersion in price movements across commodities. However, the risk of synchronized price increases, due to an escalation in geopolitical tensions, remains significant. When price rises are broad-based across commodities,

it limits consumers' ability to substitute toward lower-priced goods, amplifying welfare losses and reducing the effectiveness of inflation mitigation efforts.

Anadolubank Nederland N.V.'s Trade Finance team had an excellent year in 2024 in terms of commission income, trade finance volume, and operating income. Trade Finance department demonstrated another record year in terms of both volume and operating income. Trade Finance department's income commission exceeded EUR 4.5mn at the end of the year representing 13% increase compared to the previous year. Addition of new clients to the customer portfolio as well as activation of some existing inactive customers had a strong positive impact on trade finance volumes. Despite lower economic activity and lower commodity prices Anadolubank Nederland N.V.'s annual trade finance volume exceeded EUR 3 billion in 2024 which was EUR 2.5bn in 2023, recording a year-on-year growth of over 20%. Increased volume and record commission income were supported by increased corporate deposits as well.

2.5 Corporate Banking

Anadolubank Nederland N.V.'s Corporate Banking division serves both domestic corporations and international companies, operating primarily in Europe and Türkiye. Our goal is to differentiate Corporate Banking by delivering high-quality services, tailor-made products, professional consultancy, and exceptional customer experience.

The Corporate Banking team had a successful year, benefiting from favourable market conditions and expanding our client base by welcoming new customers. We participated in several syndicated lending facilities, increased our corporate loan portfolio, and improved overall profitability.

Looking ahead to 2025, with anticipated ECB rate cuts signalling the end of high interest rates, we still foresee strong demand for our products and services. As a result, we aim to maintain our current levels of profitability through strategic growth and client-focused solutions.

Beyond our core business, we are placing greater emphasis on ESG-related initiatives. We have integrated green criteria into our credit analysis processes and are committed to expanding our portfolio of sustainable loans over the long term.

In 2024, Corporate Banking will continue to contribute to Anadolubank Nederland N.V.'s ongoing growth by expanding our corporate loan portfolio, acquiring new projects, and onboarding new clients.

2.6 Retail Banking

Retail deposits provide us with a stable funding base and have been a key focus area since the commencement of our operations. The retail banking products of Anadolubank

Nederland N.V. are straightforward, offering customers savings accounts and a range of term deposit options with market rates. Retail deposits are primarily collected through online and call center channels. In 2024, the Retail Banking Department maintained its commitment to delivering fast, reliable and consistent customer service.

2.7 Compliance

Compliance, Financial Crime, and Conduct Risk Management

At Anadolubank Nederland N.V., compliance risk is defined as the potential for legal or regulatory sanctions, financial loss, or reputational damage resulting from failure to comply with applicable laws, regulations, self-regulatory standards, and industry codes of conduct. The Bank places strong emphasis on customer due diligence, Anti-Money Laundering (AML), fair customer treatment, conflict of interest prevention, data protection, and workplace integrity. As a gatekeeper of the financial system, Anadolubank Nederland N.V. actively works to combat money laundering and the financing of terrorism, applying strict procedures and measures to uphold its obligations.

To ensure effective risk management, a comprehensive compliance framework has been established, outlining the principles and structure for managing compliance risks. This framework empowers the first line of defense to identify, monitor, and mitigate compliance risks, ensuring they remain within acceptable levels as defined by Anadolubank Nederland N.V.'s overall risk appetite.

Risk Management Approach

The Compliance Function operates independently, overseeing adherence to laws, regulations, and internal policies through a structured monitoring plan. Key focus areas include:

- Customer Due Diligence (CDD) & Know Your Customer (KYC) compliance
- Anti-Money Laundering (AML) & Counter-Terrorist Financing (CTF)
- Fair treatment of customers and ensuring positive outcomes
- Prevention and management of conflicts of interest
- Data protection
- Workplace integrity and ethical business practices

As part of its internal control framework, Anadolubank Nederland N.V. conducts an annual Systematic Integrity Risk Analysis (SIRA) to assess potential risks in processes, products, and counterparties. This ensures that all integrity-related risks are proactively identified and managed.

Compliance Risk Indicators & Reporting

To monitor and control compliance risk, Key Risk Indicators

(KRIs) are assessed on a quarterly basis and incorporated into the quarterly compliance reports, which:

- Are reviewed by the Management Board
- Are presented to the Supervisory Board

Additionally, a structured process is in place to identify new and upcoming regulations at an early stage. This enables the Bank to assess regulatory impact and, where necessary, initiate dedicated projects to integrate new requirements into Anadolubank Nederland N.V.'s operational framework.

Compliance Developments in 2024

In 2024, Anadolubank Nederland N.V. strengthened its centralized compliance structure, enhancing oversight, alignment, and efficiency across the organization. These improvements further reinforced the Bank's ability to identify, manage, and mitigate compliance risks effectively.

We confirm that in 2024, Anadolubank Nederland N.V. was not subject to any sanctions, regulatory actions, or enforcement measures related to:

- Financial supervision
- Corruption
- Advertising standards
- Competition laws
- Data protection
- Product liability

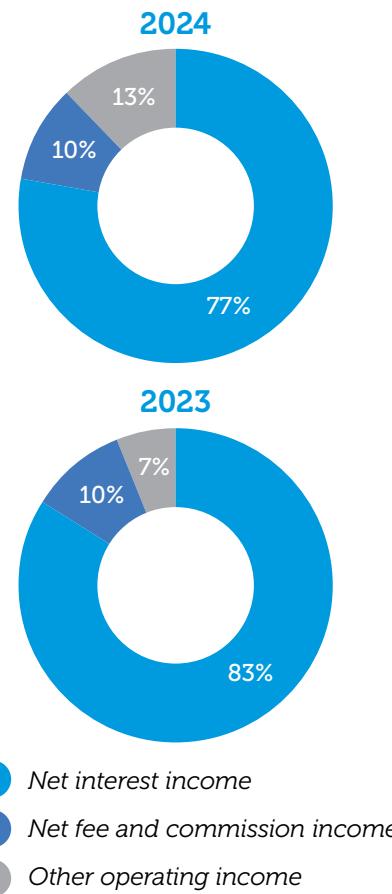
By continuously improving its compliance framework and risk management processes, Anadolubank Nederland N.V. remains committed to maintaining high ethical and regulatory standards, ensuring the trust and confidence of customers, regulators, and stakeholders.

2.8 Financial Performance Summary

Anadolubank Nederland N.V. posted EUR 22.9 million net profit in 2024, EUR 3.9 million higher than 2023 (2023: EUR 19 million).

Net interest income rose to EUR 33.9 million from EUR 31.9 million in 2023, aligned with the increase in interest-bearing assets. Net fee and commission income increased by 9%, mainly driven by high-volume trade finance activities.

Breakdown of operating income



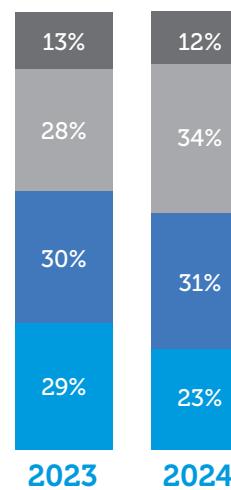
The Bank's total assets as of 31 December 2024 were EUR 1,116 million, 11% higher than the previous year (2023: EUR 1,005 million). The main increases relate to loans and advances to banks and customers.

Cash and cash equivalents were EUR 259 million (2023: EUR 290 million). The Bank continues to prioritize maintaining a sound level of liquidity.

With a high level of stable financing and a well-managed maturity profile, the Bank consistently meets liquidity requirements.

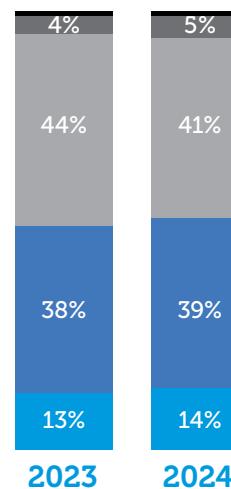
Interest-bearing securities closed the year with a balance of EUR 124.4 million at the end of 2024. (2023: EUR 124.2 million). Deposits from customers increased by 7% to EUR 886 (2023: EUR 827 million).

Composition of assets



Legend: █ Other █ Loans & advances to customers █ Loans & advances to banks █ Cash & cash equivalents

Composition of liabilities



Legend: █ Other (1%) █ Deposits from banks █ Corporate deposits █ Retail deposits █ Shareholder's equity

Supported by a conservative risk appetite and a strong capital structure, the Tier 1 ratio stood at 19.3% in 2024 (2023: 20.6%). Liquidity Coverage Ratio (LCR) stood at 160% in 2024 compared to 385% in 2023.

The cost/income ratio was 28.4% as of 31 December 2024, down from 29.9% as of 31 December 2023. Year-on-year performance remained similar.

Expected credit losses (ECL) decreased from EUR 5.2 million to EUR 4.2 million. Specific loan exposure of EUR 1.5 million was written off during the year. Non-performing loan (NPL) coverage ratio was 70%.

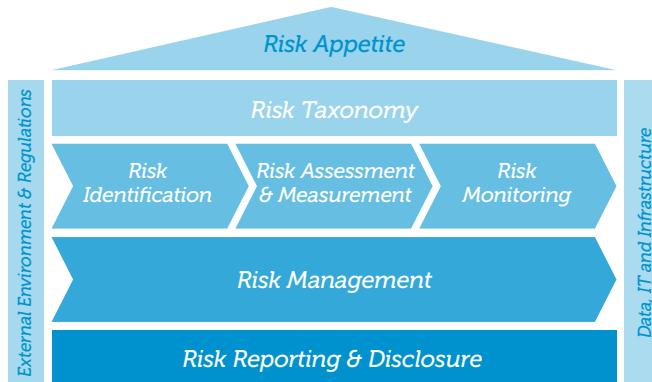
2.9 Risk Governance and Management

The Bank has two tier management system, the Management Board (MB) that is responsible for the day-to-day management of the Bank and the Supervisory Board (SB) that is responsible for the supervision of the Bank. The Supervisory and Management Boards have set policy-level standards in accordance with the regulations of the Dutch Central Bank (De Nederlandsche Bank – DNB) and European Union, and the guidelines published by the Basel Committee and the European Banking Authority.

With the approval of the Supervisory Board, the Management Board has drawn up a Charter which includes its duties, powers and working methods and information on its relationships with the Supervisory Board, the shareholders and the external auditors. The Supervisory Board has also drawn up a Charter which includes its duties, powers and working methods and information on its relationships with the Management Board and the Shareholders.

Risk management is based on the three lines of defense principle for the segregation of duties. Business units form the first line of defense, Risk Management and Internal Control, along with the Compliance departments, form the second line of defense. Those departments support the business units in their decision-making, but have also appropriate independence and countervailing power to avoid risk. Internal Audit, as the third line of defense, oversees and assesses the functioning and effectiveness of the first two lines. The risk appetite is established based on the external environment, regulations, as well as data, IT and infrastructure. It covers the rules and regulations imposed by the national and international regulatory bodies, and provides data aggregation, transparency and consistency. A risk taxonomy is created to provide a common set of definitions on the risk types within the organization. As a result, definition and classification of risks are comparable across the organization. Risk identification is performed to detect the external and internal events that might affect the realization of the strategic objectives. Identified risks are further analyzed through risk assessment & measurement. This process consists of assessing each identified risk using

qualitative or quantitative techniques and also demonstrates the interaction of the risk types. Then, risk monitoring helps the business units and boards to understand whether the risks are within acceptable level. The Risk Management Department is responsible for the oversight of the process according to implemented policies and procedures. Risk reporting and disclosure ensures that the identified risks are accurately and timely communicated with the internal and external parties. The graph displayed below describes each building block of the risk management framework.



The Supervisory Board has the final authority to approve the risk appetite statement proposed by the Management Board, exercising its oversight of risk management. The oversight of the policies and processes of the Audit Department, the Risk Management Department and the Compliance Department, is the responsibility of the Supervisory Board. They define the risk assessment and management to be carried out within the governance structure. The Supervisory Board also reviews internal control and financial reporting systems that are relied upon to ensure integrated risk measurement and disclosure processes.

In the area of risk management, the Management Board is supported by various committees. The Asset and Liability Committee (ALCO) and Credit Committee are also responsible for the structure of the risk organization and for determining and/or adjusting powers in the context of risk and capital policy. Within the Risk Appetite Framework, the Committees have the following duties:

- Assessing risk policies that are in line with the Bank's risk appetite;
- Assessing specific standards, authorizations and limits for various risks.

The risk appetite established by the Management Board provides the boundaries within which the Bank has to operate. The Management Board acknowledges that the regulators will continue to challenge financial institutions and for that reason continued effort is required to maintain high quality standards in the area of risk management. In this respect, the Bank puts an emphasis on the DNB Supervisory Themes. Also, the Bank initiates yearly objectives to improve the current framework. Building on

the previous years, the risk culture will be further developed by improving risk knowledge and awareness throughout the organization.

2.10 Risk and Capital Management

The Bank performs Internal Capital Adequacy Assessment Process (ICAAP) on a yearly basis which is reviewed and approved by the Management Board and Supervisory Board. All risks that the Bank is exposed to such as credit, market and operational risk, are defined and the impact on the Bank's profitability, equity position and solvency ratio of those risks are calculated. To address the credit concentration risk, the Bank has established concentration limits in terms of both nominal value and capital consumption, covering (i) single name concentrations of large (connected) individual counterparties, (ii) significant exposures to sectors and (iii), country concentration, to effectively manage concentration risk in its loan portfolio. Extensive stress tests are conducted to analyze the worst-case scenarios that the Bank and/or markets may experience. In addition to ICAAP, Internal Liquidity Adequacy Assessment Process (ILAAP) is also performed on a yearly basis which is also reviewed and approved by the Management Board and Supervisory Board. It is acknowledged that an accurate ILAAP reduces both the institution's and its supervisors' uncertainty regarding the risks the institution is or may be exposed to, while providing supervisors with increased confidence in the institution's ability to continue operating by maintaining adequate liquidity buffers, stable funding and effective risk management. This requires the institution, in a forward-looking manner, to ensure that all material risks are identified, effectively managed (through an appropriate combination of quantification and controls) and covered by a sufficient level of high-quality liquidity buffers.

The Bank established a Recovery Plan which is also updated regularly.

The Recovery Plan presents the conditions, requirements and the applicable procedures regarding the recovery options that are subject to the activation. The Recovery Plan is embedded in its business-as-usual operations, and is built on existing governance, frameworks, processes and plans. In this way one can regard it as a continuum of the ICAAP and ILAAP plans that include measures and strategic considerations to ensure the Bank's readiness to tackle crises on its own strength.

Capital and Risk Management Pillar III Disclosures contain information that enables an assessment of the risk profile and capital adequacy of the Bank. This publication fulfils the requirements of the Basel framework, as stipulated in the Capital Requirements Regulation and Directive (CRR/CRD). The Bank also publishes its disclosures on its website.

Security in finance is a key focus of our operations. When it comes to cybersecurity, we recognize that it is an extremely important topic for all banks. At Anadolubank Nederland N.V., we consider not only the value of customer data but also the integrity and resilience of our systems. We follow global trends and implement the necessary controls, adopting a layered approach to address security challenges. We protect all our assets by adhering to foundational security principles and continuously incorporating new technologies.

2.11 Credit Committee

Credit Risk Management follows the standard Three Lines of Defense model. Decisions regarding individual proposals are based on the Bank's internal business analyses and independent risk assessments.

The Tier-1 Credit Committee, consisting of three managing directors and the head of credit risk management as voting members, is mandated with approving new credit proposals and renewing existing facilities (including all types of credit

exposure such as loans and bonds). It also decides on sector and country risk proposals within its delegated authority.

Tier-1 Credit Committee recommends the Tier-2 Credit Committee (composed of a member of the Board of the Parent Bank, a manager of the Parent Bank's Credit Risk Department and Managing Director/CEO of the Bank) with respect to individual proposals that exceed its approval authorities. As such, Tier-1 Credit Committee is the initiator and Tier-2 Credit Committee is the highest approval authority regarding individual credit proposals that exceeds the approval authorities of Tier-1 Credit Committee. Regarding Credit Risk Policies, Tier-2 Credit Committee may be consulted for advice by the Supervisory Board.

IFRS 9 reporting and maintenance are being managed jointly by the Financial Control and Reporting Department and the Credit Risk Department. Relevant reports are being presented and discussed at Credit Committees quarterly.

2.12 Asset & Liability Committee

The Asset & Liability Committee "ALCO" typically comprises the members of the Management Board, the head of Risk Management, the head of Financial Control and Reporting and the heads of Treasury, Corporate and Institutional Banking activities, as well as business heads. The ALCO formally meets on a biweekly basis to review the exposures within the statement of financial position, along with market conditions, and to decide on strategies to mitigate any undesirable liquidity and market risks. If necessary, additional meetings may be convened.

The Treasury Department is mandated to holistically manage the liquidity mismatch and interest rate risk arising from our asset and liability portfolios on a day-to-day basis. The Treasury Department is required to exercise tight control of funding, liquidity, concentration and interest

rate risk on banking book within parameters defined by the board-approved risk appetite policy. The Risk Management Department monitors daily business operations according to risk appetite limits. Weekly reporting to ALCO and the Board includes details of performance against relevant Risk Appetite Statement and key metrics (breaches and trends).

The ALCO discusses a wide range of issues at its meetings throughout the year, including the realization of business plan, solvency, liquidity, the Bank's results, projected loans and loan repayments, interest rate risk, foreign currency risk, foreign exchange, key equity markets, macro-economic developments and the market outlook in the main markets where the Bank operates, as well as the savings market. The ALCO also reviews the results of, and progress in, the implementation of decisions made in previous meetings.

The Bank finds it prudent to keep a high level of liquidity and maintains liquidity significantly above the minimum requirements of the Dutch Central Bank. It also monitors diversification, the cost robustness of funding sources, and both current and new funding structures.

2.13 Corporate Governance, Supervisory Board and the Management Board

Supervisory Board

The Supervisory Board of Anadolubank Nederland N.V. is comprised of four members, two dependent members, having positions in Anadolubank Türkiye, and two independent members. The chairman of the Supervisory board is one of the independent members.

Currently the board consists of one female and three male members:

Mr. A.J. Smith, Chairperson

Mr. F. Canbay, Vice Chairperson

Mr. M. Rosenberg, Member

Mrs. M. Yurtkuran, Member

The Supervisory Board had a specific focus on supervising the activities of the Management Board with respect to:

- Review and further implementation and maintenance of the Risk Management Framework and our internal control system;
- Review of risk appetite, limits and authority levels;
- Review of the Compliance monitoring plan and the Internal Audit annual plan;
- Review of the engagement of the external auditors, particularly in respect to their independence.

Management Board

The Management Board of Anadolubank Nederland N.V. is comprised of three members. One of them holds the title of CEO.

The board consists of one female and two male members:

Mr. N. Sabah, CEO

Mrs. Plotkin, Managing Director

Mr. E. Erturk, Managing Director

Each member has specific areas of attention and together the Management Board is responsible for the day-to-day executive management of the Bank. This includes amongst others the development of strategies, active balance sheet management and the fulfilment of the Bank's obligations towards regulatory bodies.

Although the Dutch Corporate Governance Code is formally not applicable to our Bank, we voluntarily follow its main principles. The manner in which Anadolubank Nederland N.V. complies with or explains its implementation of, the Governance Code is published on the Bank's website.

The Dutch Banking Code (Code Banken) was initiated in 2009 by the Dutch Banking association (NVB). Anadolubank Nederland N.V. has been a member of the NVB since its activities began in 2008, and therefore, the Bank follows the banking Code.

2.14 Human Resources

Our bank's sustainable business success is built on motivated employees who feel a genuine sense of ownership within the organization. Human Resources continues to serve as a cornerstone of our business growth strategy, helping us overcome challenges, embrace opportunities, and celebrate achievements through unwavering commitment and collaborative effort. Accordingly, it is important to drive business success through strategic HR Management. By adopting strategic HR Management, we successfully implemented our plans for 2024.

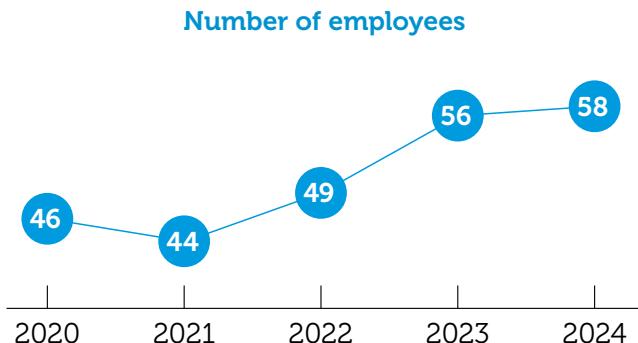
Our plans that we implemented in this direction are as follows:

Recruitment

This process is based on alignment with the corporate culture to ensure that employee development efforts are consistent with organizational values and long-term goals. Accordingly, four employees started working at our bank in 2024. Additionally, the table shows the increase in the number of employees over the 5-year period since 2020.

Creating employee development plans: Collaborative Training Project with E&Y

In the project initiated for the design and development of the targeted Middle Management Training Program with

**Number of employees by gender**

Gender	Number of employees
Male	33
Female	25

Male
Female

a Comprehensive Performance Management Approach at our bank, the Human Resources Department provided support to the management team, in collaboration with EY, by addressing needs and outcomes throughout the project.

Building Future Talent

Throughout 2024, our recruitment team has actively participated in numerous career events hosted by the University of Amsterdam and affiliated student organizations. We implemented a participation strategy focused on the University of Amsterdam and the student organization SEFA. Our activities within this scope are:

Shadow Day: University of Amsterdam students spent a day in various departments at the Bank. This allowed students to understand banking and finance career paths.

Career Fair Participation: By participating in the University of Amsterdam's Career Day, we introduced the existing internship and job opportunities at our bank. By answering students' questions about both organization and existing roles, we demonstrated that we are a preferred employer by future professionals.

As a result of all these activities, in 2024, 6 students had the opportunity to do an internship at our bank.

Training and Development

Employees were regularly supported in their professional development through diverse learning opportunities. These included industry association-led online training sessions covering technical skills, regulatory knowledge, and personal effectiveness. Internal workshops facilitated knowledge sharing among teams, while certificate-based programs enhanced specialized competencies. Additionally, based on identified developmental needs, strategic partnerships with external training providers delivered customized training programs and interactive workshops to address specific skill gaps.

Educational structure

Education Level	Percentage
Bachelor's	54%
Postgraduate	41%
Secondary school	5%

2.15 Remuneration

Our remuneration policy complies with Dutch and European legislation, the regulations and guidelines issued by De Nederlandsche Bank (DNB), the Authority for the Financial Markets (AFM) and the European Banking Authority (EBA) and self-regulation codes.

Every year the Internal Auditor releases a report on Remuneration. This report identifies the following four key principles: Remuneration is:

- Aligned with business strategy of the Bank;
- Appropriately balanced between short term and long term;
- Differentiated and relative to the realization of performance objectives and the results of the Bank;
- Externally competitive and internally fair.

Payments are made only in cash, based on the internal risk assessment which consists of:

- Bank remains unlisted and non-cash payments are not possible or convenient;
- Risks arising from the cash payment are adequately managed; using a calculation of variable remuneration which is based on the sustainable income of the Bank and safeguarding the Bank's right to claim back paid remuneration under certain circumstances.

Where employees receive variable remuneration, the average amounts remain relatively modest, and the total sum of all variable remuneration does not exceed 20% of the total fixed income of all employees combined. Employees whose employment conditions are not fully determined by a collective labour agreement and who do not perform control functions may receive higher remuneration, provided that it does not impair the Bank's ability to maintain a sound capital base in the long term. Remuneration policy of the Bank can be found on the corporate website.

The total variable remuneration in 2024 was EUR 563 thousand. Fix remuneration for Supervisory Board was EUR 209 thousand and total remuneration for Management Board was EUR 1,137 thousand. None of the employees have received remuneration over EUR one million and the Bank complies with the requirements of Wbfo.

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Reference is made to Note 23 'Personnel expenses' for details on the remuneration.

2.16 Internal Audit

The Internal Audit Department plays a critical role in Anadolubank Nederland N.V.'s control framework, contributing to stronger governance at the Bank level. As an independent and objective assurance and consulting function, it serves as the third line of defense. To maintain its effectiveness, the department operates independently of the activities it audits, ensuring that internal auditors have the necessary authority and standing within the Bank to perform their duties with objectivity.

The purpose of Internal Audit is to provide assurance that the Bank's activities comply with legal and regulatory requirements, as well as internal strategies, policies, and objectives. It evaluates the effectiveness and adequacy of the Bank's internal control and risk management systems, conducting audits to assess their efficiency. Audit reports, that are results of the audits performed in line with the risk-focused annual audit plan, are submitted to the relevant departments, senior management, and the Supervisory Board to facilitate necessary corrective actions.

For the 2024 audit cycle, business and IT processes were prioritized following a comprehensive risk assessment of the Bank's operations. This assessment is based on a broad risk analysis of the Bank's processes, considering potential risks that may occur (including operational and fraud risks) and the existing controls to avoid all types of risks. Additionally, the Internal Audit Department completed mandatory annual audits in line with regulatory requirements, covering areas such as Remuneration and the Deposit Guarantee Scheme, alongside risk-based process audits.

2.17 Climate and Environment

1. Introduction

In 2023, Anadolubank Nederland N.V., supported by a consulting company, started to work very intensively on the Climate and Environment (C&E) Risk Management Project. A project team was formed comprising both internal and external staff. It was acknowledged that achieving full compliance with the ECB expectations would be a large task.

The main responsibility of the project team is to execute the project to integrate C&E risks into the existing risk framework in line with the requirements as laid down in the ECB expectations. In 2024, the majority of the ECB expectations were met, and by the end of 2025 the Bank expects to comply with the remaining ones.

One of the significant progress areas is that C&E analysis of the customers is incorporated into the credit risk policy, and therefore all clients are now assessed from the C&E perspective as well. The disclosure of financed emissions is

required by the ECB expectations (in sub-expectation 13.5), but no specific methodology is prescribed. Anadolubank Nederland N.V. has selected the methodology developed by the Partnership for Carbon Accounting Financials (PCAF) to determine its financed emissions. These emissions were calculated in 2024 for internal purposes, and public disclosure is planned in 2025.

The impact of C&E risks has also been taken into account in the new business model and strategy of the Bank developed in 2024. Key risk indicators (KRIs) related to C&E have also been determined, and an exclusion list of sectors has been prepared.

In 2024, Anadolubank Nederland N.V. achieved a major milestone in its journey to integrate climate-related and environmental risks into its risk management framework. Building on the groundwork laid in 2023, the Bank successfully completed the C&E Risk Management Project by March 2024. This included submitting its financial materiality assessment to the Dutch Central Bank (DNB), marking the transition from setup to execution. Anadolubank Nederland N.V. is now well-positioned to comply with the ECB's expectations.

Disclosures in this section follow the four pillars of the TCFD framework: Governance, Strategy, Risk Management, and Metrics & Targets. These disclosures reflect a financial materiality perspective.

2. Regulatory requirements and external guidance

In March 2025, Anadolubank Nederland N.V. reviewed its position on sustainability reporting in response to evolving regulatory requirements. Given the evolving nature of these regulatory requirements, the Bank has adopted a strategic and measured approach. As a smaller size institution, Anadolubank Nederland N.V. remains committed to making thoughtful investments while ensuring alignment with emerging expectations and implementation timelines. This approach allows the Bank to maintain flexibility while proactively adapting to regulatory developments.

In 2024, Anadolubank Nederland N.V. aligned its practices with key external frameworks, including the TCFD, ECB Guide, European Commission's Guidelines, and the PCAF methodology. The assessment submitted to DNB focused solely on financial materiality.

DNB provided favorable feedback, recognizing progress on 11 C&E sub-expectations. While effectiveness will be assessed in future audits, DNB noted that the Bank is on track to meet the end-2025 deadline.

3. Governance

The governance structure for C&E risk management at Anadolubank Nederland N.V. is based on the two-tier management system and the three lines of defense (3LoD) principle. Throughout 2024, the Bank retained its dedicated

C&E Risk Project Team, comprising 10 staff members from across departments. While a standalone Environmental, Social, and Governance (ESG) department is not yet established, cross-functional collaboration has proven effective.

3.1 Project team

The C&E Risk Project Team was responsible for coordinating initiatives, ensuring cross-departmental alignment, and engaging with the Management Board and Supervisory Board. The team facilitated awareness sessions, managed

disclosures to DNB, and contributed to policy updates, including the formalization of the C&E Risk Policy and ESG Risk Appetite.

3.2 Roles and responsibilities

The responsibilities for managing C&E risks are documented in the C&E Risk Policy and structured according to the 3LoD principle. The main roles and responsibilities are discussed below, and a schematic overview of the governance structure is presented in below figure.

<p style="text-align: center;">Supervisory Board (SB)</p> <p>The Supervisory Board is responsible for exercising oversight to ensure that Anadolubank effectively manages C&E risks in alignment with its strategic objectives, regulatory requirements, and stakeholder expectations.</p>		
<p style="text-align: center;">Management Board (MB)</p> <p>The Management Board is responsible for embedding C&E risks in the business strategy and risk management framework, allocation of roles and responsibilities, and exercising of the management of C&E risks.</p>		
<p style="text-align: center;">C&E risk management project team</p> <p>The project team, with representatives from 1st and 2nd line of defense, works jointly on the integration of C&E risks into the risk framework. Over time, responsibilities are transferred to the business-as-usual organization.</p>		
<p style="text-align: center;">1st line of defense</p> <p>Commercial departments, Financial Control & Reporting</p>	<p style="text-align: center;">2nd line of defense</p> <p>Financial & Operational Risk Mgt, Credit Risk Management, Compliance</p>	<p style="text-align: center;">3rd line of defense</p> <p>Internal audit</p>
<p>Key responsibilities include the execution of risk identification and materiality assessments, both at sector- and counterparty-level, and the collection of C&E-related data. Risks need to be managed within the Risk Appetite Statement.</p>	<p>Key responsibilities include the monitoring and review of the C&E risk management by the 1st line of defense, the development of risk policies and frameworks, and stress testing and scenario analysis.</p>	<p>Key responsibilities include conducting independent reviews and assessments of the Bank's C&E risk management practices, as well as giving the assurance of accuracy and reliability of C&E risk-related data and reporting.</p>

The governance structure for the management of C&E risks

- **Supervisory Board**

The Supervisory Board is responsible for overseeing Anadolubank Nederland N.V.'s management of C&E risks, ensuring alignment with the Bank's strategic objectives and regulatory requirements. It regularly discusses C&E risks with the Management Board, oversees their integration into the Bank's operations, and approves key policies such as the ESG Risk Appetite and exclusion policies. Additionally, the Supervisory Board receives regular updates on ESG developments to support informed decision-making.

- **Management Board**

The Management Board is responsible for integrating C&E risks into the business strategy, risk appetite, and overall risk management framework. It allocates roles,

oversees policy adherence, monitors risk reporting, and ensures alignment with regulatory requirements. Additionally, it regularly reports to the Supervisory Board on C&E risk exposure and management.

- **1st line of defense**

The first line of defense, primarily the Commercial departments, is responsible for identifying and assessing C&E risks in client relationships. They integrate counterparty-level risk identification & materiality assessment (RI&MA) into lending decisions, ensure compliance with Risk Appetite Statement (RAS) limits, and align activities with ESG objectives.

- **2nd line of defense**

The second line of defense, comprising Risk Management and Compliance departments,

provides independent oversight and guidance to the Commercial departments in managing C&E risks. This includes reviewing RI&MAs, tracking ESG metrics, supporting scenario analysis, and ensuring compliance with regulatory requirements. They also develop and maintain the Bank's C&E risk management policies and frameworks

- **3rd line of defense**

The Internal Audit department, as the third line of defense, independently assesses the effectiveness of C&E risk management, validating processes and ensuring the accuracy of related data and reporting. Findings and recommendations are reported independently to the Supervisory Board.

3.3 Internal policies

The Climate & Environmental Risk Policy, finalized in 2024, is complemented by updated credit, collateral, and risk appetite documents. The ESG Risk Appetite Framework now includes preliminary KRIs and outlines qualitative and quantitative monitoring practices, laying the foundation for future target-setting.

4. Business model and strategy

2024 marked the first year that C&E risks were actively integrated into strategic decision-making. The Bank's three-year strategy cycle includes a dedicated section on climate risk adaptation.

Key actions taken include:

- Full coverage of the loan portfolio via sector-level RI&MA (>94% exposure), maintaining the comprehensive methodology and format used in 2023
- Preliminary consideration of sector exclusions and emissions-related goals
- Development of climate risk adaptation strategies for high-risk sectors

Anadolubank Nederland N.V. is evaluating the pathways to align with the Paris Agreement goals and to set related emissions reduction targets. These decisions will shape strategic choices on sectors, products, and clients.

The RI&MA methodology from 2023 has been retained and continues to serve as the foundation for evaluating environmental risks. Heatmaps developed for credit, liquidity, market, operational, compliance and strategic risks remain in use, ensuring a consistent and robust framework for decision-making across time horizons and climate scenarios.

5. Risk Management

The sector-level RI&MA is the foundation for the identification, assessment, and management of C&E risks within the Bank.

5.1 C&E risks

In line with market practice, Anadolubank Nederland N.V. distinguishes between the following two categories of C&E risks:

- 1. **Physical risks**

Physical risks are defined as the potential negative financial impacts stemming from the direct or indirect consequences of climate change and environmental factors. A further distinction is made between acute physical risks and chronic physical risks. Acute physical risks are extreme weather events, like floods, wildfires or storms. Chronic physical risks can be climate-related (e.g., rising sea levels or changes in climatic conditions), or environmental, like the impact from pollution, water scarcity, or the loss of biodiversity.

- 2. **Transition risk**

Transition risks are defined as the potential negative impacts stemming from the direct or indirect consequences of the shifts required to address climate change and environmental concerns. These risks can be triggered by regulatory changes, technological advancements, and shifts in consumer and investor sentiment. Banks may face financial losses or face declining valuations if the carbon-intensive industries they invested in fail to adapt in a timely fashion.

Anadolubank Nederland N.V. can be exposed to C&E risks through our own operations and physical assets but, more importantly, also indirectly, through our loans and investments to clients in vulnerable regions and/or sectors. These exposures have been first assessed through the sector-level RI&MA.

5.2 Risk management process

As mentioned under Governance section internal policies and KRIs are in place to support the C&E Risk Policy and the ESG Risk Appetite Framework, ensuring effective monitoring.

C&E risks are treated as drivers of traditional risk types. Key developments in 2024 include:

- **Credit Risk**

The counterparty-level RI&MA template is now integrated into the credit approval process. Material risks trigger enhanced scrutiny from the Credit Committee, including alignment with strategic ambitions.

- **Liquidity and Market Risk**

Extreme weather and reputational risks have been

flagged as material for the funding portfolio. Work continues on embedding these risks in ILAAP and ICAAP.

• Scenario Analysis

A transition risk scenario (carbon price shock) was used again in ICAAP 2024. Broader scenarios will be introduced in 2025 to align with ECB expectations.

• Operational and Compliance Risk

Environmental factors remain non-material for operations but are monitored through existing controls.

An updated gap analysis in early 2024 showed that 24 of the original 31 actions from the 2023 plan were completed. Remaining gaps relate to full integration into the RAS, scenario analysis, and data infrastructure.

6. Sector Level RI&MA

The sector-level risk identification and materiality assessment aims to understand how environmental risks (e.g., extreme weather or new policies) could affect the Bank's financial position, focusing on financial materiality. Additionally, the Bank recognizes that its environmental impact may lead to reputational or strategic risks.

The general approach for executing the RI&MA is described below:

6.1 General approach

High-level assessment based on the existing Risk Taxonomy

C&E risks are assessed within the Bank's existing Risk Taxonomy, recognizing that they can influence traditional risk types like credit, market, and liquidity risk. A high-level qualitative assessment has been conducted for all identified risk types and sub-risk types to determine which could be impacted or aggravated by C&E risks. The detailed sector-level RI&MA then focused on these specific (sub-)risk types.

Portfolio scope and sector classification

All on- and off-balance sheet positions of Anadolubank Nederland N.V. have been in scope for the sector-level RI&MA. The sector-level RI&MA has been performed for all sectors that are material to the Bank. A sector-level approach allows for a proper assessment of C&E risks as these often differ from sector to sector. Instead of classifying all positions based on NACE codes, it has been decided to construct a product-based sector classification to group all counterparties with similar activities. In total, this results in a coverage well above the threshold of 85% that has been specified in the C&E Risk Policy.

Environmental risk factors and transmission channels

C&E risks encompass a wide range of physical and transition risks. To identify all relevant C&E risks, a list of environmental risk factors was compiled based on internal discussions and external regulatory sources. These risks

can impact the Bank's financial position through various transmission channels. A list of potential transmission channels was developed, including the effects on counterparties, such as lower turnover, reduced asset value, or increased legal costs, as well as direct impacts on the Bank, such as decreased funding availability or losses from failed internal processes.

Risk category	Sub-risk category	Environmental risk factors
Physical risks	Acute physical risks	Extreme weather events
	Chronic physical risks	Sea level rise & climate change Water usage / scarcity Waste production & pollution Biodiversity & ecosystems
	Policy changes & legal risks	Emissions Energy efficiency Environmental policies Legal risk
	Strategic & business risks	Technological changes Consumer & investor sentiment

Overview of environmental risk factors considered in the sector-level RI&MA

Likelihood and impact categories

Each environmental risk factor is scored and categorized in likelihood and impact buckets. The likelihood determines the probability of the environmental risk factor materializing. The impact buckets show the expected impact given that the environmental risk factor materializes. The combination of the two buckets allows for the creation of a heatmap that indicates the impact and likelihood of an environmental risk factor per sector.

Time horizons and climate scenarios

We further differentiate between time horizons and climate scenarios in the RI&MA. Three time horizons have been introduced: the short-term (less than three years), the medium-term (three to ten years), and the long-term (more than ten years).

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The likelihood of the environmental risk factors in the RI&MA is assessed for two climate scenarios: the Nationally Determined Contributions (NDCs) scenario (in which all countries adhere to their self-defined national climate pledges under the Paris Agreement) and the Net Zero 2050 (NZ 2050) scenario (in which global warming is limited to 1.5 degrees). The latter climate scenario is assessed for the long-term time horizon only.

Risk identification & materiality assessment per sector

The RI&MA is performed for each combination of risk type, environmental risk factor and sector (or portfolio). For each combination, potential transmission channels have been listed, and an assessment of the materiality has been included. These assessments result in heatmaps in which environmental risk factors are distinguished in terms of likelihood and impact. Four heatmaps per combination of sector and risk type are produced – one each for the short and medium time horizons and two for the long time horizon (considering the two climate scenarios).

An example heatmap, showing different levels of materiality, is presented below. The environmental risk factors occurring at the Level 3 and Level 4 materiality levels are considered material by the Bank..

Heatmap - Credit risk - Metals & machinery				Long-term (NDC)
Certain				Level 4
Likely				Level 3
Unlikely				Level 2
Rare				Level 1
	None	Low	Medium	High

Example of a RI&MA heatmap, divided into several 'Levels' of total risk.

The main results and conclusions from the sector-level RI&MA per risk type are discussed below:

6.2 Main results per risk type

Credit risk

Given the different characteristics of the sectors the Bank is active in, a large variety in terms of impact of environmental factors is observed over the different sectors.

The sectors that are considered most vulnerable to environmental risk factors are the sectors that have large environmental footprints. This concerns the following sectors: mining&fuels, metals&machinery, motor vehicles, transport&storage, marine financing, and agriculture. Counterparties in these sectors can generate substantial amounts of waste, pollution and greenhouse gas emissions (GHG) as part of their production process. Therefore, legal risks, energy efficiency requirements, environmental policies, carbon taxes, changes in consumer or investor sentiment, and technological changes can severely impact these sectors. The agricultural sector is highly vulnerable to almost all environmental risk factors considered (in the long-term time horizon). Together, these sectors occupy a meaningful portion of the Bank's loan portfolio.

The financials sector on the other hand, is considered least exposed to the environmental risk factors. Only in the long-term heatmaps, extreme weather events and GHG emissions are expected to have a potentially significant impact on their creditworthiness. The exposure is also

relatively limited for Government bonds.

Liquidity risk

For the liquidity portfolio, most environmental risk factors are expected to have a limited impact. All physical transition risks involve a gradual process by definition; therefore, no sudden outflows or additional liquidity premiums through sudden shocks to the market are expected to be incurred. Similarly, with regulatory policies and emission pricing, there is no potential impact expected on both the funding portfolio and liquidity portfolio.

For the funding portfolio, in particular extreme weather events are considered a material environmental risk factor. This risk factor can cause a sudden increase in withdrawals through household needs, as well as increased liquidity premiums if the extreme weather event has a system-wide impact. Changes in consumer and investor sentiment are also considered a material environmental risk factor. If reputational risks would occur related to the lending portfolio of the Bank, swift changes in the availability (or pricing) of the funding could occur.

Market risk

Generally, the risk associated with market risk is not considered significant, since the impact of environmental risk factors does not exceed the 'Low'-impact bucket. The assessments itself are comparable to the credit risk assessments as the focus for the market risk type is on the credit spread risk sub-risk type, which is only relevant for the fair value through other comprehensive income (FVOCI) securities in the Bank's portfolio.

Operational risk

Most of the environmental risk factors do not have any direct relationship with operations, IT systems, or business processes that could potentially impact the risk profile of the Bank. Hence, operational risk is only expected to be affected by extreme weather events and legal risks even though these are not considered material.

Compliance risk

From a compliance risk perspective, the environmental risk factors GHG emissions, energy efficiency, environmental policies, legal risks, and consumer & investor sentiment are considered relevant. The overall risk is assessed as low; however, Anadolubank Nederland N.V. is actively managing its environmental impact and aims to continuously improve its position, particularly in relation to potential future regulations

Strategic risk

The heavy industries sectors and the agricultural sector can be important sources of strategic risk for the Bank. The assessment shows that the following sectors pose a high risk from a strategic risk perspective: metals & machinery, motor vehicles, transport & storage, mining & fuels, and agriculture.

These sectors have several environmental risk factors that

score high on both likelihood and impact for the different time horizons. Consequently, future reputational damage is conceivable. The potential reputational damage stems from continuing investments into these sectors, that after some period could lead to negative attention and loss of customers.

Furthermore, potential business risk is present for most of these sectors, as environmental policies or the introduction of carbon taxes could negatively impact the business models of these counterparties. For the marine financing and chemicals sectors, both reputational risk and business risk is expected. Impacts generally are expected to be less than the heavy industries and agriculture sectors mentioned above. For the financial sector and government bonds portfolio no environmental risk factors are considered material.

7. Metrics and targets

While 2024 served as an observation year, three pilot KRIs were developed and embedded into internal reporting:

1. Share of exposures to environmentally vulnerable sectors
2. Share of the portfolio covered by RI&MA (target: >85%)
3. Financed emissions tracking based on PCAF methodology

The three pilot KRIs are actively monitored. These KRIs will guide the development of concrete targets and risk appetite thresholds in 2025. Initial discussions on introducing exclusion lists and ESG-linked incentives are underway.

7.1 Greenhouse gas emissions

The GHG Protocol distinguishes between three scopes:

1. **Scope 1:** Direct GHG emissions that occur from sources that are owned or controlled by the company.
2. **Scope 2:** Indirect GHG emissions that occur from the generation of purchased electricity consumed by the company.
3. **Scope 3:** Indirect GHG emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company (the Bank's value chain).

Financed emissions are emissions generated as a result of financial services, investments, and lending by investors and companies that provide financial services. They fall under Scope 3, category 15 from the GHG Protocol.

PCAF

To calculate the financed emissions, Anadolubank Nederland N.V. has used the methodology developed by the Partnership for Carbon Accounting Financials (PCAF) and become a PCAF signatory in March 2024. PCAF is an industry-led initiative to consistently measure and

disclose the GHG emissions of financial activities. The PCAF methodology provides detailed methodological guidance for seven different asset classes: project finance, mortgages, motor vehicle loans, sovereign bonds, listed equity & corporate debt, business loans & unlisted equity, and commercial real estate. For Anadolubank Nederland N.V.'s portfolio, only four asset classes are relevant.

According to the GHG Protocol, GHG emissions from loans and investments should be allocated to the reporting financial institution based on the proportional share of lending or investment in the borrower or investee. The financed emissions are calculated based on an attribution factor and the counterparty's GHG emissions. The general idea is to have an attribution factor that determines which share of the total emissions of the borrower should be allocated to the loan. The exact calculations depend on certain characteristics of the exposure, but in principle it is calculated as the share of the outstanding loan amount over the total equity and debt of the borrower:

$$\text{Financed emissions} = \sum_{i \in \text{Portfolio}} \frac{\text{Outstanding amount}_i}{(\text{Total equity} + \text{debt})_i} * \text{Emissions}_i$$

where i is a counterparty.

Data sources, limitations, and assumptions

Anadolubank Nederland N.V. has made an effort to collect company-specific GHG emission data as much as possible. This is based on information retrieved from client engagement and publicly available sustainability reports. In principle, emission data has been collected for Scope 1, 2, and 3. If Scope 3 was not available, the company-specific GHG emission data was only included if permitted by the PCAF methodology. This depends on the counterparty's sector. Where company-specific information was not available, Anadolubank Nederland N.V. has used emission factors related to the counterparty's revenue covering Scope 1, 2, and 3 emissions. The factors further depend on the level 2 NACE code and the country or region where the counterparty is active in. The emission factors have been obtained from the PCAF Database with 'Exiobase Revenue' being the underlying source of data.

Over time, Anadolubank Nederland plans to improve by extending the set of counterparties for which company-specific GHG emissions are used. The financial data was retrieved from a combination of internal and external sources. The applicable NACE codes have been selected by Anadolubank Nederland N.V..

7.2 Results

Anadolubank Nederland N.V. successfully completed its financed emissions calculation in line with the PCAF methodology, covering 99.7% of all relevant exposures. This marks a key step in aligning with ECB sub-expectation 13.5. The total financed emissions for the year amounted to 353,108 tCO₂e.

Key insights from the 2024 results include:

- Corporate loans remain the largest contributor to total financed emissions, accounting for 73% of total emissions.
- Manufacturing, agriculture, and wholesale & retail trade are the highest emitting sectors, primarily due to high Scope 3 emissions.
- Financial institutions contribute the least due to limited Scope 3 disclosures within the sector.
- Average emission intensity stood at 430.08 tCO2e per € million, with a data quality score of 2.68 (on a scale from 1 to 5).

Observations:

- Scope 3 emissions were included where sector-specific requirements applied (e.g. manufacturing, wholesale)
- High-intensity sectors reflect the presence of both operational and value chain emissions
- Financial counterparties reported primarily Scopes 1 and 2 due to limited industry-wide Scope 3 disclosure

Anadolubank Nederland N.V. has taken steps to improve emissions data accuracy through client questionnaires, public sustainability reports, and internal system upgrades. The location-specific assessment component will be finalized in early 2025, completing the financed emissions dataset.

The results were benchmarked against 2023 and will support the refinement of the ESG Risk Appetite Framework, with related KRIs now under internal monitoring. Public disclosure of financed emissions is scheduled for coming years.

Reporting on Scope 1 and 2 emissions from own operations is planned for coming years. Internal systems are being prepared to support this step.

8. Next Steps

Anadolubank Nederland N.V.'s roadmap for 2025 includes:

- Expanding scenario analysis in ICAAP and ILAAP
- Strengthening ESG data collection and infrastructure
- Preparing for disclosures, taking into account the evolving guidance
- Comprehensive ESG training and capacity building for the Board and all employees across the Bank

Through these steps, Anadolubank Nederland N.V. aims to embed environmental and climate risk considerations deeply across its operations, strategy, and governance, while fulfilling supervisory expectations and contributing to sustainable finance goals.

Amsterdam, 12 June 2025

N. Sabah, CEO

N. Plotkin, Managing Director

E. Erturk, Managing Director

Statement of financial position as at 31 December

in EUR thousand

Assets	Note	2024	2023
Cash and cash equivalents	5	259,027	289,503
Derivative financial assets	6	2,430	5,085
Loans and advances to banks	7	346,022	300,581
Loans and advances to customers	8	381,086	283,033
Interest-bearing securities	9	124,421	124,167
Property and equipment	10	1,436	1,591
Current tax assets	25	309	362
Other assets	11	1,091	523
Total assets		1,115,822	1,004,845
Liabilities			
Derivative financial liabilities	6	7,035	5,028
Deposits from banks	12	59,816	36,259
Deposits from customers	13	885,685	827,032
Deferred tax liabilities	25	774	462
Other liabilities	14	5,996	3,295
Total liabilities		959,306	872,076
Equity			
Share capital and share premium	15	75,000	75,000
Retained earnings	15	56,448	37,443
Revaluation reserves	15	2,209	1,321
Net profit	15	22,859	19,005
Shareholders' equity		156,516	132,769
Total liabilities and equity		1,115,822	1,004,845
Off-balance sheet liabilities	16	44,285	40,891

Statement of profit or loss and other comprehensive income

in EUR thousand

	Note	2024	2023
Interest income	19	73,804	52,040
Interest expense	19	(39,922)	(20,170)
Net interest income	19	33,882	31,870
Fee and commission income	20	4,568	4,188
Fee and commission expense	20	(232)	(200)
Net fee and commission income	20	4,336	3,988
Net trading income / loss	21	-	(13)
Results from financial transactions	22	5,307	2,343
Other income	22	380	-
Operating income		43,905	38,188
Expected credit losses	28	(628)	(1,172)
Personnel expenses	23	(7,749)	(6,791)
Depreciation and amortisation	10	(350)	(301)
Other expenses	24	(4,390)	(4,329)
Profit before income tax		30,788	25,595
Tax expense	25	(7,929)	(6,590)
Profit for the year		22,859	19,005
Other comprehensive income		2024	2023
Net movement in FVOCI		1,200	2,756
Net movement in cash flow hedge reserve		-	(470)
Related tax		(312)	(590)
Total (after tax)		888	1,696
Profit attributable to:		2024	2023
Equity holders of the Bank		22,859	19,005
Total			
Equity holders of the Bank		23,747	20,701

Other comprehensive income may subsequently be reclassified to profit or loss.

Statement of cash flows

in EUR thousand

Note

Cash flows from operating activities		2024	2023
Profit/(loss) for the period		22,859	19,005
Adjustments for:			
- Depreciation and amortisation	10	350	301
- Expected credit losses on financial instruments	28	628	1,172
- Income tax expense	25	7,929	6,590
		31,766	27,068
Movements in operating assets and liabilities			
Change in derivative financial instrument (assets)	6	2,655	49
Change in loans and advances to banks	7	(45,441)	(37,692)
Change in loans and advances to customers	8	(98,053)	(77,617)
Change in securities FVOCI	9	(855)	12,144
Change in other assets	11	(709)	(577)
Change in derivative financial instrument (liabilities)	6	2,007	(2,136)
Change in deposits from banks	12	23,557	(100,132)
Change in deposits from customers	13	58,653	254,258
Change in other liabilities	14	2,966	(1,373)
		(55,220)	46,924
Income tax paid		(8,234)	(6,952)
Net cash from operating activities		(31,688)	67,040
Cash flows from investing activities			
Acquisition of securities at amortized cost	9	(25,912)	(34,470)
Redemptions of securities at amortized cost	9	27,835	11,263
Acquisition of property and equipment	10	(195)	(81)
Net cash used in investing activities		1,728	(23,288)
Cash flows from financing activities			
Payments on lease liabilities	18	(265)	-
Net cash used in financing activities		(265)	-
Net increase in cash and cash equivalent		(30,225)	43,752
Cash and cash equivalents at 1 January	5	289,503	244,584
Effect of exchange rate fluctuations on cash and cash equivalents held		(251)	1,167
Cash and cash equivalents at 31 December		259,027	289,503
Interest paid		35,786	16,438
Interest received		74,034	42,884

The Bank's cash flow statement for the current year reflects cash outflows from financing activities related to the principal repayments of lease liabilities. In contrast, the prior year's cash flow statement did not present such reclassification, as lease payments were entirely reported within movements in operating liabilities. This misclassification had no impact on total profit, equity or retained earnings.

Statement of changes in equity

in EUR thousand

	Share capital	Retained earnings	Profit for the year	Revaluation reserves	Total
Balance at 1 January 2023	75,000	29,046	8,397	(375)	112,068
Profit allocation	-	8,397	(8,397)	-	-
Net income for the year	-	-	19,005	-	19,005
Revaluation of reserves	-	-	-	1,696	1,696
Balance at 31 December 2023	75,000	37,443	19,005	1,321	132,769
Balance at 1 January 2024	75,000	37,443	19,005	1,321	132,769
Profit allocation	-	19,005	(19,005)	-	-
Net income for the year	-	-	22,859	-	22,859
Revaluation reserves	-	-	-	888	888
Balance at 31 December 2024	75,000	56,448	22,859	2,209	156,516

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024

1 Reporting entity

Anadolubank Nederland N.V. (the "Bank") is a public limited liability company domiciled in the Netherlands. The Bank was established on 5 April 2006 and was granted a full banking license by De Nederlandsche Bank (Dutch Central Bank) on 2 August 2007. The Bank has been operational since early 2008. The Bank primarily is involved in corporate and retail banking – retail banking deposit activities. The registered office of the Bank is De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands. Commercial Register of Amsterdam, number 34239060.

The Bank is 100% owned by Anadolubank A.S. incorporated in Türkiye. Anadolubank A.S. belongs to the Habas Simai ve Tibbi Gazlar İstihsal Endüstrisi A.S., which is one of the biggest industrial conglomerates of Türkiye, operating in industrial and medical gases production, LPG and natural gas distribution, electricity generation, iron and steel manufacturing and industrial facilities construction. Anadolubank A.S. is a commercial bank and its branch network is still expanding. The Bank is comparatively young in the industry, but already has reached a leading position in the sector, thanks to the strength of its Shareholders, well-chosen experienced management team and most diligent employees.

The Bank provides small to medium sized companies with short-term working capital and trade finance facilities. The financial information of the Bank will be consolidated in the financial statements of Anadolubank A.S.

2 Basis of preparation

(a) Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and in accordance with the legal requirements for the annual accounts of banks contained in Part 9, Book 2 of the Dutch Civil Code. They were authorized for issue by the Bank's Supervisory Board and Management Board on 27 May 2025.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention, except for certain items that are measured at fair value. Financial assets designated at

fair value through profit or loss and derivative financial instruments are measured at fair value through profit or loss (FVPL). Certain loans and advances to banks and investment securities are valued at FVOCI as these instruments are classified in a 'both hold to collect & sell' business model. The carrying values of recognized assets and liabilities included in fair value hedges and otherwise carried at amortized cost are adjusted to record changes in fair value attributable to the risks that are being hedged. The financial figures and tables are stated in thousands.

(c) Functional and presentation currency

The financial statements are presented in Euros, which is the Bank's functional and presentation currency and all values are rounded to the nearest thousand euro unless otherwise is stated.

(d) Use of estimates and judgements

The preparation of these separate financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant of judgements and estimates are as follows:

i) Fair value of financial instruments

Fair value of financial transactions (Level 1) is measured by quoted prices (unadjusted) in active markets for items identical to the asset or liability being measured. As with current IFRS standards, if there is a quoted price in an active market, an entity uses that price without adjustment when measuring fair value. The fair value of financial transactions (Level 2) refers to inputs other than quoted prices included within Level 1 that are directly or indirectly observable for that asset or liability. Determining the most suitable price or input necessitates judgement, which may result in varying estimates of fair value by using pricing models or discounted cash flow techniques (Level 3), which relies on unobservable inputs. Where discounted cash flow techniques are used, estimated future cash flows are based on

management's best estimates. The discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures as of the balance sheet date. Financial assets include derivatives and debt instruments. Notably, a business model assessment is required for debt instruments, as derivatives are measured at FVPL by default, along with equity instruments (unless management opts for FVOCI treatment).

ii) Impairment of financial instruments

A three-stage model is applied to measure ECLs for financial assets (e.g., loans): performing (Stage 1), underperforming (Stage 2), and impaired (Stage 3). For performing assets, i.e. assets with no sign of deterioration in credit quality, banks should estimate the ECLs for the upcoming 12 months. For both under-performing and impaired assets, banks should estimate the ECLs for the lifetime of the credit. Moving an asset (e.g., a loan) from Stage 1 to Stage 2 (or Stage 3) is triggered by a "significant increase in credit risk" after the asset's origination. The shift from stage 2 to stage 3 for an asset is triggered by a default event under IFRS 9. Under IFRS 9, impairment of Stage 3 assets is calculated using the best estimate based on cash flow scenarios. This means that for assets classified as Stage 3 (indicating they are credit-impaired) the ECL is determined by evaluating multiple scenarios of future cash flows.

A default shall be considered to have occurred with regard to a particular obligor when either or both of the following have taken place: [CRR Article 178]

- a) The obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries;
- b) The institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse to actions such as realizing collateral.

iii) Classification of financial instruments

The judgment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

The term 'business model' refers to the way an entity manages its financial assets in order to generate cash flows [IFRS 9.B4.1.2.A]. The business model is determined at a level that reflects the way groups of financial assets are managed together to achieve a particular business objective. An entity's business model does not depend on management's

intentions for an individual instrument. Accordingly, this condition is not an instrument-by-instrument approach to classification, but should be determined at a higher level of aggregation.

However, the assessment is not performed solely at the entity level, and an entity may have more than one business model for managing financial instruments. Also, in some circumstances, it may be appropriate to separate a portfolio of financial assets into sub-portfolios depending on the objectives and management actions per subgroup. The standard provides an example where an entity acquires a portfolio of loans and manages some of the loans to collect their contractual cash flows and manages others with the objective of selling them.

(e) Going concern

These financial statements have been prepared on the basis of the going concern assumption.

3 Material accounting policies

(a) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into Euros at the exchange rates ruling at balance sheet date with the resulting exchange differences recognized in the statement of profit or loss and other comprehensive income as foreign exchange gain or loss. Gains and losses arising from foreign currency transactions are reflected in the statement of profit or loss and other comprehensive income as realized during the course of the period.

(b) Interest

Interest income and expense are recognized in the statement of profit or loss and other comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees paid or received regarding transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

(c) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective

interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognized as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognized on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

(d) Net trading income

Net trading income consists of the results arising from any trading activity including related interest income and expense and gains and losses from changes in fair value.

(e) Income tax

The effective tax rate is determined with consideration of all material timing differences between the profit before tax per commercial accounts and the fiscal profit described per the tax legislation. Tax is calculated according to the current Dutch nominal tax rate of 19% for the first EUR 200,000 and 25.8% of the remaining amount.

(f) Financial assets and financial liabilities

(i) Recognition

The Bank initially recognizes loans and advances, deposits, securities on the date at which they are originated. Financial assets designated at fair value through profit or loss are recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument. From this date any gains and losses arising from changes in fair value of the assets are recognized. Financial instruments are initially measured at fair value.

(ii) Classification

IFRS 9 contains three principal measurement categories for financial assets: amortized cost, FVOCI and FVPL.

The classifications are determined by:

- Business Model;
- Assessing whether contractual cash flows are solely payments of principal and interest (SPPI test).

IFRS 9 identifies three business models:

- Held to Collect (HtC);
- Held to Collect & Sell (HtC&S);
- Other/Trading.

The following table summarizes the key features of each type of business model and the resultant measurement category:

Business model	Key features	Measurement
Held to Collect	<ul style="list-style-type: none"> • Objective is to hold assets to collect contractual cash flows • Sales are incidental to the objective • Typically lowest sales (in frequency and volume) 	Amortised cost (if SPPI criteria are satisfied and 'fair value option' is not applied)
Both Held to Collect & Sell	<ul style="list-style-type: none"> • Both collecting contractual cash flows and sales are integral to achieving the objective • Typically more sales (in frequency and volume) compared to hold-to-collect 	FVOCI (If SPPI criteria are satisfied and 'fair value option' is not applied)
Other business models, including:	<ul style="list-style-type: none"> • Maximizing cash flows through sale • Managing assets on a fair value basis • Trading 	Fair Value Through Profit or Loss (FVPL) (SPPI criterion is irrelevant)

Based on the entity's business model for managing the financial assets and the contractual terms of the cash flows, there are three measurement categories into which Anadolubank Nederland N.V. classifies its debt instruments:

Amortised Cost (AC):

Debt instruments that are held for collection of contractual cash flows under a HtC business model where those cash flows represent SPPI are measured at AC. Interest income from these financial assets is included in Interest income using the Effective Interest Rate (EIR) method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

FVOCI:

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets under a Both Held to Collect & Sell business model, where the assets'

cash flows represent SPPI, are measured at FVOCI.

Movements in the carrying amount are recognised in OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in investment income or other net income, based on the specific characteristics of the business model. Interest income from these financial assets is included in interest income using the EIR method. Impairment losses are presented as a separate line item in the statement of profit or loss.

FVPL:

Debt instruments that do not meet the criteria for AC or FVOCI are measured at FVPL. This includes debt instruments that are held-for-trading (presented separately as Trading assets) and all other debt instruments that do not meet the criteria for AC or FVOCI (presented separately as Mandatorily at FVPL).

The Bank applies the SPPI test to securities and loans individually. Money market placements pass the SPPI test by its product nature.

The Bank developed an SPPI questionnaire based on IFRS 9 guidance that will be used for testing.

All financial liabilities are at amortized cost and the Bank doesn't have any reclassification from financial liabilities.

(iii) Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a bank of similar transactions such as in the Bank's trading activity.

(v) Amortized cost measurement

The 'amortized cost' of a financial asset or liability is the amount at which the financial asset or liability

is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. The amortization is recognized in the income statement under interest income.

(vi) Fair value measurement principles

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the

basis of the relative risk adjustment of each of the individual instruments in the portfolio. The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There has been no transfer between levels in 2024.

(vii) Identification and measurement of impairment

A three-stage model is applied to measure ECLs for financial assets (e.g., loans): performing (Stage 1), underperforming (Stage 2), and impaired (Stage 3). For performing assets, i.e. assets with no sign of deterioration in credit quality, banks should estimate the ECLs for the upcoming 12 months. For both underperforming and impaired assets, banks should estimate the ECLs for the lifetime of the credit. Moving an asset (e.g., a loan) from Stage 1 to Stage 2 (or Stage 3) is triggered by a "significant increase in credit risk" after the asset's origination. The shift from Stage 2 to Stage 3 for an asset is triggered by a default event under IFRS 9.

The Bank's portfolio consists of Corporates, Financial Institutions and Government exposures. From a credit risk perspective those are approached in a similar, standardized way: All exposures are individually assessed and accompanied with credit ratings which provide indications of default probabilities and LGD ratings which provide indications of losses in case of default. Stage 3 exposures are individually assessed by using the best estimate based on cash flow scenarios.

Anadolubank Nederland N.V. primarily has a non-granular corporate and FI portfolio and has a very low default experience. In line with the non-granular nature of the portfolio, all exposures are assessed individually. Each exposure is assigned a rating which is corresponding to a probability of default.

There is no information published on cumulative default rates for combinations of ratings and industry. However, there is no reason to assume that the (cumulative) default rates for ratings of different industries behave significantly different as those that are suggested by the published global cumulative default rates.

Bank default probabilities are notoriously difficult to model. Actual defaults have been low and the very notion of 'default' is often less clear cut when government bail-outs prevent defaults to play out like it usually does in the corporate sector. Moreover, the Bank's exposures to the banking sector show significant overlap with those of the parent bank; having exposures to the same counterparties makes it imperative to align the PD methodologies of both institutions more closely. The Bank has been using Merton Distance-to-Default PDs since 2019 and accounts for this as a change in estimate. As a result of the implementation, the total

ECL for financial institutions decreased, primarily due to relatively lower PDs compared to corporates.

In the absence of a more suitable alternative, the Bank will continue to use the global corporate PD structure for sovereign exposures.

In order to capture the forward-looking cycle element, GDP forecasts will be used. Five authoritative agencies are used as a source:

- The IMF publishes a World Economic Outlook (WEO) every April and October and provides updates in January and July and, if necessary, interim updates;
- The World Bank publishes Global Economic Prospects (GEP) semi-annually, in January and June;
- The OECD publishes a Global Economic Outlook semi-annually, in June and November. In February / March and September it also provides an Interim Global Economic Outlook report with updates on the key indicators;
- The DG ECFIN (Directorate General for Economic and Financial Affairs) publishes forecasts in February, May and November;
- The under-secretariat of the Treasury publishes forecasts every year ("Medium Term Program"), usually in October.

The staging decision process is a combination of a quantitative and a qualitative assessment.

The quantitative assessment is based on the PDs and is derived from the (internal and external) ratings. Basically, a threshold in the form of a simple multiplier (3) is used to assess whether the default probability has significantly increased. Another absolute threshold (10%) is used to capture increases that stay below the multiplier criterion but are significant enough in absolute terms to qualify as a significant increase. The qualitative assessment has several components which are arguably not properly captured in the ratings: pricing information, LGD changes that could impact PDs, forbearance, the watch list process, past due information and collective industry sector assessments.

(g) Cash and cash equivalents

Money and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

(h) Derivatives

Derivative financial instruments consisting of foreign currency contracts, currency and interest swaps are measured at fair value. All derivatives are separately evaluated and carried as assets when each transaction's fair

value is positive and as liabilities when each transaction's fair value is negative. Derivative contracts are included in derivative financial instruments lines of assets and liabilities, and changes in the fair value are included in the profit or loss, under results from financial transactions. The Bank started applying hedge accounting for the interest rates swaps in 2020.

The impact of the adoption of hedge accounting is disclosed in Note 3 (s) 'Hedge accounting'.

(i) Loans and advances to customers

These are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides funds directly to a debtor with no intention of trading the receivable. Such assets are carried at amortized cost using the effective interest method, less any impairment in value. Interest income and gains and losses with respect to the amortization of the financial assets, as well as derecognition and impairment costs, are recognized in the profit or loss.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognized in the Bank's financial statements.

(j) Loans and advances to banks

i) Loans and advances to banks at AC

Loans and advances to banks at AC are carried at amortized cost using the effective interest method, less any impairment losses.

ii) FVOCI

Loans and advances to banks are Level 3 assets and there is no quoted price in an active market. The Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Interest income is recognized in profit or loss using the effective interest method. Foreign exchange gains or losses on FVOCI debt security investments are recognized in profit or loss. Impairment losses are recognized in profit or loss.

Other fair value changes, other than impairment losses, are recognized in OCI and presented in the fair value reserve within equity. When the investment is sold, the gain or loss accumulated in equity is reclassified to profit or loss.

(k) Investment securities

Investment securities are initially measured at fair value plus, in the case of investment securities not at fair value through profit or loss, incremental direct transaction

costs, and subsequently accounted for depending on their classification as either securities at AC or FVOCI.

i) Securities at AC

Securities at AC are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as Financial assets at fair value through other comprehensive income.

Securities at AC are carried at amortized cost using the effective interest method, less any impairment losses.

ii) FVOCI

FVOCI are non-derivative investments that are designated as fair value through other comprehensive income or are not classified as another category of financial assets. FVOCI investments comprise equity securities and debt securities. Unquoted equity securities whose fair value cannot be measured reliably are carried at cost. All other Financial assets at FVOCI investments are measured at fair value after initial recognition.

Interest income is recognized in profit or loss using the effective interest method. Foreign exchange gains or losses on FVOCI debt security investments are recognized in profit or loss. Impairment losses are recognized in profit or loss.

Other fair value changes, other than impairment losses, are recognized in OCI and presented in the fair value reserve within equity. When the investment is sold, the gain or loss accumulated in equity is reclassified to profit or loss.

A non-derivative financial asset may be reclassified from the FVOCI category to the loans and receivables category if it would otherwise have met the definition of loans and receivables and if the Bank has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

iii) FVPL

FVPL assets are initially recognized and subsequently measured at fair value in the statement of financial position, with transaction costs recognized in profit or loss. All changes in fair value are recognized in profit or loss.

(l) Property and equipment

The property and equipment purchased are recorded at their historical costs. Accordingly, property and equipment are carried at cost, less accumulated depreciation and impairment losses, if any.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the assets to its working condition and location

for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to the statement of profit or loss and other comprehensive income in the year in which the costs are incurred. Expenditures incurred that have resulted in an increase in the future economic benefits expected from the use of premises are capitalized as an additional cost of property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The yearly depreciation percentages are as follows:

	%	Years
IT equipment	20%	5
Furniture, fixtures and vehicles	20%	5

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

Leases

A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a corresponding liability representing its obligation to make lease payments at the date at which the leased asset is available for use by the Bank. Each lease payment is allocated between the repayment of the liability and finance cost. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(m) Repurchase transactions

The Bank enters into purchases / (sales) of investments under agreements to resell/ (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security. Investments sold under repurchase agreements continue to be recognized in the statement of financial position and are measured in accordance with the accounting policy for assets at AC. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction and is included in interest income.

(n) Provisions

A provision is recognized when, and only when, the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the rise in the provision reflecting the passage of time is recognized as cost. A provision for bank levies is recognized when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity, then a provision is recognized when that minimum activity threshold is reached.

(o) Employee benefits

The Bank's pension plan is based on defined contribution as a percentage of the annual salary depending on the age of the insured, whereby the terms and conditions of the plan are based on each individual's requirements, under a fixed scheme, also allowing the individual staff members to contribute to their own account. The Bank has no legal or constructive obligations to pay further contributions if the fund lacks sufficient assets to cover all employee benefits for services rendered by employees in the current and prior periods. The contributions are recognized as employee benefits expense when employees have rendered services entitling them to the contributions.

(p) Share capital & reserves

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the balance sheet date are disclosed in the events after balance sheet date note, if any.

(q) Off balance sheet commitments

Transactions that are not currently recognized as assets or liabilities in the statement of financial position but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions include letters of credit, bonds, guarantees, indemnities, acceptances, trade related contingencies such as documentary credit, and many others.

Outstanding and unexpired commitments at year-end related to these transactions are disclosed in the notes to the financial statements.

Income from off-balance sheet engagements is in the form of commissions, which are recognized when the

transactions are executed. ECL allowances related to off balance sheet items are recorded under other liabilities.

(r) Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segment information is presented in respect of the Bank's business and geographical segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(s) Hedge accounting

The Bank chose, as permitted under IFRS 9, to continue applying the hedge accounting requirements under IAS 39 instead of adopting the provisions of IFRS 9 when the latter was first implemented. When a hedging relationship meets the hedge accounting criteria specified in IAS 39, the Bank applies fair value hedges or cash flow hedges.

Similarly, the Group elected, as permitted under IFRS 9, to maintain hedge accounting in accordance with IAS 39.

At inception, the Bank formally documents how the hedging relationship meets the hedge accounting criteria.

It also records the economic relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

In order to qualify for hedge accounting, a hedging relationship must be expected to be highly effective on a prospective basis and it needs to be demonstrated that it was highly effective in the previous designated period. A hedge is deemed highly effective if the changes in fair value or cash flows attributable to the hedged risk are expected to be offset by the hedging instrument within a range of 80% to 125%. It is also necessary to assess, retrospectively, whether the hedge was highly effective at a minimum, at the time an entity prepares its annual or interim financial statements. The hedge accounting documentation includes the method and results of the hedge effectiveness assessments.

Fair value hedge

Risk management objective

The portfolio that consists of long-term interest earning instruments (bonds and loans in the assets) which are EUR denominated with a fixed interest rate return have higher interest rate sensitivity. In order to manage the interest rate risk in the banking book (IRRBB) within the risk appetite limits on Economic Value of Equity (EVE) as set in the Market & ALM Risk Policy, the Bank utilizes a hedge strategy.

The Bank aims to maintain a stable EVE by implementing a hedging strategy that eliminates the impact of market interest rate changes on the fair value of its assets.

The carrying value of the hedged item is adjusted for fair value changes attributable to the risk being hedged, and those fair value changes are recognized in P&L.

Hedge strategy

The hedging strategy involves entering into EUR-denominated interest rate swap transactions, where the Bank pays fixed interest and receives floating interest, to mitigate the impact on the EVE.

Hedged risk

The risk targeted for hedging is the change in fair value of the hedged items (portfolio as outlined in the risk management objective section) due to fluctuations in market interest rates.

Description of hedge relation

Based on IAS 39.78, a hedged item can be a portion of the portfolio of financial assets or financial liabilities that share the risk being hedged. According to IAS 39.83 similar assets shall be aggregated and hedged as a group only if the individual assets in the group share the risk exposure that is designated as being hedged.

Anadolubank Nederland N.V. defines a portion of the EUR fixed rate loans and bonds portfolio as the hedged item. The EUR fixed rate loans and bonds in the portfolio share the same interest rate risk, resulting from changes in the EUR discount curve. The portfolio of EUR loans and bonds consists of both fixed and floating rate products, but only the fixed rate products are an eligible hedged item.

The EUR fixed rate loans and bonds do not exhibit prepayment options and any prepayments that may occur will be settled at market. Therefore, Anadolubank Nederland N.V. defines the hedged item cash flows equal to the contractual cash flows of the underlying assets. The Bank hedges only the interest rate risk of the EUR fixed rate loans and bonds portfolio. The credit spread is not part of the hedged risk. Therefore, changes in the credit spread will not be incorporated in the valuation for the purpose of hedge accounting.

Anadolubank Nederland N.V. uses plain vanilla interest rate swaps (IRSs) as hedging instruments. The interest rate swaps are payer swaps. The Bank makes a fixed rate payment and receives a floating rate payment. Both legs of the IRSs are included in the hedge relationship. Note that Anadolubank Nederland N.V. may enter into receiver swaps to offset the payer swaps.

The designation of the hedge relationship can be done based on several measures. Anadolubank Nederland N.V. designates the hedge relationship based on notional cash flows. Notional cash flows of the hedged items and the

hedging instruments are grouped together into monthly buckets. The goal of the designation is to create the best possible match between the notional cash flows of the hedging instruments and the notional cash flows of the hedged items. This is done under the constraints described in IAS 39, the two most relevant constraints are described in the following paragraphs.

IAS 39.75 permits an entity to designate a proportion of the entire hedging instrument in a hedge relationship. However, it does not allow the designation of a hedging instrument for only a portion of the time period during which the hedging instrument is outstanding. Therefore, either the same proportion of the notional payments of the hedging instrument must be designated for all payments, or none of the payments should be designated.

Furthermore, according to IAS 39.81, if the hedged item is a financial asset or financial liability, a portion of the cash flows may be designated as the hedged item, provided that effectiveness can be measured. However, it is not possible to designate more than the available hedged item in a bucket. Therefore, when for a particular bucket, there is a bigger notional cash flow coming from the hedging instruments compared to the notional cash flow coming from the hedged items, notional from hedged items from surrounding buckets can be designated. This is called "smearing". Anadolubank Nederland N.V. uses a smearing range of maximum twelve buckets (1 year). Hedged items from up to and including twelve buckets earlier or later can be used to designate to the hedging instrument and therefore improve the match between the notional cash flows of the hedging instruments and the notional cash flows of the hedged items.

The constraint in IAS 39.81 applies to both notional cash flows and interest cash flows. Therefore, to achieve the best possible match between hedged items and hedging instruments, the hedged item is modeled with a coupon equal to the lower of the coupon on the hedging instrument or the underlying loan or bond.

Hedge effectiveness

Prospective test

At inception of the hedge relation and at each reporting date, the prospective test is performed. The purpose of this test is to ensure that the change in fair value of the hedged item attributable to the hedged risk is expected to be offset by the change in fair value of the hedging instrument.

The method used is the dollar-offset method with a parallel shock of 10 basis points over the discounting and forward curves (the shock applies to the market rates). The prospective effectiveness test of the hedge relation is therefore determined by calculating the changes in the market values (delta) of the hedging instruments (derivatives) and the hedged items at the start of the hedge period. Under the prospective test, the change in market value is defined as the difference between the shifted market value at the start

of the hedge period and the unshifted market value at the start of the hedge period.

$$\text{Hedge effectiveness} = \frac{\Delta \text{MtM Hedging Instruments}}{\Delta \text{MtM Hedged Items}}$$

From the formula for hedge effectiveness above, it becomes clear that small movements of the hedging instrument and hedged items lead to more ineffectiveness in percentages. Small value movement causing hedge ineffectiveness is a known issue in hedge accounting. One way to overcome this is by performing a small numbers test.

When the movements of the hedging instruments and hedged items are deemed too small, 2.5% of the outstanding notional is added to both the hedging instruments value change and the hedged items value change. Then, the effectiveness test is done again and decides whether the hedge relation is effective or not. The hedge relation is considered effective if the results of the effectiveness test falls within the range of 80%-125%.

Retrospective test

At each reporting date, the retrospective test is performed. The purpose of the test is to verify whether the change in fair value of the hedged item attributable to the hedged risk is offset by the change in fair value of the hedging instrument. The method used is the dollar-offset method.

The retrospective effectiveness test of the hedge relation is therefore determined by calculating the changes in the market values (delta) of the hedging instruments (derivatives) and the hedged items over the hedged period. Under the retrospective test, the change in market value is defined as the difference between the market value at the start of the hedge period and the market value at the end of the hedge period.

$$\text{Hedge effectiveness} = \frac{\Delta \text{MtM Hedging Instruments}}{\Delta \text{MtM Hedged Items}}$$

The small numbers problem for the prospective hedge effectiveness, mentioned above, also applies to the retrospective hedge effectiveness. The solution to this, applying the small numbers test, is the same as for the prospective hedge effectiveness. The hedge relation is considered effective if the results of the effectiveness test falls within the range of 80%-125%.

Accounting

Based on IAS 39.89, for loans and bonds recorded at amortized cost, the change in market value of the hedged item adjusts the carrying amount of these loans and bonds and is recognized in profit or loss. For loans and bonds recorded at Fair Value through OCI, the change in market value of the hedged item is also recognized in profit and loss. The difference between changes in the fair value of the loan or bond and changes in the market value of the hedged item is recognized as set out in IAS 39.55.

To summarize, the booking figures are determined as follows:

- *Balance sheet items:*
 - Fair value of the derivatives used in hedge relations;
 - Adjustment to the carrying amount, relating to loans that are accounted for at amortized cost;
 - Adjustment to the carrying amount, relating to loans that are accounted for at FV through OCI.
- *Profit & Loss:*
 - Change in fair value of the derivatives;
 - Change in adjustment to the carrying amount, relating to loans that are accounted for at amortized cost;
 - Change in adjustment to the carrying amount, relating to loans that are accounted for at FV through OCI.
- *Other Comprehensive Income:*
 - Difference between the market value movement of the loans that are accounted for at FV through OCI, and the change in adjustment to the carrying amount relating to loans that are accounted for at FV through OCI.

Cash flow hedge

Discontinuation of cash flow hedge

Per January 2020, Anadolubank Nederland N.V. started a hedge relation denominated in USD under the IA539 accounting standard. This macro cash flow hedge relation is created with plain vanilla interest rate swaps (IRSs) with USD Libor 3 months floating index as hedging instruments and a portion of the USD bank and corporate deposits portfolio as the hedged item.

The USD bank and corporate deposits are fixed rate products with a very short maturity. The fixed rate is determined based on the USD Libor 3 months floating rate index. Therefore, the USD bank and corporate deposits in the portfolio share the same interest rate risk, resulting from changes in the USD Libor 3 months index.

Per end of June 2023, the USD Libor indexes have been discontinued. As a result of this, all the USD IRSs from Anadolu has been converted into SOFR overnight compounded rate on the floating leg under the ISDA fallback agreement. This means that the floating leg index of the IRSs is now SOFR plus a spread (fixed at 0.25161% for the USD Libor 3 months index). All other characteristics of the IRSs are unchanged. Following this change, Anadolu considers that there is no hedge economic relationship anymore between the hedging instruments and the hedged items.

IAS 39 Paragraph 101 describes the circumstances when the hedge relation should be discontinued prospectively. Sub paragraph (d) indicates that an entity can revoke the designation. Therefore, according to IAS 39, Anadolubank Nederland N.V. can stop the hedge relation.

Furthermore, this sub paragraph indicates the accounting implication of the discontinuation of the hedge relation. Two cases are presented:

If the hedged items cease to exist, the cumulative gain or loss that had been recognized in other comprehensive income (OCI) shall be reclassified immediately from equity to profit or loss as a reclassification adjustment.

If the hedged items still expect to occur, the OCI amount remains in the cash flow hedge reserve until the future cash flows occur.

The OCI amount corresponds to the amount accumulated during the period when the hedge was effective so in this case up to 30 June 2023. For Anadolubank Nederland N.V., the hedge item has ceased to exist (ceased to qualify as a hedge item) and the OCI amount should therefore be recognized immediately into profit and loss.

30/06/2023 (Thousand euro)	Credit	Debit
Hedge fund		368
Deferred tax liability		118
Profit and Loss	368	
Current tax liability	118	

(t) Changes in IFRS effective in 2024

The following amended standards became effective in 2024:

Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as Current or Non-Current (issued in January 2020) and Non-current Liabilities with Covenants (issued in October 2022)

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements (issued in May 2023)

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued in September 2022)

The above changes did not have significant impact on the Bank's financial statements.

4 Operating segments

A segment is a distinguishable component of the Bank. More specifically, segment information is presented in respect of the Bank's operating segments, where the Bank assesses performance and accordingly makes resource allocations. The Bank's primary format for segment reporting is based on operating segments. Measurement of segment assets and liabilities and segment results is based on the accounting policies set out in the accounting policy notes. For geographical segments, refer to Note 28 (b) 'Credit risk'.

The Bank has the following three divisions, which are reportable segments:

Retail Banking – Loans, deposits and other transactions and balances with retail customers;

Corporate and Commercial Banking – Loans, deposits and

other transactions and balances with corporate customers and bank loans;

Treasury – Funding and centralized risk management activities through borrowings, issues of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.

2024	Corporate and Commercial Banking			Other	Total
	Retail Banking	Treasury	Other		
Net interests, fees, and commissions income	(10,829)	39,716	14,751	267	43,905
Other operating income, loan loss provisions and expenses, net	-	(414)	(214)	(12,489)	(13,117)
Net operating profit	(10,829)	39,302	14,537	(12,222)	30,788
Provision for taxes	2,794	(10,140)	(3,751)	3,168	(7,929)
Net Profit	(8,035)	29,162	10,786	(9,054)	22,859
 Cash and cash equivalents	-	-	259,027	-	259,027
Loans and advances to banks	-	346,022	-	-	346,022
Loans and advances to customers	-	381,086	-	-	381,086
Interest-bearing securities	-	-	124,421	-	124,421
Other assets	-	-	-	5,266	5,266
Total assets	-	727,108	383,448	5,266	1,115,822
 Deposits from banks	-	-	59,816	-	59,816
Deposits from customers	436,781	448,904	-	-	885,685
Other liabilities	-	-	-	13,805	13,805
Shareholder's equity	-	-	-	156,516	156,516
Total liabilities and equity	436,781	448,904	59,816	170,321	1,115,822
2023	Corporate and Commercial Banking			Other	Total
	Retail Banking	Treasury	Other		
Net interests, fees, and commissions income	(8,734)	33,752	11,385	1,785	38,188
Other operating income, loan loss provisions and expenses, net	-	156	(1,328)	(11,421)	(12,593)
Net operating profit	(8,734)	33,908	10,057	(9,636)	25,595
Provision for taxes	2,253	(8,748)	(2,595)	2,500	(6,590)
Net Profit	(6,481)	25,160	7,462	(7,136)	19,005
 Cash and cash equivalents	-	-	289,503	-	289,503
Loans and advances to banks	-	300,581	-	-	300,581
Loans and advances to customers	-	283,033	-	-	283,033
Interest-bearing securities	-	-	124,167	-	124,167
Other assets	-	-	-	7,561	7,561
Total assets	-	583,614	413,670	7,561	1,004,845
 Deposits from banks	-	-	36,259	-	36,259
Deposits from customers	383,778	443,254	-	-	827,032
Other liabilities	-	-	-	8,785	8,785
Shareholder's equity	-	-	-	132,769	132,769
Total liabilities and equity	383,778	443,254	36,259	141,554	1,004,845

5 Cash and cash equivalents

	2024	2023
Cash and balances with banks	5,394	6,906
Unrestricted balances with central banks	240,130	282,507
Money market placements within three months	13,503	91
ECL charge	-	(1)
Balance at 31 December	259,027	289,503

Cash and balances with central banks and banks are on demand.

6 Derivatives held for risk management purposes

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

Derivative financial instruments include currency and interest swaps. The Bank uses derivative financial instruments to manage its exposure to foreign currency and interest risk. The notional amounts and the fair value amounts of the positions in currency and interest rates swaps are:

	2024						
	Notional Amounts	Up to 1 month	Up to 3 months	Up to 1 year	Over 1 year	Fair value assets	Fair value liabilities
Foreign currency swaps - Buy	198,768	108,768	-	55,000	35,000	255	-
Foreign currency swaps - Sell	205,192	109,658	-	58,182	37,352	-	5,426
Interest rate swaps - Buy	148,770	-	-	10,000	138,770	2,057	-
Interest rate swaps - Sell	148,770	-	-	10,000	138,770	-	1,500
Cross currency swaps - Buy	2,742	-	2,742	-	-	-	-
Cross currency swaps - Sell	2,629	-	2,629	-	-	-	109
Credit default swap - Buy	5,000	-	-	-	5,000	118	-
Credit default swap - Sell	5,000	-	-	-	5,000	-	-
Balance at 31 December	716,871	218,426	5,371	133,182	359,892	2,430	7,035

	2023						
	Notional Amounts	Up to 1 month	Up to 3 months	Up to 1 year	Over 1 year	Fair value assets	Fair value liabilities
Foreign currency swaps - Buy	323,387	158,701	84,686	80,000	-	2,730	-
Foreign currency swaps - Sell	324,528	160,121	85,340	79,067	-	-	3,460
Interest rate swaps - Buy	139,565	-	-	59,300	80,265	2,300	-
Interest rate swaps - Sell	139,565	-	-	59,300	80,265	-	1,568
Cross currency swaps - Buy	5,579	-	-	-	5,579	55	-
Cross currency swaps - Sell	5,689	-	-	-	5,689	-	-
Forward - Buy	5,000	5,000	-	-	-	-	-
Forward - Sell	4,535	4,535	-	-	-	-	-
Balance at 31 December	947,848	328,357	170,026	277,667	171,798	5,085	5,028

Reference is made to Note 27 'Hedge accounting' for information on derivatives used in hedge accounting.

The breakdown of the fair value of derivative portfolio by product type is as follows:

	2024	2023		
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Derivatives held for risk management - economic hedge relationships				
Interest rate swaps	1,030	586	530	754
Cross currency swaps	-	109	55	-
Foreign currency swaps	255	5,426	2,730	3,460
Credit default swaps	118	-	-	-
Subtotal	1,403	6,121	3,315	4,214
Derivatives held for risk management - fair value hedge accounting relationships				
Interest rate swaps	1,027	914	1,770	814
Balance at 31 December	2,430	7,035	5,085	5,028

7 Loans and advances to banks

	2024	2023
Bank loans at AC	99,735	110,656
Bank loans at FVOCI	241,066	186,114
Advances to banks	5,468	4,153
ECL charge	(247)	(342)
Balance at 31 December	346,022	300,581

Loans and advances to banks include all sorts of exposures falling under regulatory supervision as not embodied in the form of debt securities or synthetic instruments. The weighted average maturity of Bank loans at FVOCI as of 31 December 2024 is less than one year, reflecting the average time to maturity, weighted by the outstanding balances.

8 Loans and advances to customers

	2024	2023
Corporate loans	384,850	286,471
ECL charge	(3,764)	(3,438)
Balance at 31 December	381,086	283,033

The details of ECL charge are disclosed in Note 28 'Financial risk management'.

9 Interest bearing securities

	2024	2023
Amortized cost	103,013	104,728
FVOCI	21,622	20,767
ECL charge	(214)	(1,328)
Balance at 31 December	124,421	124,167

In 2024, there were no reclassifications between the portfolios.

The Bank has given ECB eligible bonds with carrying values of EUR 5,178 as collateral to DNB. (De Nederlandsche Bank) (2023: EUR 0).

Amortized cost	2024	2023
Government bonds	29,339	19,846
Corporate bonds	21,630	15,102
Issued by banks	52,044	69,780
ECL charge	(170)	(1,056)
Balance at 31 December	102,843	103,672

FVOCI	2024	2023
Government bonds	9,719	15,282
Issued by banks	11,903	5,485
ECL charge	(44)	(272)
Balance at 31 December	21,578	20,495

10 Property and equipment

	2024	2023
Balance at 1 January	1,591	532
Additions	195	81
Depreciation	(82)	(53)
Write-off property and equipment	(227)	-
Write-off depreciation	227	-
Additions Right-of-use asset	-	1,279
Depreciation of Right-of-use asset	(268)	(248)
Balance at 31 December	1,436	1,591

Changes in Right-of-use assets	Property	Cars
Balance at 1 January	1,327	72
Addition	-	-
Depreciation	(240)	(28)
Balance at 31 December 2024	1,087	44

The Bank has entered into a long-term financial obligation for its office premises until 2029.

11 Other assets

	2024	2023
Suspense accounts	1,091	523
Balance at 31 December	1,091	523

Suspense accounts comprise accounts for general affairs, prepaid expenses, reclaimable VAT, and other miscellaneous accounts.

12 Deposits from banks

	2024	2023
Money market deposits	59,816	36,259
Balance at 31 December	59,816	36,259

13 Deposits from customers

	2024	2023
Retail customers	436,781	383,778
Savings	170,265	187,808
Time deposits	266,516	195,970
Corporate customers	448,904	443,254
Demand deposits	50,903	72,771
Time deposits	398,001	370,483
Balance at 31 December	885,685	827,032

EUR 15,718 of term deposits served as cash collateral for loans advances extended as of 31 December 2024 (2023: EUR 22,029).

14 Other liabilities

	2024	2023
Lease liability	1,123	1,392
Transfer orders	3,070	444
Taxes other than income	362	224
Other provisions	938	945
Short-term employee benefits	-	2
Others	503	288
Balance at 31 December	5,996	3,295

EUR 11 of ECL charge for commitments were recognized under others (2023: EUR 52).

Changes in lease liabilities	2024	2023
Balance at 1 January	1,392	367
Addition	-	1,279
Interest expenses	(4)	(3)
Lease payment	(265)	(251)
Balance at 31 December	1,123	1,392

15 Equity

Dividend payments are subject to the approval of the Dutch Central Bank as the regulatory body and are not accounted for until they have been ratified at the Annual General Meeting. The profit after tax will be added to 'retained earnings'.

Equity	2024	2023
Share capital and share premium	75,000	75,000
Retained earnings	56,448	37,443
Revaluation of FVOCI instruments	2,209	1,321
Net profit	22,859	19,005
Shareholders' Equity	156,516	132,769

The issued capital of the Bank consists of 75,000 shares fully paid, each with a nominal value of EUR 1,000. The authorized capital of the Bank amounts to 100,000 shares, each with a nominal value of EUR 1,000. After the report date, the Bank completed an increase in its share capital. Please refer to Note 29 'Subsequent event' for further details.

16 Commitments

2024	<= 1 month	1-3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years	Total
Guarantee issued	93	-	1,450	-	-	1,543
Irrevocable letter of credit	3,021	6,848	19,373	13,500	-	42,742
Balance at 31 December	3,114	6,848	20,823	13,500	-	44,285

2023	<= 1 month	1-3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years	Total
Guarantee issued	-	-	455	-	-	455
Irrevocable letter of credit	3,957	5,521	13,490	17,468	-	40,436
Balance at 31 December	3,957	5,521	13,945	17,468	-	40,891

17 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial and operating decisions. The Bank is controlled by Anadolubank A.S. which owns 100% of the ordinary shares. Anadolubank A.S. belongs to Habas Group controlled by Habas Sinai ve Tibbi Gazlar İstihsal Endüstrisi AS. For the purpose of consolidated financial information, shareholders and Habas Group companies are referred to as related parties. Related parties also include individuals that are principal owners and management and members of the Board of Directors and their families.

The following significant balances exist and transactions have been entered into with related parties:

2024	Parent	Control over the entity	Related parties	Total
Assets	2,011	33,414	-	35,425
Cash and cash equivalents	303	-	-	303
Derivative financial assets	232	-	-	232
Loans and advances to banks	1,476	-	-	1,476
Loans and advances to customers	-	33,414	-	33,414
Liabilities	5,000	199,692	39,632	244,324
Deposits from customers	-	199,692	39,632	239,324
Deposits from banks	5,000	-	-	5,000
Off-balance	-	-	-	-
Letter of credit	-	-	-	-
Interest income	288	3,021	-	3,309
Interest expense	1	6,773	2,941	9,715
Other operating income	1,600	296	-	1,896
Other operating expenses	-	-	-	-
2023	Parent	Control over the entity	Related parties	Total
Assets	1,960	26,037	-	27,997
Cash and cash equivalent	238	-	-	238
Loans and advances to banks	1,722	-	-	1,722
Loans and advances to customers	-	26,037	-	26,037
Liabilities	4,527	242,519	172	247,218
Deposits from customers	4,527	242,519	172	247,218
Off-balance	3,075	-	-	3,075
Letter of credit	3,075	-	-	3,075
Interest income	327	1,507	-	1,834
Interest expense	70	7,887	6	7,963
Other operating income	-	1,359	-	1,359
Other operating expenses	263	-	-	263

The Bank enters into transactions with its parent company and other related parties in ordinary course of business at arm's-length conditions. Balances are not secured.

The Bank has determined key management personnel on the basis of the criteria, but not limited to, laid down in the "Regulatory Technical Standard Identified Staff" (RTS IS).

Key management personnel transactions	2024	2023
Deposits from customers	557	524

Key management personnel compensation, including management board members comprised the following.

Key management personnel compensations	2024	2023
Fixed	2,580	2,133
Variable	481	384
Balance at 31 December	3,061	2,517

None of the employees have received remuneration over EUR one million.

18 Lease commitments

The Bank enters into lease contracts, mainly for office buildings and cars which the Bank leases for its own use. More specifically, the Bank has entered into a long-term financial obligation for its office premises until 2029. In 2024, EUR 348 has been paid for the rent of the office.

	2024	2023
Less than one year	269	283
Between one and five years	854	1,109
Balance at 31 December	1,123	1,392

19 Net interest income

Interest income	2024	2023
Cash and cash equivalents	8,751	7,333
Loans and advances to banks	26,595	25,673
Loans and advances to customers	33,671	15,419
Interest-bearing securities	4,787	3,615
Balance at 31 December	73,804	52,040

Interest Expense	2024	2023
Deposits from banks	1,788	2,357
Deposits from customers	38,134	17,813
Balance at 31 December	39,922	20,170

In previous year financials, interest income of EUR 0.65 million was included in "Interest Income" instead of being presented under "Result from Financial Transactions". This misclassification had no impact on total profit, equity, or cash flows. There is no impact on total profit for the year or retained earnings.

20 Net fee and commission income

Fee and commission income	2024	2023
Corporate/banking credit related fees	3,285	3,069
Other	1,283	1,119
Balance at 31 December	4,568	4,188

Fee and commission expense	2024	2023
Corporate/banking credit related expense	182	148
Interbank transaction fees	50	52
Balance at 31 December	232	200

Fee and commission income mainly consists of commission fees in respect of trade finance related transactions.

21 Net trading income / loss

	2024	2023
Net income from trading securities	-	(13)
Net trading income / loss	-	(13)

Securities trading results include the results of market making in instruments such as government securities, corporate debt securities and bank debt securities.

22 Results from financial transactions

	2024	2023
Results from bank loans at FVOCI	3,763	-
Results from derivative transactions	1,355	459
FX Income / Loss	189	1,884
Balance at 31 December	5,307	2,343

Results from foreign currency exchange transactions comprise all (un)realized gains and losses arising from foreign currency positions in relation to exchange rate changes. Foreign currency positions generally relate to assets, liabilities or derivative transactions. The mentioned gains and losses show the total result without indicating the underlying position.

Other income for the period includes an initial distribution of EUR 380 received from the liquidation of DSB Bank N.V. This payment represents a recovery of claims based on the percentage charge determined for the Bank.

23 Personnel expenses

The number of staff employed by the Bank as of 31 December 2024 is 58 (2023:56), all staff are employed in the Netherlands. Average number of employees for 2024 is 58 (2023: 51)

The Bank has a defined contribution plan for the majority of staff; the pension scheme is insured at an insurance company.

Personnel expenses	2024	2023
Wages and salaries	5,987	5,015
Compulsory social security obligations	678	533
Contributions to defined contribution plans	285	269
Other fringe benefits	799	974
Balance at 31 December	7,749	6,791

The remuneration and fees of the members of the Board of Supervisory Directors and Management Board for the year ended 31 December 2024 are as follows:

2024	Base salary	Other benefits	Variable	Total
Board of Supervisory Directors	209	-	-	209
Management Board Directors	897	48	192	1,137
2023	Base salary	Other benefits	Variable	Total
Board of Supervisory Directors	85	-	-	85
Managing Board Directors	788	41	152	981

Since there were no high earners the amounts are not disclosed individually since the Bank meets the criteria of article 383b of the Dutch Civil Code.

24 Other expenses

	2024	2023
Operating lease expense	113	121
Communication expenses	116	89
Business travel & accommodation	84	91
Audit fee	430	403
Software licensing and other information technology expenses	1,104	811
Paid taxes other than income	186	186
Tax advisory	13	13
Other consultancy	581	678
Regulatory supervision expenses	619	476
Legal expenses	115	106
Deposit Guarantee Scheme	625	694
Other	404	662
Balance at 31 December	4,390	4,329

	2024	2023
Audit-related fees		
Audit fees related to current year	430	403
Balance at 31 December	430	403

Financial statement audit fees	243	229
Other audit fees	187	174
Balance at 31 December	430	403

Other audit fees relate to regulatory reports audit, interim reviews of financial information and Deposit Guarantee Scheme audit performed by Deloitte Accountants B.V. and member firms. Deloitte Accountants B.V. did not provide any non-audit services.

25 Tax

Major components of taxes:

Reconciliation of income tax	2024	2023
Operating profit before tax	30,788	25,595
Weighted average statutory tax rate	25.8 %	25.7 %
Weighted average statutory tax amount	7,929	6,590
Expenses not deductible for tax purposes	-	-
Effective tax amount	7,929	6,590
Effective tax rate	25.8 %	25.7 %
Deferred tax liabilities	2024	2023
FVOCI	774	462
Balance at 31 December	774	462

Tax is calculated according to the current Dutch nominal tax rate of 19% for the first EUR 200,000 and 25.8% of the remaining amount in 2024.

Deferred tax amount is calculated as 25.8% of the unrealized fair value adjustment under FVOCI.

Current taxes on income comprises tax payable on the taxable income for the period and adjustments in taxes payable for prior years. Current tax asset is EUR 309 as of 31 December 2024 (2023: EUR 362).

26 Fair value information

See accounting policy in Note 3 (f).

(a) Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable

adjustments or assumptions are required to reflect differences between the instruments.

As at 31 December 2024 and at 31 December 2023, the fair value of the securities measured at fair value represents closing bid price quoted in an active market. Actively traded quoted securities are classified as Level 1. The Bank also held financial instruments classified as Level 2 of the fair value hierarchy. A description of the valuation technique(s) and the inputs used in the fair value measurements is included below.

Valuation techniques include net present value and discounted cash flow models and comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include benchmark interest rates, credit spreads, bond prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

(b) Financial instruments measured at fair value

2024	Total	Level 1	Level 2	Level 3
Assets				
Derivative financial assets	2,430	-	2,430	-
Securities measured at fair value	21,622	21,622	-	-
Loans and advances to banks	241,066	-	-	241,066
Total Assets	265,118	21,622	2,430	241,066
Liabilities				
Derivative financial liabilities	7,035	-	7,035	-
Total Liabilities	7,035	-	7,035	-
2023	Total	Level 1	Level 2	Level 3
Assets				
Derivative financial assets	5,085	-	5,085	-
Securities measured at fair value	20,767	20,767	-	-
Loans and advances to banks	186,114	-	-	186,114
Total Assets	211,966	20,767	5,085	186,114
Liabilities				
Derivative financial liabilities	5,028	-	5,028	-
Total Liabilities	5,028	-	5,028	-

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorized. Carrying values in this table are presented net of ECL allowances.

c) Financial instruments measured at amortized cost

2024	Fair value	Level 1	Level 2	Level 3	Net carrying value
Assets					
Cash and cash equivalents	259,027	259,027	-	-	259,027
Loans and advances to banks	105,757	-	-	105,757	105,137
Loans and advances to customers	381,597	-	-	381,597	381,086
Securities not measured at fair value	104,011	85,470	18,541	-	102,843
Total assets	850,392	344,497	18,541	487,354	848,093

Liabilities	Fair value	Level 1	Level 2	Level 3	Net carrying value
Deposits from banks	59,946	-	-	59,946	59,816
Deposits from customers	887,041	-	-	887,041	885,685
Total liabilities	946,987	-	-	946,987	945,501

2023	Fair value	Level 1	Level 2	Level 3	Net carrying value
Assets					
Cash and cash equivalents	289,503	289,503	-	-	289,503
Loans and advances to banks	116,606	-	-	116,606	114,674
Loans and advances to customers	283,771	-	-	283,771	283,033
Securities not measured at fair value	103,691	89,962	13,729	-	103,672
Total assets	793,571	379,465	13,729	400,377	790,882
Liabilities					
Deposits from banks	36,261	-	-	36,261	36,259
Deposits from customers	824,954	-	-	824,954	827,032
Total liabilities	861,215	-	-	861,215	863,291

27 Hedge accounting

The Bank's detailed accounting policies for these two hedge models are outlined in the Material Accounting Policies – Hedge Accounting section.

Anadolubank Nederland N.V. uses the following derivative financial instruments in hedge accounting relationship:

2024		Notional amount			Fair value assets			Fair value liabilities		
Fair value hedge		37,500			1,027			728		
Balance at 31 December		37,500			1,027			728		
2023		Notional amount			Fair value assets			Fair value liabilities		
Fair value hedge		42,500			1,770			814		
Balance at 31 December		42,500			1,770			814		
2024		Notional Amounts	Up to 1 month	Up to 3 months	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Fair value hedge		37,500	-	-	-	-	18,000	7,000	5,000	7,500
Balance at 31 December		37,500	-	-	-	-	18,000	7,000	5,000	7,500
2023		Notional Amounts	Up to 1 month	Up to 3 months	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Fair value hedge		42,500	-	-	5,000	-	-	18,000	7,000	12,500
Balance at 31 December		42,500	-	-	5,000	-	-	18,000	7,000	12,500

Gains and losses on derivatives designated under fair value hedge accounting are recognized in the statement of profit or loss. The effective portion of the fair value change on the hedged item is also recognized in the statement of profit or loss.

Hedged items included in fair value hedging relationship

	Carrying amount of hedged items	Change in fair value of hedged items	Change in fair value of hedging instruments	Hedge ineffectiveness recognised in the statement of profit or loss gain (+) / loss (-)
2024	37,500	330	(586)	(256)
2023	72,500	1,846	(1,226)	619

The main sources of ineffectiveness are:

- When the movements of the hedging instruments and hedged items are deemed too small, 2.5% of the outstanding notional is added to both the hedging instruments value change and the hedged items value change.
- Differences in timing of cash flows of the hedged item and hedging instrument.
- Different interest rate curves applied to discount the hedged items and hedging instruments.

28 Risk management

(a) Introduction and overview

This section presents information about the Bank's exposure to each of the risks listed below, as well as the objectives, policies and processes for measuring and managing these risks, along with the management of capital. The Bank is exposed to the following risks through its activities:

- Credit risk;
- Liquidity risk;
- Market risk;
- Operational risk;
- Information and communications technology risk;
- Currency risk;

Additionally, the section covers capital management.

Risk management framework

The Management Board has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Management Board monitors the effectiveness of the risk management system through several committees, such as Asset and Liability Committee and Credit Risk Committee. These committees are responsible for establishing and monitoring the relevant risk measures on a regular basis.

The Supervisory Board oversees the risk management activities to ensure that these activities, pursued by the

Management Board, are in line with the Bank's risk profile, long-term strategies and goals. At least once a year, the risk appetite framework is reviewed by the Management Board and submitted to the Supervisory Board for approval.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees are aware of their roles and obligations.

The risks are measured with the internationally accepted methodologies in compliance with local and international regulations, the Bank's structure, policy and procedures. They are effectively managed and assessed in a continuously growing manner.

(b) Credit risk

Credit risk is defined as the probability of loss if the customer or counterparty fails to meet its obligations partially or completely on the terms set. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Maximum exposure subject to credit risk	2024	2023
Cash and cash equivalents	259,027	289,503
Loans and advances to customers	381,086	283,033
Loans and advances to banks	346,022	300,581
Interest-bearing securities	124,421	124,167
Derivative financial assets	2,430	5,085
Total balance Sheet	1,112,986	1,002,369
Commitments	44,285	40,891
Total credit risk exposure	1,157,271	1,043,260

Past due and non-performing loans

Impaired loans and securities are loans and advances and investment debt securities (other than those carried at fair value through profit or loss) for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / investment security agreement(s). These loans are graded as stage 3.

Loans and advances to customers	Neither past due nor non performing	Past due <= 30 days	Past due > 30 days <= 60 days	Past due > 60 days <= 90 days	Non-performing	Impairment
	Past due <= 30 days					
2024	379,856	-	-	-	4,102	2,872
2023	282,128	-	-	-	3,611	2,707

As of 1 January 2018, the IFRS 9 accounting rules on expected credit loss have been implemented. These accounting rules do not change the actual credit losses but have an impact on the timing of when these losses are reflected in the P&L. Loan loss provisioning becomes more forward-looking under IFRS 9 partly due to the fact that provisions will be based on the macroeconomic outlook, amongst other factors. Additionally expected credit loss will be calculated on the lifetime expected losses for assets that have experienced a significant deterioration in credit quality. To summarize, expected credit loss in the P&L could become more volatile.

2024	Stage 1			Stage 2			Stage 3		
	Net carrying	Gross carrying	Expected Credit Loss	Net carrying	Gross carrying	Expected Credit Loss	Net carrying	Gross carrying	Expected Credit Loss
Cash and cash equivalents	259,027	259,027	-	-	-	-	-	-	-
Loans and advances to banks	346,022	346,269	247	-	-	-	-	-	-
Interest-bearing securities	124,421	124,635	214	-	-	-	-	-	-
Loans and advances to customers	379,856	380,748	892	-	-	-	1,230	4,102	2,872
Off-balance sheet liabilities	44,274	44,285	11	-	-	-	-	-	-
	1,153,600	1,154,964	1,364	-	-	-	1,230	4,102	2,872

2023	Stage 1			Stage 2			Stage 3		
	Net carrying	Gross carrying	Expected Credit Loss	Net carrying	Gross carrying	Expected Credit Loss	Net carrying	Gross carrying	Expected Credit Loss
Cash and cash equivalents	289,503	289,504	1	-	-	-	-	-	-
Loans and advances to banks	300,581	300,923	342	-	-	-	-	-	-
Interest-bearing securities	116,316	116,578	262	7,851	8,917	1,066	-	-	-
Loans and advances to customers	278,861	279,539	678	3,267	3,320	53	904	3,611	2,707
Off-balance sheet liabilities	40,839	40,891	52	-	-	-	-	-	-
	1,026,101	1,027,436	1,335	11,118	12,237	1,119	904	3,611	2,707

	Stage 1		Stage 2		Stage 3	
	Financial Assets	Expected Credit Loss	Financial Assets	Expected Credit Loss	Financial Assets	Expected Credit Loss
01 January 2024	1,026,807	1,335	11,989	1,119	3,611	2,707
Transfers from Stage 1 to Stage 2	-	-	-	-	-	-
Transfers from Stage 1 to Stage 3	(1,894)	(1,212)	-	-	1,894	1,212
Transfers to Stage 1	6,378	26	(6,378)	(26)	-	-
Net re-measurement on the stage transfer	-	-	-	-	-	-
Write off	-	-	-	-	(1,534)	(1,534)
Other changes in net exposure	125,284	1,233	(5,534)	(1,092)	131	487
Currency translation	(1,611)	(18)	(77)	(1)	-	-
31 December 2024	1,154,964	1,364	-	-	4,102	2,872

Transfers from Stage 1 to Stage 3 involve loans and advances to customers.

	Stage 1		Stage 2		Stage 3	
	Financial Assets	Expected Credit Loss	Financial Assets	Expected Credit Loss	Financial Assets	Expected Credit Loss
01 January 2023	844,560	1,126	8,997	667	2,610	2,252
Transfers from Stage 1 to Stage 2	-	-	-	-	-	-
Transfers from Stage 1 to Stage 3	(1,000)	(308)	-	-	1,000	308
Transfers to Stage 1	-	-	-	-	-	-
Net re-measurement on the stage transfer	-	-	-	-	-	-
Write off	-	-	-	-	-	-
Other changes in net exposure	182,098	517	2,897	452	1	203
Currency translation	1,149	-	95	-	-	(56)
31 December 2023	1,026,807	1,335	11,989	1,119	3,611	2,707

Collateral policy

The Bank holds collateral against loans and advances to customers in the form of cash, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

Collateral analysis	Loans and advances to customers		Loans and advances to banks		Interest bearing securities		Cash and cash equivalents	
	2024	2023	2024	2023	2024	2023	2024	2023
Secured by cash collateral	15,718	22,040	-	-	-	-	-	-
Secured by cash bonds	-	-	-	-	-	-	-	-
Secured by mortgages	46,129	17,633	-	-	-	-	-	-
Other collateral	164,413	147,114	-	-	-	-	-	-
Uncollateralized exposure	154,826	96,246	346,022	300,581	124,421	124,167	259,027	289,503
Balance at 31 December	381,086	283,033	346,022	300,581	124,421	124,167	259,027	289,503

Sectorial and geographical concentration of loans & advances and investment securities

The Bank monitors concentrations of credit risk by sector and geographic location. An analysis of concentrations of credit risk from loans and advances and investments securities at balance sheet date is shown below:

Concentration by sector	Loans and advances to customers		Loans and advances to banks		Interest bearing securities		Cash and cash equivalents		ECL
	2024	2023	2024	2023	2024	2023	2024	2023	
Corporate:									
Basic materials	90,692	73,070	-	-	3,060	3,033	-	-	231 112
Transport&Logistics	79,238	41,169	-	-	-	4,995	-	-	33 22
Automotive	45,303	49,041	-	-	-	-	-	-	149 198
Chemicals	6,495	5,874	-	-	-	-	-	-	1,213 4
Construction& Infrastructure	266	7,304	-	-	-	-	-	-	758 319
Consumer products non-food	8,071	6,222	-	-	-	-	-	-	137 38
Oil&Gas	30,991	13,952	-	-	4,545	4,391	-	-	93 1,625
Agriculture &Fishing	6,953	9,011	-	-	-	-	-	-	4 12
Financial intermediation	49,851	27,454	-	-	11,179	14,347	-	-	129 173
Services	-	-	-	-	-	-	-	-	-
Building materials	7,559	-	-	-	-	-	-	-	4 -
Food, Beverages&Tobacco	12,838	2,741	-	-	2,814	2,618	-	-	933 845
Private individuals	-	-	-	-	-	-	-	-	-
Capital Goods	-	3,703	-	-	-	-	-	-	- 39
Others	27,696	33,451	-	-	-	-	-	-	61 100
Real Estate	15,133	10,041	-	-	-	-	-	-	52 49
Central Bank	-	-	-	-	-	-	240,130	282,506	-
Government	-	-	-	-	38,990	34,033	-	-	69 1,096
Bank	-	-	346,022	300,581	63,833	60,750	18,897	6,997	370 529
Balance at 31 December	381,086	283,033	346,022	300,581	124,421	124,167	259,027	289,503	4,236 5,161

Concentration by location for assets is measured based on the risk driven country of the asset, which has a high correlation with the location of the borrower:

2024

Geographical concentration	EU Countries	Türkiye	Other countries	Total Exposure
Cash and cash equivalents	253,974	303	4,750	259,027
Loans and advances to customers	236,202	97,912	46,972	381,086
Loans and advances to banks	24,470	315,810	5,742	346,022
Interest-bearing securities	109,325	11,305	3,791	124,421
Derivative financial assets	2,430	-	-	2,430
Total balance sheet	626,401	425,330	61,255	1,112,986
Commitments	18,030	23,390	2,865	44,285
Total credit risk exposure	644,431	448,720	64,120	1,157,271
ECL charge	2,398	1,581	257	4,236

2023

Geographical concentration	EU Countries	Türkiye	Other countries	Total Exposure
Cash and cash equivalents	282,788	238	6,477	289,503
Loans and advances to customers	186,199	46,293	50,541	283,033
Loans and advances to banks	40,777	245,986	13,818	300,581
Interest-bearing securities	104,987	16,562	2,618	124,167
Derivative financial assets	5,085	-	-	5,085
Total balance sheet	619,836	309,079	73,454	1,002,369
Commitments	8,105	26,450	6,336	40,891
Total credit risk exposure	627,941	335,529	79,789	1,043,260
ECL charge	3,420	1,592	149	5,161

The table below sets out the credit quality of the financial assets and based on the external rating of the borrower. All financial asset amounts in this table are presented net of ECL allowances.

Credit quality analysis	Loans and advances to customers		Loans and advances to banks		Interest bearing securities		Cash and cash equivalents		ECL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rated BBB- to AAA	26,831	26,843	5,468	25,347	104,097	98,783	258,724	289,266	198	242
Rated B- to BB+	41,723	29,305	315,810	255,484	20,324	25,384	303	237	354	1,724
CCC	-	-	-	-	-	-	-	-	-	-
Unrated	312,532	226,885	24,744	19,750	-	-	-	-	3,684	3,195
Balance at 31 December	381,086	283,033	346,022	300,581	124,421	124,167	259,027	289,503	4,236	5,161

The breakdown of unrated customers based on the internal ratings is as follows.

Credit quality analysis	Loans and advances to customers		Loans and advances to banks		Interest bearing securities		Cash and cash equivalents		ECL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rated BBB- to AAA	139,927	110,933	-	19,750	-	-	-	-	157	112
Rated B- to BB+	172,127	115,048	24,744	-	-	-	-	-	1,865	375
CCC	478	904	-	-	-	-	-	-	1,662	2,707
Unrated	-	-	-	-	-	-	-	-	-	-
Balance at 31 December	312,532	226,885	24,744	19,750	-	-	-	-	3,684	3,195

All ratings for Banks referred to in this disclosure are initially derived from external rating agencies, if procurable. If not, the Bank may resort to internal model. Specifically, the model will facilitate:

1. the internal assessment of the creditworthiness of the Bank's clients;
2. the transparency of the creditworthiness of the Bank's clients;
3. monitoring trends in the quality of the credit portfolio;
4. monitoring concentration risk;
5. performance measurement;
6. determination of risk-adjusted credit approval levels and frequency of credit reviews;
7. formulation of credit policies, e.g. risk appetite, collateral policies, etc.

Analysis on sensitivity

The table below presents the analysis on the sensitivity of GDP inputs used in the ECL collective-assessment modelling.

The purpose of the sensitivity analysis is to enable the reader to understand the extent of the impact on model based reportable ECL from the upside and downside scenario.

In the table below the Real GDP for 2024 is presented in percentage year-on-year change.

	GDP	ECL
EU		
Upside	5.0 %	2,169
Baseline	1.0 %	2,386
Downside	-1.0 %	2,700
Türkiye		
Upside	5.0 %	1,526
Baseline	3.0 %	1,593
Downside	-2.0 %	1,754
Rest		
Upside	5.0 %	161
Baseline	2.7 %	257
Downside	0.0 %	374

(c) Liquidity risk

Liquidity risk is commonly defined as the ability of an institution to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses.

The Bank's liquidity risk is managed centrally by ALM & Market Risk Department with the guidance of ALCO, and is monitored by Risk Management Department while the Bank's Internal Audit function assesses whether the liquidity management process is designed properly and operating effectively.

The Bank monitors intraday liquidity risk in addition to short-term and long-term horizons. The Bank's liquidity management process includes: projecting expected cash flows in a maturity profile rather than relying merely on contractual maturities; monitoring balance sheet liquidity; monitoring and managing the maturity profile of liabilities and off-balance sheet commitments; monitoring the concentration of funding in order to avoid undue reliance on large financing counterparties; and, maintaining liquidity and contingency plans which outline measures to take in the event of difficulties arising from liquidity crisis.

The Liquidity Risk Policy is built on international standards on liquidity risk measurements developed by the Basel Committee on Banking Supervision (for example: the Liquidity Coverage ratio (LCR) and the Net Stable Funding Ratio (NSFR) and it also applies measurements that best suit the operating environment of the Bank.

Various stress tests have been constructed to measure how different scenarios affect the liquidity position and liquidity risk of the Bank. Comprehensive stress tests are conducted on a regular basis and measure the Bank's ability to withstand cash outflows under various levels of adverse conditions.

Liquidity Risk Policy sets limits for liquidity risk tolerance by determining an acceptable level of liquidity position under normal and stressed business conditions. ALCO is

also responsible for deciding on strategies, policies, and practices on liquidity risk in accordance with the risk tolerance while considering key business units, products, legal structures and regulatory requirements.

The ILAAP Supervision Manual is the main reference for the Bank's liquidity risk management. It provides all-encompassing qualitative and quantitative guidance for liquidity risks management as well as for the implementation of the liquidity regulations.

Residual contractual maturities of financial assets and liabilities

The tables below show the undiscounted cash flows on the Bank's financial liabilities based on their earliest possible contractual maturity, comparing 31 December 2024 figures with those of 31 December 2023. The Bank's expected cash flow on these instruments may vary significantly from this analysis. For example, funds entrusted item is expected to maintain a stable or an increasing balance.

The liquidity stress test results demonstrate that the excess liquidity is maintained at all times.

The following table provides an analysis of assets and liabilities according to their undiscounted contractual amount based on their remaining maturity:

2024

Assets	Net carrying amount	Demand	<= 1 month	1-3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years	Not distributable
Cash and cash equivalents	259,027	245,543	13,484	-	-	-	-	-
Loans and advances to banks	346,022	-	15,009	45,185	213,222	72,606	-	-
Loans and advances to customers	381,086	-	66,715	126,773	159,380	28,218	-	-
Interest-bearing securities	124,421	-	7,550	3,060	31,953	72,487	9,371	-
Current tax assets	309	-	-	-	-	309	-	-
Deferred tax assets	-	-	-	-	-	-	-	-
Other assets	4,957	-	-	-	-	2,430	-	2,527
Total assets	1,115,822	245,543	102,758	175,018	404,555	176,050	9,371	2,527

Other assets include derivative financial assets, other assets, property and equipment.

Liabilities

Deposits from banks	59,816	-	37,942	-	21,874	-	-	-	
Deposits from customers *	885,685	170,265	409,611	70,271	163,294	70,962	1,282	-	
Deferred tax liabilities	774	-	774	-	-	-	-	-	
Other liabilities	11,908	-	11,897	-	-	-	-	11	
Lease obligation	1,123	-	23	47	199	854	-	-	
Total liabilities	959,306	170,265	460,247	70,318	185,367	71,816	1,282	11	
Shareholders' equity	156,516	-	-	-	-	-	-	156,516	
Total liabilities and equity	1,115,822	170,265	460,247	70,318	185,367	71,816	1,282	156,527	
Net liquidity			75,278	(357,489)	104,700	219,188	104,234	8,089	(154,000)

Other liabilities include derivative financial liabilities and other liabilities (excluding lease obligation).

* Including on demand saving accounts which has on average a longer term characteristic

2023	Net carrying amount	Demand	<= 1 month	1-3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years	Not distributable
Total assets	1,004,845	289,503	77,481	66,570	284,381	255,560	29,236	2,114
Total liabilities and equity	1,004,845	187,808	286,435	184,665	130,732	81,282	1,102	132,821
Net liquidity		101,695	(208,954)	(118,095)	153,649	174,278	28,134	(130,707)

(d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

The operational risk framework adopted by the Bank sets out a structured and consistent approach for the management of operational risk across the Bank. The comprehensive risk management approach involves identifying, assessing, managing, mitigating, monitoring and measuring the risks associated with operations, enabling a comprehensive view, analysis and reporting of the Bank's operational risk profile.

The objective in managing operational risk is to increase the effectiveness of the Bank's resources, minimize operational losses and exploit opportunities. The Risk Management Department has initiated a project on the self-assessment processes and to enhance the resulting qualitative risk management information set. This will align, connect and integrate key non-financial risk assessment processes (i.e. compliance, legal and integrity risk types). Based on the self-assessment processes, there are several Key Risk Indicators (KRI) assigned for the monitoring of the processes that may be exposed to operational risk.

The Bank continuously collects operational risk loss incidents, as a requirement for operational risk management, including detailed analyses, the identification of mitigating actions, and timely information of the Management Board. As the second line of defense, Risk Management, Compliance and Internal Control departments work closely to identify any exposures and make sure the mitigating actions are taken.

Business resilience includes also business continuity management and crisis management. The Bank reviews recovery of its business operations and supporting technology, Business Continuity Management ("BCM"), as a critical and fundamental part of its ability to fulfill its fiduciary responsibilities to clients every year. As such, significant resources and effort are dedicated to these programs with the co-ordination of the Information Technology Department.

(e) Information and communications technology risk

Information and Communication Technology (ICT) is integral to the Bank's operational and business risks. The Information Technology (IT) Department supports the Bank's various departments by providing a range of services and computer systems, coordinating requests, managing IT-related agreements and service contracts, and offering end-user support. The department also establishes the technological infrastructure that enables employees to access the Bank's ICT environment, utilizing the most efficient and cost-effective software and hardware solutions. Over the past few years, the Bank has invested significantly in developing both its hardware and software systems.

IT staff are well-trained on the available ICT systems. The Bank has made significant efforts to establish a baseline for ICT controls. An ICT Risk Self-Assessment is conducted and reviewed annually. ICT security issues are discussed at the Management Board, where decisions are made and actions are taken.

Anadolubank Nederland N.V. has been working on compliance with the Digital Operational Resilience Act (DORA) since 2023. DORA is a regulation introduced by the European Union to enhance the digital resilience of financial entities. It entered into force in January 2025, ensuring that banks, insurance companies, investment firms, and other financial entities can withstand, respond to, and recover from ICT disruptions, such as cyberattacks or system failures. DORA also brings harmonization to operational resilience rules for the financial sector, applying to wide range of financial entities and ICT third-party service providers.

In line with the published regulations, all workflows and policies continue to be aligned with DORA requirements. Developments can be monitored across five key areas:

1. Risk management
2. Vendor management
3. Security testing
4. Incident reporting
5. Policy updates

(f) Market risk

Market risk is the risk of changes in market prices of the underlying assets. Interest rates, equity prices, foreign exchange rates and credit spreads may affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios are mainly held for proprietary position taking.

Exposure to interest rate risk – non-trading portfolios

Since Interest Rate Risk in the Banking Book (IRRBB) is not separately identified by Pillar I regulatory capital, the Bank captures this risk under Pillar II in the ICAAP. Anadolubank Nederland N.V. has, to a large extent, a linear interest position. The only significant behavioral elements in its balance sheet are the retail savings accounts. Assumptions are made on their interest sensitivity but essentially these will not have a large impact on its interest position.

Anadolubank Nederland N.V. measures interest rate risk in the banking book both on an Economic Value of Equity (EVE) basis as well as an Earnings-at-Risk (EaR) basis.

Additionally, the Bank has limited risk tolerance towards interest rate risk in its banking book. The interest rate risk position is discussed in the regular ALCO meetings. If

necessary, ALCO advice on the necessary actions to adjust the on- and off-balance sheet asset and liability positions, so that the Bank can keep its liquidity and interest rate risk below the pre-determined limits.

Economic Value of Equity

The Economic Value of Equity (EVE) is defined as the change of Anadolubank Nederland N.V.'s economic value of equity due to shocks to the yield curve. The measure can be derived from the typical interest cash flows, combined with the proper set of discount factors. Following the

EBA guidelines, six scenarios are evaluated: Next to two parallel shift scenarios, four other scenarios are evaluated. These scenarios test particular yield curve shifts and test the sensitivity of positions on the yield curve. Different scenarios are used for different currencies, reflecting the interest sensitivities of these currencies in the past.

The Bank effectively has interest rate risk in two currencies: EUR and USD. Other currencies are minor, including the TRY interest rate position, thus not significant.

Economic Value of Equity (EVE)

31 December 2024

in EUR

Currency	EVE	Parallel up	Parallel down	Steep	Flat	Short up	Short down
EUR	165,518,968	599,813	-567,552	-652,128	754,656	892,011	-911,048
USD	931,801	-1,761,492	1,892,960	925,680	-1,285,666	-1,916,364	1,948,819
EUR + USD	166,450,769	-1,461,586	378,929	-189,288	-908,338	-1,470,359	63,361
Outlier criterion	-1.0 %	0.2 %	-0.1 %	-0.6 %	-1.0 %	0.0 %	

As can be observed from the above table, outlier criterion results (as a percentage of Tier 1 capital) are well below the predefined 15% regulatory limit set by the EBA guidelines.

Earnings at Risk

Earnings-at-Risk analysis intends to quantify the volatility of the expected future earnings, depending on the future (movements of) interest rates over the predefined horizon. Obviously, these future interest rates are not known in advance and consequently future earnings are uncertain as well. By applying several interest rate scenarios, the volatility of these earnings can be investigated over a particular future period. The Earnings at Risk (Ear) is the level of earnings (net interest income) that corresponds to

a pre-defined scenario compared to the 'best estimate' on earnings, i.e. the expected value of earnings. The scenarios that are used to determine the NII should on the one hand be realistic, but on the other hand reflect stress as well.

The NII is calculated as the impact of 200bps shift (both up and down) on the interest rates over a 1 year horizon, under an assumption of a stable balance sheet. The results are presented below for the year end.

Net Interest Income (NII)

31 December 2024

in EUR

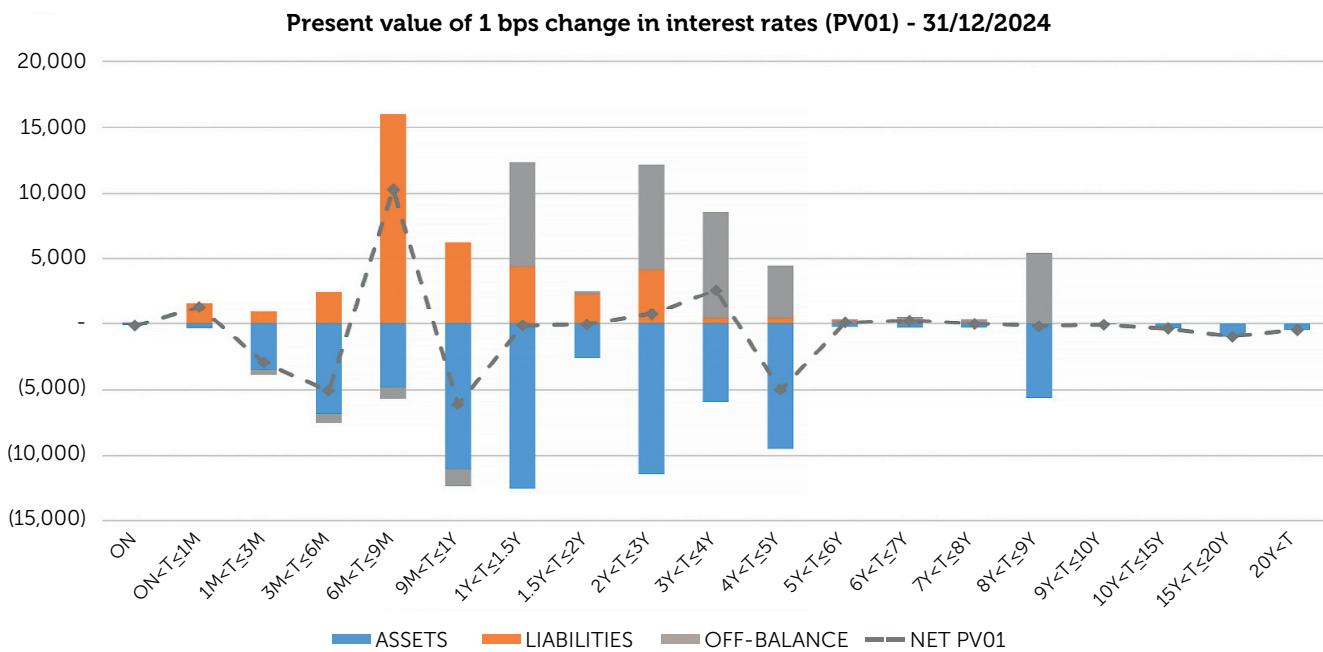
Currency	NII (1 year)	Paralell up	Paralell down
EUR	12,855,860	6,171,024	-3,568,634
USD	19,281,462	1,713,337	-993,097
EUR + USD	32,137,322	3,942,181	-4,561,731
Outlier criterion		2.6 %	-3.0 %

As can be observed from the above table, outlier criterion results (as a percentage of Tier 1 capital) are well below the predefined 5% regulatory limit set by the EBA guidelines.

Price value of a basis point (PV01)

The price value change of 1 bps or PV01 is the value change of an item in the assets or liabilities given a single basis point increase on the interest rates. The measure is additive and therefore the basis point price value of equity can be determined by subtracting the sum of basis point values of the liabilities from the sum of basis point values of the assets.

The graph below shows the sensitivity to a 1bp increase in interest rates on 31/12/2024. It is presented across multiple durations.



Interest rate gap profile (IRG)

The PV01 and notional amounts are also presented in a term structure (from 1 week to 15 years) with a repricing view. This provides a view of the interest position that exists on the entire curve.

A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

2024	Carrying amount	<= 3 months	3-6 months	>6 months <= 1 year	> 1 year	Non interest bearing
Assets						
Cash and cash equivalents	259,027	13,484	-	-	-	245,543
Loans and advances to banks	346,022	60,194	59,118	154,104	72,606	-
Loans and advances to customers	381,086	193,489	119,327	40,053	28,217	-
Interest-bearing securities	124,421	10,610	13,641	18,312	81,858	-
Current tax assets	309	-	-	-	309	-
Other assets	4,957	-	-	-	2,430	2,527
Total assets	1,115,822	277,777	192,086	212,469	185,420	248,070

Other assets include derivative financial assets, other assets, property and equipment.

Liabilities

Deposits from banks	59,816	37,942	21,874	-	-	-
Deposits from customers	885,685	599,244	41,070	122,224	72,244	50,903
Deferred tax liabilities	774	-	-	-	-	774
Other liabilities	13,031	7,035	-	-	-	5,996
Total liabilities	959,306	644,221	62,944	122,224	72,244	57,673
Surplus/deficit	156,516	(366,444)	129,142	90,245	113,176	190,397

Other liabilities include derivative financial liabilities and other liabilities.

Derivatives Net	(451)	46,002	42,065	50,252	(138,770)	-
2023						
	Carrying amount	<= 3 months	3-6 months	>6 months <= 1 year	> 1 year	Non interest
Total assets	1,004,845	144,051	99,187	185,194	284,796	291,617
Total liabilities	872,076	583,753	46,506	84,014	81,275	76,528
Surplus/deficit	132,769	(439,702)	52,681	101,180	203,521	215,089

(g) Currency risk

2024

Assets	EUR	USD	TRY	Other	Total
Cash and cash equivalents	240,558	18,336	33	100	259,027
Loans and advances to banks	97,396	248,626	-	-	346,022
Loans and advances to customers	262,436	115,879	2,771	-	381,086
Interest-bearing securities	110,126	14,295	-	-	124,421
Current tax assets	309	-	-	-	309
Deferred tax assets	-	-	-	-	-
Property and equipment	1,436	-	-	-	1,436
Derivative financial assets	2,430	-	-	-	2,430
Other assets	1,037	54	-	-	1,091
Total assets	715,728	397,190	2,804	100	1,115,822

Liabilities

Deposits from banks	51,984	7,832	-	-	59,816
Deposits from customers	628,456	222,885	34,317	27	885,685
Derivative financial liabilities	5,354	1,681	-	-	7,035
Share capital and share premium	75,000	-	-	-	75,000
Retained earnings	56,448	-	-	-	56,448
Revaluation reserves	506	1,703	-	-	2,209
Net Profit	22,859	-	-	-	22,859
Other liabilities	3,524	3,246	-	-	6,770
Total liabilities	844,131	237,347	34,317	27	1,115,822
Net on balance sheet position	(128,403)	159,843	(31,513)	73	-
Net notional amount of derivatives	136,392	(169,842)	31,923	-	(1,527)
Net position	7,989	(9,999)	410	73	(1,527)

2023

	EUR	USD	TRY	Other	Total
Total assets	651,720	352,996	32	97	1,004,845
Total liabilities	568,298	436,533	3	11	1,004,845
Net on balance sheet position	83,422	(83,537)	29	86	-
Net notional amount of derivatives	(75,059)	73,826	-	-	(1,233)
Net position	8,363	(9,711)	29	86	(1,233)

On a daily basis, the net FX open position on the banking and trading book is measured per each currency. The net open position in the banking book is expected to be hedged, translating into tight limits available to accommodate the hedging process. For the trading book all open positions are evaluated per each mandated currency and are restricted based on the aggregated position. In addition to the position limits, trading book is also subject to the stop loss limits.

The Bank applies the Standardized Approach to capture the market risk under Pillar I capital requirement calculation. Market risk incorporates a range of risks including currency risk.

Thousands of EUR	2024
Own funds requirement	207
Own funds requirement	186
(-)10% shock on USD/EUR rate	
Own funds requirement	228
(+)10% shock on USD/EUR rate	

(h) Capital management

Anadolubank Nederland N.V. uses regulatory capital ratios to monitor its capital base and the capital ratios remain within the international standards for measuring capital adequacy. The Bank ensures that regulatory capital requirements are met during its business planning process also in case of stressed periods.

The Bank also comfortably meets the leverage ratio requirement due to the business strategy in place.

Capital requirements	2024	2023
<i>in thousands of EUR</i>		
Total risk weighted assets	810,272	643,738
Credit risk	743,440	595,079
Market risk	2,586	1,836
Operational risk	64,246	46,823
Tier 1 capital	156,454	132,697
Paid-in capital	75,000	75,000
Retained earnings	56,448	37,445
Revaluation reserves	2,209	1,321
Net profit	22,859	19,005
Regulatory adjustments	(62)	(75)
Tier 2 capital	-	-
Total capital	156,454	132,697
Tier 1 ratio %	19.3 %	20.6 %
Solvency ratio %	19.3 %	20.6 %

29 Subsequent events

After the report date, the Bank completed an increase in its share capital by issuing 30,000 new ordinary shares at a nominal value and issue price of EUR 1,000 per share, resulting in an increase of EUR 30 million. The new shares were issued to existing shareholders as part of a rights issue, which was approved by shareholder at the General Meeting on 24 March 2025. The share issuance was fully subscribed and paid on 28 March 2025.

This capital increase was formally approved by the Supervisory Board on 12 March 2025, and the entire proceeds were allocated to share capital. The funds raised will be used to strengthen the Bank's capital position and finance future growth.

The additional capital will enhance the Bank's Tier 1 capital ratio and improve financial flexibility to support growth while ensuring compliance with Basel III regulatory capital requirements.

The increase in share capital was finalized after the balance sheet date but before the date the financial statements were authorized for issue. As such, it has been disclosed as a subsequent event in accordance with IAS 10.

Mr. **Ersoy Erturk** has been appointed as the new member of the Management Board effectively as per February 17, 2025.

In the General Shareholder Meeting of May 27, 2025 Mr. **Smith** stepped down as Chairperson of the Supervisory Board. Mr. **Rosenberg** became the Chairperson as per May 27, 2025. Mrs. **Nieke Martens** joined the Supervisory Board as independent Member of the Supervisory Board to fill in the vacancy due to the departure of Mr. Smith, effective 27 May 2025. DNB provided a declaration of no objection on her appointment on May 15, 2025.

30 Other information

Provisions of the articles of association concerning the appropriation of the result

The appropriation of profit is governed by Article 23 of the articles of association, the profit is at free disposal of the general meeting. The general meeting may decide to pay dividend (if the Company is profitable), only after adoption of the annual accounts and if profit so permits. It has been decided not to pay any dividend for the year 2024 on May 27, 2025.

Amsterdam, 12 June 2025

Supervisory Board

A.J. Smith, *Chairperson*

F. Canbay, *Vice Chairperson*

M. Rosenberg, *Member*

M.Yurtkuran, *Member*

Managing Board

N. Sabah, *CEO*

N. Plotkin, *Managing Director*

E. Erturk, *Managing Director*

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the supervisory board of Anadolubank Nederland N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of Anadolubank Nederland N.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Anadolubank Nederland N.V. as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The statement of financial position as at 31 December 2024.
2. The following statements for 2024: the statement of profit or loss and other comprehensive income, the statements of changes in equity and cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Anadolubank Nederland N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 1,300,000.

We consider equity to be the most appropriate benchmark given the relative stability of this benchmark over the years and the focus of regulators and other stakeholders on this benchmark. The materiality is based on 0.80% of Equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with those charged with governance that misstatements in excess of EUR 65,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how those charged with governance exercise oversight, as well as the outcomes. We refer to note 28 "Financial Risk Management" in the Annual Report for the management board's risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- Management override of controls (presumed significant risk).

We rebutted the presumed fraud risk on revenue recognition, as the accounting of interest income and commission income is mainly based on automatically generated accruals in the source system and therefore concern routine transactions not subject to management judgement. These are high volume transactions with a relative low value per transaction.

We evaluated the design and implementation of the financial closing and reporting process. In addition, we performed procedures to evaluate key accounting estimates for management bias in particular relating to important judgements areas and significant accounting estimates as disclosed in the financial statements. We have used data analysis to identify and test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

Additionally, we performed further procedures including, amongst others, the following:

- (i) We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
- (ii) We considered available information and made enquiries of relevant executives, directors including Internal Audit, Compliance and the supervisory board.

- (iii) We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- (iv) We evaluated whether the selection and application of accounting policies by Anadolubank Nederland N.V., particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- (v) We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements (such as the expected credit loss estimates as required by IFRS 9).

Our procedures performed did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to Anadolubank Nederland N.V. through discussion with management, Internal Audit, Compliance and the supervisory board. We have read management and supervisory board minutes, communications with regulatory authorities and reports of Internal Audit.

We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realising that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognised to have a direct effect on the financial statements.

Apart from these, Anadolubank Nederland N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Anadolubank Nederland N.V.'s business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Anadolubank Nederland N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to:

- (i) Obtaining an understanding of the legal and regulatory requirements for Anadolubank Nederland N.V. considering that Anadolubank Nederland N.V. is operating in a highly regulated environment.

- (ii) Inquiry of the supervisory board, the management board, and others within Anadolubank Nederland N.V. as to whether Anadolubank Nederland N.V. is in compliance with such laws and regulations.
- (iii) Inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.
- (iv) Obtaining an understanding of the process around transaction monitoring, customer due diligence and transaction screening.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the management board and the supervisory board, related to going concern under the prevailing standards, are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we evaluated management's assessment of Anadolubank Nederland N.V.'s ability to continue as a going concern for the next 12-months and considered key regulatory ratios including liquidity and solvency ratios.

The management board has performed its going concern assessment and has not identified any going concern risks. Our main procedures to assess the management board's going concern assessment were:

- (i) Considering whether the management board's going concern assessment includes all relevant information of which we are aware as a result of our audit.
- (ii) Inquired with the management board about its knowledge of going concern risks after the period of the continuity assessment performed by the management board and considering the impact of the financial, operational, and other conditions.
- (iii) Analysing Anadolubank Nederland N.V.'s financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.
- (iv) Assessing the duration gap between financial assets and liabilities and reported liquidity ratios to the Dutch Central Bank to assess the liquidity of Anadolubank Nederland N.V.
- (v) Assessing the reported capital ratios as imposed by the Capital Requirements Regulation to assess the solvency position of Anadolubank Nederland N.V.
- (vi) Inspecting regulatory correspondence to obtain an understanding of Anadolubank Nederland N.V.'s capital and liquidity position, that underpins management's assessment of the going concern assumption of financial reporting.
- (vii) Obtaining an understanding of economic hedge policy and the overall risk framework of the Bank.

Based on our procedures performed, we did not identify significant doubts on Anadolubank Nederland N.V.'s ability to continue as a going concern for the next 12 months. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the management board and the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	
<p>Expected credit loss allowance</p> <p>Description</p> <p>Anadolubank Nederland N.V. recognises a loss allowance for expected credit losses ("ECL") on the financial assets at amortised cost and the financial assets at fair value through Other Comprehensive Income ("FVOCI").</p> <p>At 31 December 2024, the expected credit loss allowance amounted EUR 4.2 million, related to a gross carrying amount of EUR 1.2 billion.</p> <p>The ECL of stage 1 and stage 2 exposures is calculated collectively. The ECL on the stage 3 exposures is calculated individually.</p> <p>Because of the inherent uncertainty and risk in a number of areas when determining the expected credit loss allowance, the expected credit loss provision is an important area of judgements and estimates by the management board. As a result, we have identified the expected credit loss allowance to be a key audit matter.</p> <p>Anadolubank Nederland N.V.'s disclosures concerning the expected credit loss allowance are included in note 3.f sub (vii) "Identification and Measurement of Impairment" and note 28 "Risk Management" of the financial statements.</p>	<p>How the key audit matter was addressed in the audit</p> <p>We have tested the design, implementation and operating effectiveness of the key controls in the loan origination process and the process of purchasing interest bearing securities. In addition, we have obtained an understanding of the credit monitoring process and the provisioning process within Anadolubank Nederland N.V. We have tested the design and implementation of the controls related to the timely recognition and measurement of the expected credit loss allowances.</p> <p>For the collective expected credit loss allowance, we have tested the adequacy of assumptions and the input data used by management to calculate the expected credit loss. For the macroeconomic variables, we have challenged Management's macroeconomic forecast and scenarios used and involved a specialist. The assessment of the macroeconomic variables includes the impact of the direct and indirect exposures to borrowers in Turkey.</p> <p>For individually assessed impairment allowances, we obtained corroborating evidence to substantiate and challenge Management's assertions regarding the reasonableness of the accounting estimates and the used assumptions in the individual impairment analyses for 31 December 2024.</p> <p>For a selection of individual exposures, we have assessed whether Anadolubank Nederland N.V. correctly applied its provisioning and staging policy.</p> <p>Finally, we have assessed whether the disclosures are accurate and in compliance with IFRS-EU requirements.</p> <p><i>Our observations</i></p> <p>The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures performed on the expected credit loss allowance did not result in reportable matters.</p>

Reliability and continuity of the Information Technology systems	How the key audit matter was addressed in the audit
<p>Description</p> <p>An adequate Information Technology infrastructure ensures the reliability and continuity of Anadolubank Nederland N.V.'s business processes and financial reporting. In addition, the continuity of the operations is highly dependent on the Information Technology infrastructure as also explained in note 28 Financial risk management of the financial statements. Therefore, reliability and continuity of the Information Technology systems has been a key audit matter during our audit.</p>	<p>We have tested the reliability of the Information Technology systems relevant for our audit of the financial statements. Furthermore, we have tested the implementation of key controls ensuring that Information Technology systems can be recovered in case disruptions occur. For this purpose, we have made use of Information Technology auditors within our audit team. These procedures included testing the design, implementation and operating effectiveness of the relevant General Information Technology and application controls. Our audit approach relies on automated controls and therefore on the effectiveness of the General Information Technology controls over Information Technology systems.</p> <p><i>Our observations</i></p> <p>For the purpose of our financial statements audit we believe that the reliability and continuity of the Information Technology systems of Anadolubank Nederland N.V. are at a sufficient level to support our controls reliance audit strategy.</p>

Report on the other information included in the annual report

The annual accounts contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management board Report.
- Supervisory board Report.
- Vision, Mission, and our values.
- Three-year key figures.
- Other Information.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the management board and the supervisory board as auditor of Anadolubank Nederland N.V. as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Anadolubank Nederland N.V.'s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Anadolubank Nederland N.V. or to cease operations, or has no realistic alternative but to do so.

The management board should disclose events and circumstances that may cast significant doubt on the Anadolubank Nederland N.V.'s ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing Anadolubank Nederland N.V.'s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Anadolubank Nederland N.V.'s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Anadolubank Nederland N.V.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Anadolubank Nederland N.V. to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management board and the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the management board and the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements.



We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 12 June 2025

Deloitte Accountants B.V.

Signed on the original: T.J.M. Lommerse