



2024

Annual Report





Strong tradition. Focus on the future.

OYAK ANKER Bank looks back on more than six decades of successful banking history – characterised by reliability, entrepreneurial vision and sustainable growth. As part of an international group of companies, it combines German banking expertise with a global perspective.

Today, the bank stands for much more than traditional lending and deposit business. It is a future-oriented financial partner for companies, financial institutions and private customers – and at the same time an active driver of digital innovation. With a high level of technological expertise and strategic focus, it consistently invests in modern solutions to strengthen efficiency, scalability and customer experience.

Sustainability is not a trend, but an attitude: ESG criteria are an integral part of the business strategy. In this way, OYAK ANKER Bank assumes responsibility – economically, ecologically and socially.

A bank that focuses on progress – responsibly, digitally and internationally.



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Preface by the chairman of the Supervisory Board

Ladies and Gentlemen,

The year 2024 was a milestone for OYAK ANKER Bank in the successful implementation of its strategic agenda. In a persistently challenging economic and geopolitical environment, the Bank has distinguished itself through its stability, innovative strength and strategic foresight.

The consistent progress made in the digital transformation is particularly noteworthy. With a high level of commitment and precise project management, the management team has driven forward the technical modernisation of the IT infrastructure - a foundation for future growth and greater efficiency. The decision to postpone the productive launch of this infrastructure until 2025 emphasises the management team's commitment to quality and willingness to take responsibility.

In addition, the operating business was managed with great prudence in 2024. The bank was able to further consolidate its position in the market and set important priorities in the areas of customer focus, risk management and sustainability.

On behalf of the Supervisory Board, I would like to thank the Executive Board for its management and all employees for their efforts.

We look forward to the year ahead with confidence

Yours sincerely



M. Emre Timurkan
CHAIRMAN OF THE
SUPERVISORY BOARD

Preface by the Management Board

Ladies and Gentlemen,

For OYAK ANKER Bank, the 2024 financial year was characterised by targeted transformation, operational strength and sustainable growth. In a challenging environment, we consistently implemented our strategic priorities and further consolidated our market position.

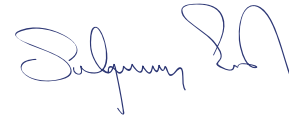
A central element of our agenda was the renewal of our digital IT infrastructure - one of the most important projects in recent years. The modernisation was driven forward as planned with utmost care and all our resources. The conscious decision to postpone the productive transition to 2025 was an expression of our quality standards and our responsibility towards customers, partners and employees. At the end of the year, the project was in the final preparatory phase - a milestone that lays the technological foundation for the future of our Bank.

At the same time, we continued to pursue our growth strategy in a disciplined manner. We were able to set the tone in both private and corporate client business and further increase our efficiency and customer satisfaction. Our targeted initiatives in the Financial Institutions division and our innovation-driven product solutions made a significant contribution to our positive business performance.

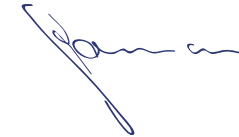
This success would not have been possible without the commitment and expertise of our employees. We would like to thank them sincerely for their performance. We would also like to thank our customers for their trust and our business partners for their consistently constructive cooperation.

With a clear strategic course, a future-orientated infrastructure and a strong team, we look forward to the coming year with confidence.

Yours sincerely



Dr. Süleyman Erol
MEMBER OF THE
MANAGEMENT BOARD



Ümit Yaman
MEMBER OF THE
MANAGEMENT BOARD

Management Report

1 Business and general conditions

OYAK ANKER Bank GmbH is part of the OYAK Group, which has been operating as Turkey's leading private pension fund since 1961. It forms the stable foundation of our Bank. We draw our strength from the combination of over 60 years of experience in Germany and Europe with the global reach and resources of the OYAK Group. This enables us to offer our customers tailor-made solutions in international trade and specialised financial services such as trade finance and documentary business.

With its three business segments Retail Banking, Corporate Banking and Treasury/Financial Institutions, OYAK ANKER Bank GmbH offers a comprehensive portfolio of financial services tailored to the needs of its customers.

In the **Corporate Banking** segment, the Bank acts as a bridge for financial transactions between Turkish companies and their business partners in Europe. The Bank offers support for international trade transactions with customer focus on Germany, Europe and Turkey and provides its customers with a wide range of trade financing, import/export letters of credit, factoring, forfaiting and import/export financing.

A representative office was opened in Istanbul in 2016 to support the Bank in terms of communication, maintaining contacts, market research and sales. It is part of the strategy and provides the Bank with economic information about the market in Turkey as well as Turkish and European clients based in Turkey (both corporate and financial institutions).

The **Treasury/Financial Institutions** business segment is responsible for the Bank's asset/liability management, liquidity management including refinancing and the investment of liquid funds including money market transactions. In addition, the Bank operates an active bond portfolio management with investment focus on European corporate and government bonds. In addition to diversifying the risk of the loan portfolio, the primary objective is to generate interest income and manage liquidity. As part

of this management, the Bank deliberately enters into positions with maturity transformations. In addition to traditional treasury tasks, the focus is on high-margin business with Turkish commercial banks, both at bilateral business level and through participation in syndicated loans.

In the Financial Institutions segment, the Bank offers its customers a wide range of trade and export finance products in Europe and worldwide. In this context, the Bank can utilise synergy effects from the OYAK Group. The focus is on transactions in the core currencies USD and EUR. In principle, transactions in TRY, GBP, AUD and CHF are also possible. The Bank is also increasingly active in supporting the processing of the Group's trading transactions and also supports the Group's cash management, which is profitable for the Bank.

With its **Retail Banking** segment, the Bank has successfully positioned itself as an online direct bank and offers its customers a comprehensive portfolio of deposit and loan products in Euros.

The Bank's strategy is to achieve sustainable growth through a **transparent, comprehensible and responsible** approach to customers at all times, providing products and services that are tailored to the Bank's customers.

1.1 Control system

In our Bank's management system, we measure our success using the following key performance indicators and ratios, which are essential for assessing our financial stability and efficiency:

- **Return on equity (RoE):** This key figure reflects the bank's ability to generate profit from the equity capital employed. It is a measure of profitability and capital efficiency. It is calculated by dividing the profit by the average equity excluding retained earnings.
- **Regulatory core capital ratio (Tier 1 capital ratio)¹:** This ratio is an indicator of the bank's financial strength and measures the share of core capital in risk-weighted assets. It is crucial for the assessment of capital adequacy and risk-bearing capacity. The ratio is derived from the statutory requirements.
- **Cost-income ratio (CIR):** This key figure shows the ratio of administrative expenses² to net income³. It provides information on the efficiency of the bank in managing its operating costs in relation to the income generated. Administrative expenses are measured in relation to net income from banking operations.

By continuously monitoring and analysing these key figures, we ensure long-term financial health and competitiveness of our Bank.

1.2 Employees

As at 31 December 2024, our Bank employed a total of 72 people, a slight increase on the previous year (71). This included three working students, compared to six in the previous year. The conversion into full-time equivalents (FTE) shows an increase in the number of employees to 65.48 FTE compared to 62.59 FTE in the previous year.

¹ The tier 1 ratio is equal to the total capital ratio as at 31 December 2024

² Personnel expenses, other administrative expenses and depreciation and amortisation of property, plant and equipment and intangible assets

³ Net interest and commission income

The Bank continues to face challenges resulting from the demanding market environment, strategic changes, increasing regulatory requirements and the digital transformation. The changes we have introduced in our processes and HR management are key measures to ensure our long-term competitiveness.

In addition, the labour market in the Rhine-Main region remains dynamic, which entails the risk of increased staff turnover. As highly qualified professionals and specialists are in particularly high demand in the financial sector, we have made targeted adjustments to our HR strategy. These adjustments are aimed at ensuring long-term competitiveness and innovative capacity of our Bank.

2 Economic report

2.1 Global economic growth

The year 2024 was characterised by economic challenges worldwide. Geopolitical uncertainties, high energy prices, the after-effects of the pandemic and restrictive monetary policy measures characterised the development of the global economy.

The European economy recorded low growth in 2024. According to the European Commission, GDP growth in the eurozone amounted to 0.8%. The economic recovery was held back by persistently high energy prices and weak exports. The European Central Bank (ECB) responded to inflation, which stood at 2.4% in the eurozone in December 2024, by gradually lowering interest rates after pursuing a restrictive course in the first half of the year.

The labour market remained stable despite the economic weakness. The unemployment rate in the eurozone was 6.3% in November 2024, which is attributable to a robust service industry and a recovery in the tourism sector. Consumer behaviour remained subdued; the year was characterised by high cost of living and reluctance to make major purchases. According to the GfK consumer climate index, however, there was a slight improvement in consumer confidence towards the end of the year.

The US economy proved resilient in 2024. Gross domestic product (GDP) grew by

2.3%, supported by a robust labour market and strong consumer spending. The Federal Reserve maintained its restrictive monetary policy and left the key interest rate unchanged in order to counteract inflation. This averaged 3.0%, which was due in particular to rising rent and food prices.

The labour market remained a pillar of the US economy. The unemployment rate was a low 4.1% in December 2024, while the labour force participation rate remained stable at 62.5%. The rise in wages over the course of the year provided additional support for private consumption. Despite high interest rates, consumer behaviour remained robust; spending on leisure and services in particular increased.

China's economy recorded GDP growth of 5.0% in 2024, driven by government investment and a recovery in consumption following the lifting of pandemic measures. The People's Bank of China (PBoC) cut interest rates several times to support growth. Inflation averaged 0.2% for the year, which was mainly due to stable energy prices and a sufficient supply of food.

The labour market remained under pressure. The official unemployment rate was 5.1%. Consumption recovered moderately; retail sales rose by 3.7% compared to the previous year, supported by government incentive programmes.

2.2 Prospects Germany

The German economy faced considerable challenges in 2024. Ongoing global uncertainties, high energy costs and structural problems in various industrial sectors contributed to this weak economic development. At the same time, inflation was significantly reduced compared to previous years, allowing consumer prices to stabilise to a certain extent. The labour market proved resilient, although the unemployment rate rose slightly.

After an already difficult year in 2023 with a GDP decline of 0.3%, Germany again recorded a 0.2% contraction in price-adjusted gross domestic product (GDP) in 2024. With further decline in economic output, Germany found itself in a phase of sustained economic stagnation. The energy-intensive industry, the construction and mechanical engineering sector and export-dependent companies were particularly affected. The

reasons for the low growth were complex. Despite a slight easing on the energy markets, the prices for electricity and gas in Germany remained high by international standards, which weighed on the competitiveness of industry. Weak global trade and the economic slowdown in important sales markets such as China and the USA led to low growth in German exports. High interest rates in the first half of 2024 and uncertainties about economic development led to a reluctance to invest among companies. The high inflation of previous years left its mark on consumer behaviour. Despite stabilised prices, the purchasing power of many consumers remained limited.

One positive aspect of economic development in 2024 was the fall in the inflation rate. While inflation was still at 5.9% in 2023, it was reduced to an average of 2.2% in 2024. The European Central Bank (ECB) maintained its restrictive monetary policy in the first half of the year, but gradually lowered its key interest rates in the second half of the year as inflation approached its target value of 2%.

The labour market was robust in 2024, although the unemployment rate rose from 5.7% in 2023 to 6.0%. The number of people in employment rose by an annual average of around 0.2%. Nevertheless, there are challenges. Many companies continue to report difficulties in finding qualified labour. The transformation in the automotive and energy sectors led to restructuring, particularly in industries affected by decarbonisation. The increase in part-time and fixed-term employment caused uncertainty among many employees. The German government announced that it would counteract this through the immigration of skilled workers, further training measures and targeted support programmes.

2.3 Turkey

The Turkish economy faced significant challenges in 2024, including persistently high inflation, a volatile exchange rate and restrictive monetary policy measures. Despite these difficulties, the country was able to achieve moderate economic growth, supported by exports, tourism and government spending.

In 2024, Turkey's GDP grew by 3.2%, which represents a moderate slowdown compared to the previous year. Growth was mainly driven by the service sector and industry. The tourism sector, which regained importance after the pandemic, recorded an 11.6%

increase in visitors compared to 2023. In contrast, high financing costs and weak domestic demand weighed on the manufacturing sector. The agricultural sector contracted slightly due to unfavourable weather conditions and higher production costs.

The Central Bank of Turkey (CBRT) continued its restrictive monetary policy in 2024 in order to counteract the persistent inflation. The key interest rate was increased from 42.5% to 50% during the course of the year. These measures were primarily aimed at stabilising the lira and reducing inflationary pressure. Despite the interest rate hikes, currency volatility remained high due to geopolitical risks and a persistent current account deficit. At the end of 2024, the Turkish Central Bank began to loosen its monetary policy and lowered the key interest rate to 47.5% for the first time.

Inflation was one of Turkey's biggest economic problems in 2024. Consumer prices rose by an annual average of 58.51%, driven by high energy and food prices as well as a weak lira. The transport and food sectors were particularly affected. Core inflation, excluding volatile prices such as energy and food, stood at 42.08%.

The labour market remained tight in 2024. The unemployment rate averaged 8.7%. The service sector provided the most new jobs, while the construction sector recorded employment losses due to high financing costs.

Consumer behaviour was characterised by uncertainty in 2024. High prices and rising borrowing costs led to a decline in retail sales. Consumers were particularly cautious when it came to durable consumer goods and property purchases. At the same time, spending on basic foodstuffs and healthcare services increased, further fuelling inflation in these areas.

2.4 Credit institutions sector

The German banking landscape underwent a transformation in 2024, characterised by regulatory changes, increased digitalisation efforts and a challenging macroeconomic environment. Rising sustainability requirements, stricter regulations from the European Central Bank (ECB) and increasing competition from FinTechs and BigTechs require banks to make further adjustments and optimisations.

Digitalisation was the dominant theme in the German banking sector in 2024. Numerous institutions invested heavily in digital platforms, automation and artificial intelligence (AI) in order to reduce costs and improve the customer experience. Mobile banking recorded a new high in usage among private customers. In particular, chatbots and automated credit decisions based on AI became particularly important as a means of accelerating processes and reducing operating costs.

Banks also intensified their cooperation with FinTechs. While traditional credit institutions primarily focused on partnerships for payment solutions and customer services, challenger banks expanded into the credit and investment sectors. Although blockchain technologies have only made limited inroads into securities trading so far, experts anticipate their use to increase in 2025 - especially in settlement and identity solutions.

Banking regulation in 2024 was characterised by the implementation of the final Basel III regulations. Capital and liquidity requirements increased, which put pressure on smaller banks in particular. The ECB also intensified its stress tests and called on banks to strengthen their resilience to interest rate changes and geopolitical shocks.

The overall higher interest rate level led to a return to deposit growth in 2024, as savers once again made greater use of fixed-term deposits and savings bonds. At the same time, higher financing costs weighed on the lending business. Consumer behaviour changed due to high inflation, meaning that consumers took out fewer loans for consumer spending.

The European Central Bank is expected to cut interest rates further in 2025, which could lead to a downstream recovery in the lending business. Demand for sustainable investment products is likely to increase further - fuelled by regulatory requirements and growing social awareness of environmental and climate protection.

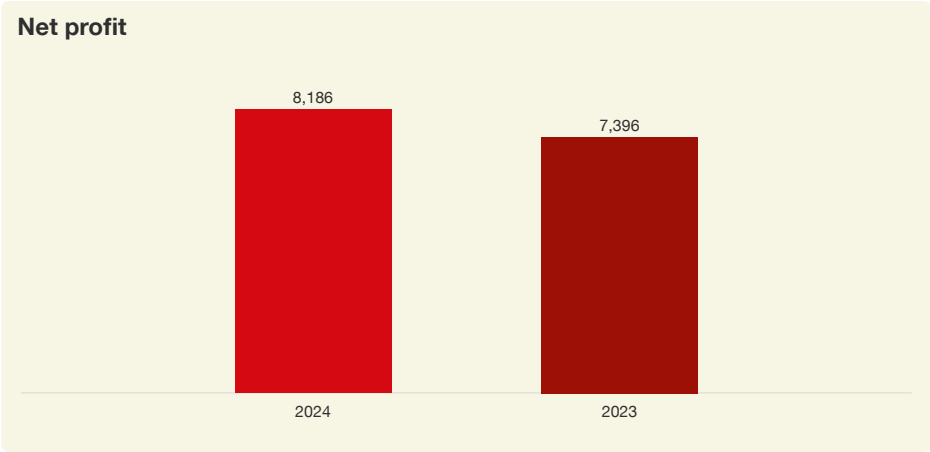
German banks are at a turning point: digitalisation is progressing inexorably, regulatory requirements are increasing and competitive pressure from technology-driven companies is growing. Banks that proactively address these trends will strengthen their competitive position and successfully adapt to the changing market conditions.

2.5 Situation of the Bank

2.5.1 Profit situation

A net profit of EUR 8,186 thousand was generated in the financial year, which represents an increase compared to the previous year (EUR 7,396 thousand).

Annual net profit in TEUR:



Net interest income, including income from investments and the profit transferred from the subsidiary VFG, fell slightly by EUR 233 thousand to EUR 29,386 thousand (previous year: EUR 29,620 thousand). The average interest margin of the overall portfolio, excluding cash-covered loans, barely decreased to 3.0% (previous year: 3.1%).

In the 2024 financial year, we recorded a slight decline in interest income from lending and money market transactions to EUR 95,652 thousand, compared to EUR 96,357 thousand in the previous year. A significant contribution to this was made by interest income from cash-covered corporate client business, which at a gross amount of EUR 55,266 thousand was below the previous year's figure of EUR 61,560 thousand. However, net interest income (interest income minus interest expenses) from these trans-

actions decreased by only EUR 232 thousand, from EUR 2,607 thousand in the previous year to EUR 2,374 thousand. In the trade finance and letter of credit business segment, we were able to increase interest income to EUR 17,919 thousand, compared to EUR 11,927 thousand in the previous year. In contrast, income from syndicated loans to banks decreased to EUR 6,305 thousand, compared to EUR 6,738 thousand in the previous year. Our overnight deposits with the European Central Bank and correspondent banks contributed EUR 6,246 thousand to net interest income, which was lower than the previous year's EUR 6,753 thousand. Fixed-income securities made a contribution of EUR 1,228 thousand, compared to TEUR 1,574 thousand in the previous year. Income from profit participation, profit transfer or partial profit transfer agreements increased to EUR 166 thousand, compared to TEUR 152 in the previous year.

Interest expenses decreased to EUR 67,690 thousand (previous year: EUR 68,492 thousand), primarily due to a different refinancing mix, in particular subordinated liabilities of EUR 52,891 thousand (previous year: EUR 58,953 thousand) and bank deposits of EUR 66 thousand (previous year: EUR 1,834 thousand). Interest expenses from liabilities to customers increased significantly and totalled EUR 14,732 thousand (previous year: EUR 7,705 thousand).

Commission income fell slightly by EUR 46 thousand to EUR 2,341 thousand. Letter of credit commissions made a significant contribution to income, increasing by EUR 37 thousand to EUR 2,066 thousand. In 2024, one-off fees fell by EUR 36 thousand year-on-year for customers and by EUR 31 thousand for banks. At the same time, commission expenses increased by EUR 37 thousand to EUR 267 thousand, mainly due to higher expenses for brokered private customer deposits, which rose from EUR 133 thousand to EUR 191 thousand.

General administrative expenses rose by EUR 1,296 thousand or 9.44% to EUR 15,030 thousand. Within this item, other administrative expenses increased by 13.9% to EUR 7,438 thousand, which is primarily due to increased investments in consulting and IT services. Personnel expenses increased by EUR 388 thousand (5.4%) to EUR 7,593 thousand, with wages and salaries rising by EUR 256 thousand to EUR 6,580 thousand.

FX forwards were used to hedge against exchange rate risks from asset items, which led to other operating expenses of EUR 3,086 thousand (previous year: EUR 1,399 thousand).

In the 2024 financial year, write-downs and value adjustments on receivables and certain securities as well as additions to provisions in the lending business had a negative impact on earnings in the amount of EUR 2,219 thousand (previous year: EUR 3,903 thousand). The country value adjustment for Turkey was increased by EUR 3,953 thousand in the reporting year. In addition, a general loan loss provision in accordance with BFA 7 in the amount of EUR 210 thousand was reversed. The net reversal of specific and general valuation allowances totalled EUR 336 thousand, while specific valuation allowances of EUR 524 thousand were utilised and write-downs of receivables were recognised in the same amount (previous year: EUR 5,821 thousand). Overall, the balance of risk provisions rose by EUR 2,277 thousand (previous year: increase of EUR 152 thousand) as a result of various measures, including the creation and reversal of specific and general valuation allowances as well as adjustments to country risk provisions.

In 2024, write-downs and value adjustments on investments and shares in affiliated companies and securities treated as fixed assets were recognised in the amount of EUR 593 thousand, compared to EUR 777 thousand in the previous year. These measures resulted largely from the market valuation of a rescue acquisition. The expenses incurred were fully offset by the partial release of the reserve tied up for this purpose in accordance with Section 340g HBG Reserve.

Other operating income increased to EUR 177 thousand (previous year: EUR 142 thousand), mainly due to the reversal of provisions in the amount of EUR 112 thousand (previous year: EUR 81 thousand).

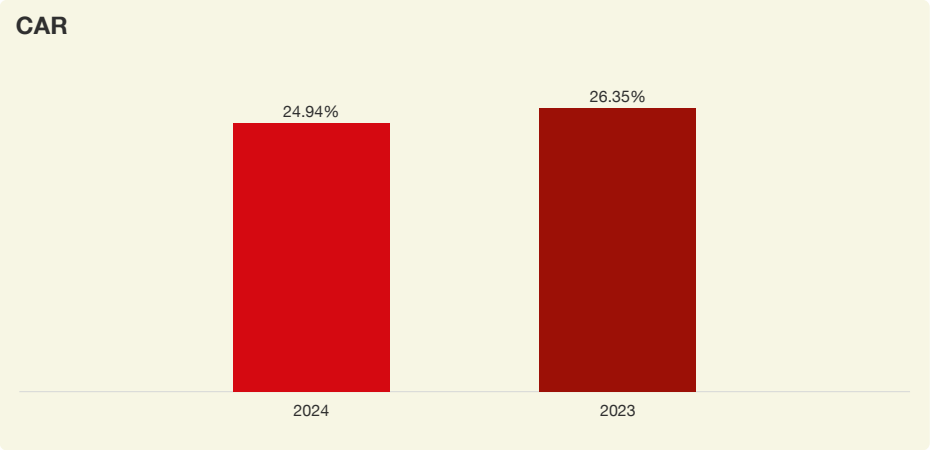
2.5.2 Financial position and liquidity position

The Bank ensured its solvency throughout the 2024 financial year and fully complied with regulatory requirements. Liquidity was adequate at all times and was managed and monitored by means of a daily liquidity plan and regular liquidity forecasts. To

secure liquidity, the company had the option of pledging loan receivables and securities with Deutsche Bundesbank as collateral eligible for refinancing with central banks. This option was not utilised in 2024 and was therefore available at all times.

As part of our strategy to ensure solvency at all times, cash and cash equivalents were planned and held accordingly. Compliance with the liquidity coverage ratio (LCR) in accordance with the Delegated Act (DA) was ensured at all times and ended the year with an LCR ratio of 337.97% (previous year: 528.33%). The net stable funding ratio (NSFR) in accordance with Article 428b (2) of CRR II (Capital Requirements Regulation) was 125.55% at the end of the year (previous year: 125.74%).

The regulatory total capital ratio and the core capital ratio (CAR) in accordance with the CRR amounted to 24.94% at the end of 2024 (previous year: 26.35%). Following the approval of the annual financial statements, this ratio is expected to reach 26.37% in 2024 (previous year: 27.33%), which exceeds the forecast of 25.04%.

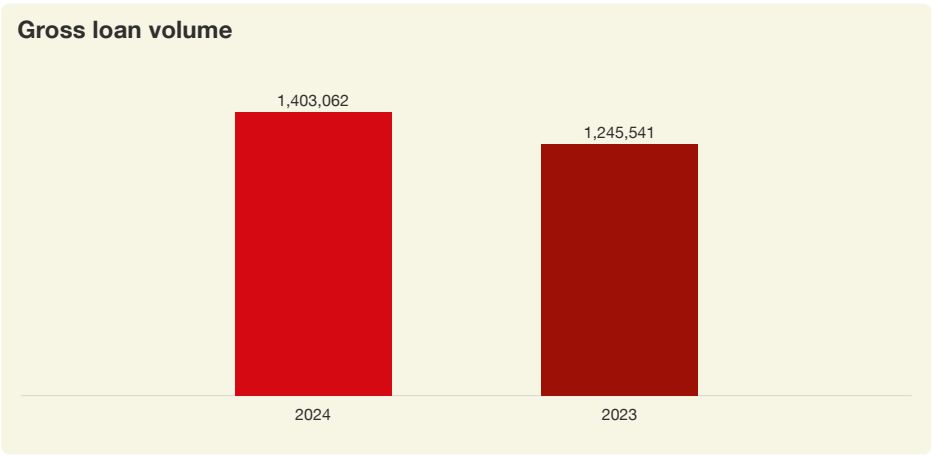


In accordance with the new Supervisory Review and Evaluation Process (SREP) requirements, the German Federal Financial Supervisory Authority (BaFin) has informed the Bank that a regulatory minimum capital ratio must be maintained. The Bank complies with this requirement, including the countercyclical capital conservation buffer to

be taken into account, throughout the financial year. The internal minimum target ratio including the management buffer is 20.80% as at 31 December 2024.

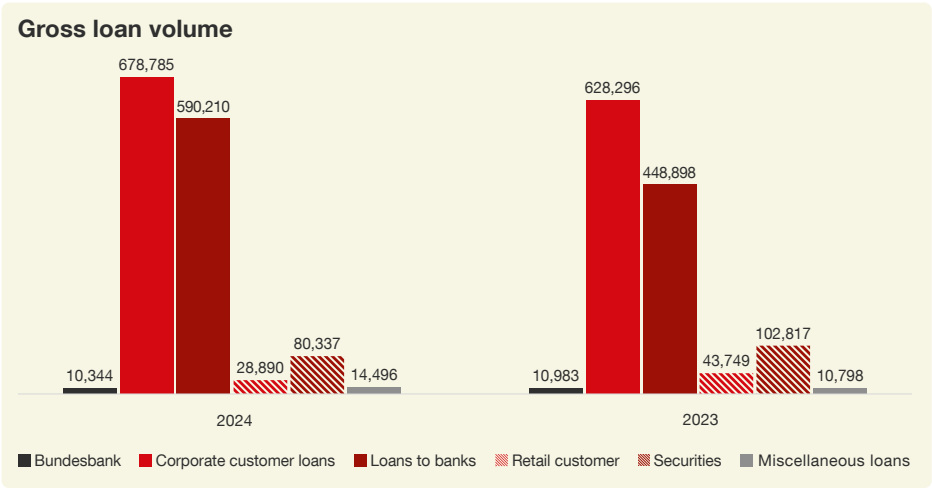
2.5.3 Financial position

In 2024, total assets increased by EUR 161,711 thousand to EUR 1,415,509 thousand (previous year: EUR 1,253,798 thousand). The increase is due in particular to the increased liquidity, which was placed at short notice, as well as the expansion of business activities with banks, especially in the area of trade financing and letter of credit discounting and commercial loans, such as lease financing and loans. On the liabilities side, there were increases in commercial current accounts and fixed-term deposits with customers.



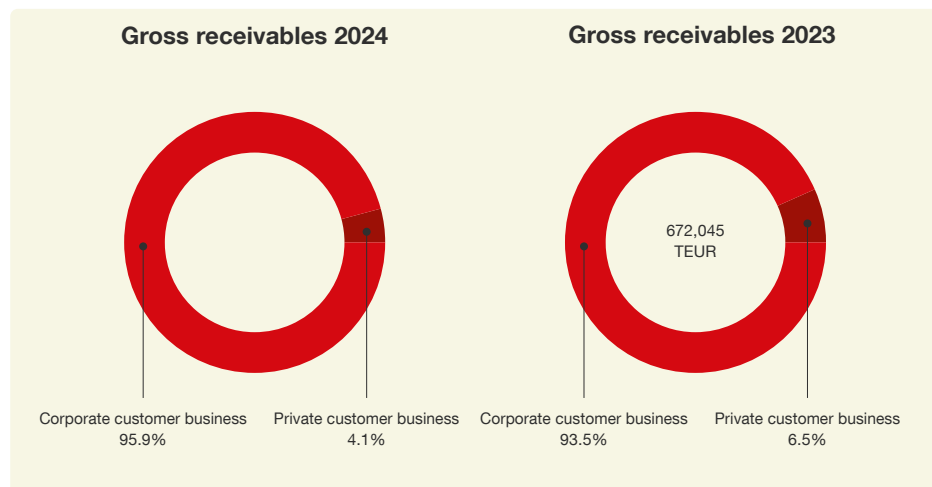
The gross loan volume of EUR 1,403,062 thousand as at the reporting date was EUR 157,521 thousand higher than in the previous year (EUR 1,245,541 thousand). The gross loan volume is based on carrying amounts for loans, securities, equity investments, shares in affiliated companies and other assets and on credit equivalent amounts for derivatives. Unutilised credit lines and guarantees are also taken into

account. Provisions, valuation allowances and other risk provisions as well as accrued interest are not included in the gross loan volume. The following figures relate to the gross loan volume.



Gross receivables from central banks decreased only slightly to EUR 10,344 thousand (previous year: EUR 10,983 thousand). This is due to the almost unchanged level of minimum reserves.

In 2024, gross receivables from banks increased by EUR 141,312 thousand (+31.48%) to EUR 590,210 thousand (previous year: EUR 448,898 thousand). This increase was mainly due to the expansion of letter of credit transactions, which rose by EUR 49,202 thousand to EUR 142,074 thousand, and trade financing, which grew by EUR 24,322 thousand to EUR 149,717 thousand. In addition, overnight deposits with the Bundesbank increased by EUR 66,000 thousand to EUR 161,000 thousand.



Gross receivables from corporate customers increased by EUR 50,490 thousand to EUR 678,785 thousand (previous year: EUR 628,296 thousand). This corresponds to an increase of 8.0%. Cash-covered corporate client business increased by EUR 28,200 thousand to EUR 558,926 thousand (previous year: EUR 530,727 thousand). The volume of syndicated loans was reduced by EUR 18,000 thousand to EUR 14,500 thousand (previous year: EUR 32,500 thousand) and other commercial loans increased by EUR 11,797 thousand to EUR 25,212 thousand (previous year: EUR 13,414 thousand). Furthermore, financing in the leasing business increased by EUR 28,344 thousand to EUR 79,944 thousand.

As at the balance sheet date, the private customer business accounted for 4.1% (previous year: 6.5%) of gross receivables from customers. Receivables from private customers fell by EUR 14,859 thousand compared to the previous year and totalled EUR 28,890 thousand (previous year: EUR 43,749 thousand).

Overall, gross receivables from customers increased by EUR 35,630 thousand (+5.30%) to EUR 707,675 thousand (previous year: EUR 672,045 thousand).

At the end of the year, gross securities totalling EUR 80,337 thousand (previous year:

EUR 102,818 thousand) were held as fixed assets. In the 2024 reporting year, there was still no need to recognise impairment losses on fixed-income securities held as fixed assets, as no permanent impairment was expected. Nevertheless, the bond portfolio recorded an unrealised loss of EUR 3,625 thousand, a significant improvement on the unrealised loss of EUR 6,233 thousand in the previous year.

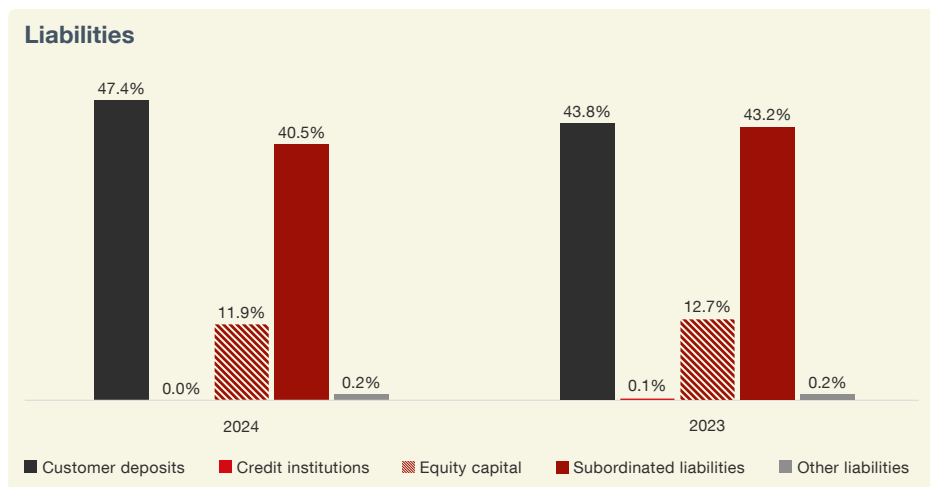
Gross receivables from borrowers based in Turkey totalled EUR 620,692 thousand (previous year: EUR 538,704 thousand). Of this amount, receivables totalling EUR 136,871 thousand (previous year: EUR 141,654 thousand) were covered by cash collateral.

Derivative financial instruments were concluded to hedge foreign currency risks. The exposures (credit equivalent amounts) of the currency hedging positions totalled EUR 9,137 thousand (previous year: EUR 3,612 thousand).

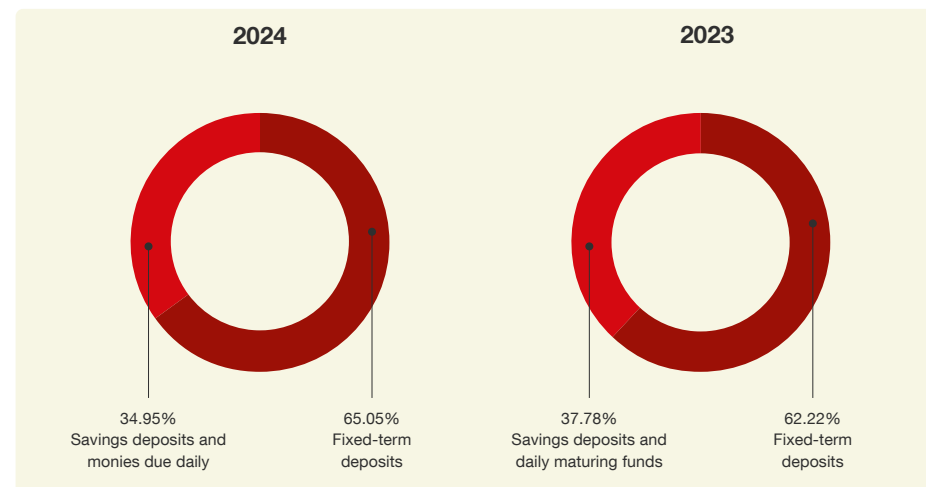
Further credit commitments resulted from off-balance sheet transactions. The guarantees issued decreased to EUR 1,133 thousand (previous year: EUR 2,178 thousand). As at 31 December 2024, these mainly comprised guarantees for private customers. Unutilised loan commitments also decreased to EUR 643 thousand (previous year: EUR 1,603 thousand).

Investments made in intangible assets in 2024 totalled EUR 5,739 thousand (previous year: EUR 3,577 thousand). The balance at the end of the year was EUR 10,004 thousand (previous year: EUR 4,787 thousand). The investments are mainly advance payments for projects still to be completed. Additions to property, plant and equipment totalled EUR 135 thousand (previous year: EUR 61 thousand) and were therefore EUR 74 thousand higher than in the previous year. Additions from the acquisition of IT hardware totalled EUR 36 thousand (previous year: EUR 55 thousand). Investments in low-value assets totalled EUR 79 thousand (previous year: EUR 5 thousand).

Equivalent to the gross loan volume, liabilities are shown without accrued interest. On the refinancing side, liabilities to banks decreased by EUR 1,090 thousand to EUR 0 thousand.



Customer deposits increased by EUR 116,913 thousand to EUR 654,026 thousand (previous year: EUR 537,113 thousand). Savings deposits decreased to EUR 1,313 thousand (previous year: EUR 2,748 thousand). Liabilities repayable on demand increased slightly to EUR 227,284 thousand (previous year: EUR 200,153 thousand). An increase in business current accounts of EUR 44,436 thousand to EUR 164,666 thousand was offset by a decrease in private customer deposits of EUR 17,183 thousand to EUR 61,352 thousand. Liabilities with an agreed term or period of notice increased to EUR 425,429 thousand (previous year: EUR 334,212 thousand). In particular, term deposits with an original term of two years increased by EUR 74,739 thousand to EUR 145,068 thousand.



Provisions fell to EUR 2,515 thousand (previous year: EUR 3,013 thousand). This is largely the result of a reduction in provisions for trade tax, corporation tax and solidarity surcharge totalling EUR 557 thousand.

The nominal volume of subordinated liabilities increased to a total of EUR 558,926 thousand (previous year: EUR 530,727 thousand). This increase is due to the increase in subordinated term deposits used as collateral for cash collateralised lending transactions.

The Bank's equity under commercial law totalled EUR 163,493 thousand as at the balance sheet date (previous year: EUR 155,307 thousand). It was made up as follows:

Share capital TEUR 115,000 (previous year: TEUR 115,000), reserves TEUR 40,307 (previous year: TEUR 32,911) and retained earnings TEUR 8,186 (previous year: TEUR 7,396).

As at 31 December 2024, the modified balance sheet equity ratio (in accordance with Section 24 (1) No. 16 KWG) was 11.7% (previous year: 12.5%). The leverage ratio is 10.22% (previous year: 11.35%). The forecast of 11.48% was not quite achieved.

2.6 Financial and non-financial performance indicators⁴

INDICATOR IN%	2024 FORECAST PREVIOUS YEAR	2024 IS	COMPLI- ANCE WITH THE FORECAST	2025 FORECAST
Return on equity	5.77	5.27	nein	5.47
Regulatory core capital ratio	25.04	26.37 ⁵	ja	22.98
Cost-income ratio	50.71	51.86	nein	58.92

The target return on equity of 5.77% was narrowly missed at 5.27%. The main reasons for the deviation from the budget were increased expenses for swap accruals, which were partially offset by higher interest income, as well as the additional formation of country risk provisions, the amount of which had not been planned. In view of the economic situation in Turkey, the management decided to increase country risk provisions by a further EUR 3,953 thousand (previous year: EUR 4,611 thousand). Country risk provisions now amount to EUR 14,354 thousand (previous year: EUR 10,401 thousand).

The cost-income ratio rose to 51.86% (previous year: 45.25%) and was therefore above the target of 50.71%. The increase is due to the fact that the higher interest income could not fully offset the increased expenses for swap accruals. Return on equity improved to 5.27% (previous year: 5.00%). The projection for the end of 2024 was 5.73%. The main reasons for the deviation are the country risk provisions recognised and the increased expenses for swap deferrals.

2.7 Overall statement on the economic situation

The 2024 financial year ended very successfully for the Bank. A balance sheet profit of EUR 8,186 thousand and moderate growth in the loan portfolio, supported by strategic partnerships with institutions such as the ADB and IFC to minimise risk and diversify the

portfolio, demonstrate the Bank's stability and resilience in the past year. The successful past few years have strengthened the Bank's equity capital base.

At the time of preparing the annual financial statements and the management report, the management considers the Bank's economic situation to be consistently positive. The financial and liquidity situation fulfils all regulatory requirements. By consistently pursuing our strategic orientation, we expect a continuous increase in earnings. The Bank is ideally positioned to respond effectively to the challenges and opportunities that will arise in the future.

⁴ Explanations of the forecasts are provided in the forecast report.

⁵ After determination

3 Forecast, opportunity and risk report

3.1 Forecast report

The Bank's development is based on the multi-year business and risk strategy drawn up by the Executive Board, which is reflected in the budget planning. At the heart of this planning is the expansion of the business areas and the development of the Bank's earnings situation.

The Bank's target markets are Germany, Western Europe and Turkey. There, OYAK ANKER Bank GmbH focuses on large and leading companies and banks. In addition to expectations for the global economy, the economic forecasts for Germany, Europe and Turkey were also taken into account when setting these targets.

The European Commission is forecasting moderate growth of 1.5% for Europe in 2025. Falling energy prices, the continuation of the ECB's monetary easing and extensive investment in digitalisation and the green transformation could stimulate the economy. Inflation should continue to fall and be around of 2.1% in 2025. The unemployment rate could rise slightly to 6.5%.

Analysts expect GDP growth of around 2.5% for the USA in 2025. If inflation continues to fall, interest rate cuts could follow in the second half of 2025. Inflation is expected to fall to around 2.8%. The labour market should remain stable, even if wage growth weakens slightly. Easing price pressure could continue to have a positive impact on consumer behaviour. Stable GDP growth of around 5.0% is forecast for China in 2025. Planned investments in infrastructure and high-tech sectors are expected to boost the upturn. Inflation is expected to rise slightly to around 0.7%. Consumption is expected to remain stable, provided that income growth continues.

Slight economic growth is forecast for Germany in 2025. We expect growth of 0.30%. The expected interest rate cuts by the ECB could have a positive impact, as further monetary easing could stimulate investment and consumption. Companies and consumers will also benefit from more stable energy prices. Infrastructure investments and subsidies could support economic momentum. Nevertheless, there are also risks

for 2025: geopolitical conflicts, in particular the war in Ukraine and tensions between China and the US, could weigh on exports. Despite falling inflation, the purchasing power of many households remains limited and delays in digitalisation and the restructuring of industry could hamper growth. Economic development will depend heavily on whether structural challenges can be overcome and investor and consumer confidence strengthened.

The World Bank forecasts GDP growth of 2.6% for Turkey in 2025, supported by an expected stabilisation of monetary policy and improved export opportunities to the European Union. In addition, the Turkish Central Bank is forecasting a fall in inflation to around 24% in 2025, based on more stable exchange rates and declining demand inflation. However, international organisations such as the International Monetary Fund (IMF) expect a slower decline, with an inflation rate of around 32.9%. The labour market is also expected to deteriorate slightly in 2025. The unemployment rate could rise to 9.8%.

Overall, the outlook for Turkey in 2025 is cautiously optimistic. With an expected slight improvement in inflation and more stable credit conditions, consumer spending could increase again and continue to support the Turkish economy. However, high inflation, currency volatility and a tense labour market environment continue to weigh on domestic demand.

The sustainable development of Turkey's economy also depends in particular on further stabilisation of monetary policy, geopolitical influences and inflation trends. Structural reforms and improved international competitiveness will be crucial to ensuring sustainable growth.

As part of the multi-year strategic plan, financing for corporate customers is to be expanded slightly (+ EUR 3,222 thousand in 2025). In the private customer segment, we are planning new business of EUR 20,000 thousand from 2026, which will lead to a decline in volume of around EUR 10,500 thousand in 2025, taking repayments into account, and business with short-term loans to financial institutions will be expanded slightly to reach a target of EUR 100,000 thousand. OYAK ANKER Bank GmbH will maintain a stable share of its business in international trade transactions with custom-

er focus on Germany, Europe and Turkey. The trade finance and syndication products with banks in particular will continue to make a positive contribution to earnings development. Due to the current economic situation, loans will increasingly be granted with short-term maturities.

OYAK ANKER Bank GmbH continues to realise synergy effects from its affiliation with the OYAK Group. It plays a supporting role in the processing of the Group's trading transactions and performs cash management tasks.

The carefully selected new business in the private customer portfolio, acquired through direct sales, contributes to the improvement in credit quality - a trend that was already apparent in previous years. Investments in video legitimation, electronic signatures and the refinement of scoring methods for credit decisions underline the bank's commitment to digitalisation. The expansion of automated credit decision processes is being driven forward continuously.

The securities portfolio of OYAK ANKER Bank GmbH is to be maintained in its stability, with the investment focus primarily on investment-grade bonds of European companies with a term of up to 7 years. In addition, European government bonds form a significant component of the portfolio, particularly for the fine-tuning of liquidity. The deliberate diversification of the portfolio serves the Bank as a central management element for minimising risk.

The Treasury division will continue to fine-tune and optimise the management of available liquidity by using various investment opportunities, with focus on short-term investments of up to one year.

In the context of the business model and taking into account current market conditions, certain developments are assumed in the earnings forecast for 2025:

A moderate increase in net interest income is expected for 2025, which is primarily due to a decline in interest expenses and, to a lesser extent, a slight increase in interest income. Net fee and commission income is also likely to increase, particularly due to higher income from letter of credit fees.

The strategic key figures for the 2025 financial year are derived from the business plan: based on the expected profit outlook, the Bank anticipates a return on equity of 5.47%. According to the planning, the regulatory core capital ratio is expected to be 22.98%. In addition, the Bank is aiming for a cost-income ratio of 58.92%.

For 2025, the Bank has limited its total regulatory capital ratio, including the management buffer, to 16.25%. This is mainly the result of a significant reduction in the Bank's SREP surcharge in the past calendar year from 8.5% to 3.75% and underlines the fact that the Bank is well positioned to fulfil the regulatory requirements in the coming years.

The economic conditions for OYAK ANKER Bank GmbH have continued to improve over the past year and a continuous and sustainable development is expected for the coming months of 2025. Thanks to the adjustments already implemented in the internal organisational structure, the Bank expects a sustained positive development with gradual increase in profits. The regular retention of profits will enable continuous expansion of business activities. There are currently no identifiable risks that could jeopardise the continued existence of the Bank.

However, the forecasts are naturally subject to uncertainty and are based on assumptions that are considered realistic in light of the current economic and political situation. In addition, the Bank is closely monitoring global crises, such as the ongoing war in Ukraine, and will react quickly and appropriately to any effects on the business environment if necessary.

3.2 Risk and opportunity report

3.2.1 Tasks and objectives of risk management

In addition to the overriding goal of ensuring risk-bearing capacity at all times, one of the Bank's main objectives is to take advantage of market opportunities that are balanced in relation to the respective risk. The principle of active, responsible risk management applies here, which is reflected in the controlled assumption of risks, taking into account the strategic orientation, the general conditions and the available risk capital. Based on a risk-oriented performance culture, risk-conscious behaviour is

actively demanded of all managers and employees.

A central component of the risk culture is the way in which the Institute's employees deal with risks in the course of their work. The risk culture should promote the identification and conscious handling of risks and ensure that decision-making processes lead to results that are also balanced from a risk perspective. The risk culture practised by the Bank is reflected, among other things, in the definition of strategic objectives and risk appetite, including the comprehensive communication of these objectives.

The tasks of risk management include the definition of an appropriate risk strategy and the establishment of effective internal control procedures, taking into account the risk-bearing capacity:

- the identification of immediate risks, including ESG risks, as well as medium and long-term threats,
- analysing and quantifying risks in terms of threat potential and urgency,
- active risk management in the forms of risk assumption, risk mitigation and risk reduction,
- the monitoring of all risk-relevant information and measures with the communication of risks.

These requirements are implemented via clearly defined risk management processes and a risk management system for measuring, controlling and monitoring risk positions, which encompass all business divisions. The risks are presented and assessed before measures are taken to limit risks (gross assessment). The risk management system provides impetus for the operational management of risky business and serves as a basis for strategic decisions as part of risk-adequate overall bank management.

The system's processes, methods and risk quantification procedures are documented and their appropriateness is reviewed on an annual basis. The processes and procedures are developed on an ongoing basis, taking into account changes in the external

framework conditions and business processes due to changes in regulations in the financial services industry.

3.2.2 Responsibilities

3.2.2.1 Supervisory Board

The Executive Board discusses the risk situation, the business and risk strategy and the Bank's risk management in detail with the Supervisory Board at its regular meetings. In addition, the Supervisory Board is informed of the risk situation in writing at least quarterly.

3.2.2.2 Executive Board

Irrespective of the internal allocation of responsibilities, the Executive Board is responsible for the proper organisation of the business and its further development. This responsibility relates to all key elements of risk management, taking into account outsourced activities and processes. The Executive Board defines the business and risk strategy, the limit structure and all risk parameters. The risk strategy reflects the risk tolerance and is based on the Bank's risk-bearing capacity and the risk and earnings expectations of the divisions. The risk strategy takes into account the objectives and plans for key business activities set out in the business strategy and the risks of significant outsourcing as well as the limitation of risk concentrations. The level of detail of the strategies depends on the scope and complexity as well as the risk content of the planned business activities. The risk strategy is broken down into the main types of risk. Environmental, social and governance risks (ESG risks) are also integrated into the risk strategy in order to take account of the growing importance of sustainability and ethical aspects in the overall risk management framework. The management of risks and business strategy is the responsibility of the Executive Board.

3.2.2.3 Internal Audit

Internal Audit is organised as a process-independent part of the risk management system in accordance with the Minimum Requirements for Risk Management (MaRisk).

It works independently and reports directly to the Executive Board. All activities and processes are analysed on the basis of risk-oriented audits.

In addition, Internal Audit conducts special audits on an ad hoc basis. The Executive Board is informed of the audit results on an ongoing basis. In its annual report, Internal Audit informs the Executive Board in summarised form about the significant and serious audit findings and their processing status. The latter in turn informs the Supervisory Board at least quarterly about current developments and results. It is ensured that the Chairman of the Supervisory Board, with the involvement of the Executive Board, can obtain information directly from the Auditing Officer.

3.2.2.4 Risk Management

Risk Management is responsible for documenting, identifying, analysing and assessing risks, including ESG risks, and submits proposals for changes and recommendations for action to the Executive Board. It also reviews, refines and validates the models used to quantify risk and assess creditworthiness. Risk Management is responsible for determining the overall bank risk and monitoring the risk-bearing capacity, including stress test analyses and reporting to the Executive Board. The monitoring of operational risks is also centralised in Risk Management. This includes identifying, analysing and reporting them. Furthermore, the Risk Management division is responsible for preparing monthly reports on counterparty default and market price risk (including interest rate risks in the banking book) and quarterly risk reporting.

3.2.2.5 Accounting/Controlling/Reporting (ACR)

The tasks of this division include presenting and analysing deviations in counterparty default, market price and liquidity risks, monitoring compliance with the limits set by the supervisory authorities, the Auditing Association, the Executive Board and risk management, and the corresponding reporting. In addition, ACR supports the calculation of the normative risk-bearing capacity and determines the relevant parameters for the respective planning periods.

3.2.2.6 Special functions (authorised representatives)

There are special functions in accordance with legal requirements (Liquidity Management Function, Information Security Officer, Anti Money Laundering Officer, Emergency Officer, Safety Officer, Data Protection Officer, Sustainability Officer, Chief MaRisk Compliance Officer, Chief Risk Officer, Head of Recovery Plan Committee, Outsourcing Officer, Complaint Management, Auditing Officer and ICT Communication Officer).

3.2.3 Risk management structure

Risk management at overall bank level with regard to risk-bearing capacity, including the limits set, is the responsibility of the Executive Board.

With regard to the risks associated with the individual business activities, risk management is carried out by the following organisational units:

RISK TYPE	ORGANISATIONAL UNIT(S)
Counterparty default risk	Back office (Loan Processing Credits, Collection Department)
Market price risk	Corporate Banking/Treasury/Financial Institutions
Liquidity risk	Corporate Banking/Treasury/Financial Institutions
Operational risk	Decentralised by the respective Risk Officer

The following committees promote efficient, balanced risk management and the necessary communication. They also support the Executive Board and the responsible departments in managing and monitoring individual risks.

- Asset and Liability Committee (ALCO)
- Liquidity Committee
- Credit Committee
- Committee Adjustment process
- IT Committee
- Reorganisation committee

The ALCO analyses the risk situation and decides on the main features of interest rate strategies and asset/liability positions as well as the Bank's liquidity management. The current situation is assessed on the basis of reports on risk-bearing capacity, counterparty default, market price and liquidity risks, as well as current key financial figures. Changes on the money, capital and foreign exchange markets as well as investment decisions are also discussed in this committee. Significant risk positions and selected exposures relating to the assets that could be most affected by the market distortions during a financial market crisis are discussed in detail here.

The Liquidity Committee discusses operational and strategic liquidity planning and management as well as the handling of liquidity risks. The decisions made by the Committee are implemented operationally by the relevant departments.

The Credit Committee deals with lending, including new lending, limit extensions, reviews, limit increases and all measures in connection with high-risk or non-performing loans and receivables.

The Adaptation Processes Committee analyses the risk content of new products and

markets and their main consequences for risk management.

The IT Committee covers the status of current IT projects and their risk assessment, results from IT controls in accordance with outsourcing and MaRisk compliance reports as well as IT resource planning, taking into account technical requirements and threat situations.

The restructuring committee manages and monitors the restructuring plan.

3.2.4 Risk strategy

The basis for managing and monitoring risks is a business and risk strategy defined by the Executive Board. It forms the framework for the risk type-specific sub-strategies, including the sustainability strategies, which in turn specify the requirements for dealing with risks within the organisational and operational structure.

Business activities result in the following types of risk, which the Bank has categorised as material within the meaning of MaRisk as part of the risk inventory:

- Counterparty default risk (credit risk)
- Market price risk
- Operational risk
- Liquidity risk

3.2.5 Risk types

3.2.5.1 Counterparty default risk (credit risk)

Counterparty default risk is defined as the risk of the bank losing capital due to the default of business partners.

Counterparty default risk primarily includes the following sub-risk types relevant to the Bank:

SUB-RISK TYPES	DEFINITION OF
Default risk	Risk that a contractual partner cannot fulfil its obligations or cannot fulfil them in full if payments have already been made in the form of cash, securities or services.
Country risk	<p>According to AT 2.2 MaRisk, country risks are a special type of counterparty default risk. They arise from uncertain political, economic, ecological, legal and social conditions in another country and not due to the creditworthiness of the counterparty.</p> <p>They express the risk of a possible deterioration in economic conditions, political or social upheaval, nationalisation or expropriation of assets, non-recognition of cross-border liabilities by the state, exchange control measures, negative effects on the country due to external influences (e.g. sanctions against the country) or devaluation or depreciation of the currency in the country concerned. As a consequence, the counterparty domiciled abroad may not be able to fulfil its obligations, or at least not in accordance with the contract, although it is prepared to do so. Country risks relate to the risk that, despite the counterparty's willingness to fulfil its obligations, the lender may incur a loss due to overriding government restrictions in the borrower's country of domicile.</p>
Migration risk	Risk of losses in value due to rating migrations.
Sustainability risks	Sustainability risks are events or conditions in the environmental, social or corporate governance areas whose occurrence could have an actual or potential negative impact on the Bank's net assets, financial position and results of operations. Sustainability risks have the potential to have a negative impact on all business areas and risk types.

Intra-risk concentrations in counterparty default risk exist for countries, sectors, borrowers and size classes, which are presented as part of regular risk reporting, limited

by internal risk-dependent limits and regularly monitored by means of stress tests.

An important element of the credit approval process and the subsequent credit risk management process is a detailed and market-independent risk assessment. This involves analysing important factors for the assessment of risk and the effects of ESG risks, taking particular account of the borrower's ability to service the debt. When assessing the risk, the creditworthiness and market environment of the business partner as well as the risks relevant to the credit facility or credit exposure are taken into account. The resulting risk classification not only affects the structuring of the transaction and the credit decision, but also determines the credit approval authority required to disburse, extend or significantly modify the loan and defines the scope of monitoring for the respective exposure.

Country risks are taken into account in the credit risk model via the probability of default as part of the internal risk classification process (consideration of transfer stop risk and several other qualitative criteria). In addition, the credit portfolio model has been expanded to include the modelling of country risks, so that in the event of a country default, it is assumed that all customers based in the country are affected simultaneously.

Risk quantification is based on the value-at-risk approach (confidence level 99.9%) using a CreditMetrics credit portfolio model. The counterparty default risk is quantified, analysed and managed both at borrower and portfolio level (including countries, sectors and customer segments). All counterparty default risks of a group of affiliated customers (borrower unit) are aggregated. Risk concentrations are also mapped and managed at this level. The quantified credit value-at-risk as at 31 December 2024 compared to the previous year is shown in section 3.2.7 "Risk-bearing capacity - economic perspective".

The key parameters for determining the value-at-risk are the probability of default (PD) and the loss given default (LGD) of the borrower and the underlying exposure (EAD). When quantifying risk, the portion collateralised by deposits in the bank (cash collateral) is not taken into account. The portfolio scoring system developed in-house is used to determine the PD for private customers. The portfolio scoring takes into ac-

count master data and the customer's payment behaviour. Corporate customers and banks are assessed using an internal rating (via the rating tool provider IBM). For issuers of purchased bonds (issuer rating) and the bonds themselves ("issue rating", "securities rating"), only the external ratings of external rating agencies are used in the investment grade segment. Even when external ratings are used, the Bank's own findings and information remain decisive when analysing the borrower's financial circumstances and granting the credit limit. Sovereigns and state institutions are rated exclusively by external rating agencies.

The credit ratings are mapped on the standardised bank-wide master scale. Canceled loans are reported from rating class 990 and transferred to VFG - Verrechnungsstelle für gewerbliche Wirtschaft GmbH, Koblenz, (VFG) for settlement. The CVaR of the borrowers as at 31 December 2024 is distributed across the rating classes as follows:

RATING	CVaR
AAA	23,157
AA+	82
AA-	2,133
A+	156,495
A	13,228
A-	83,501
BBB+	127,826
BBB	43,235
BBB-	146,545
BB+	53,302
BB	13,200,825
BB-	43,577,281
B+	10,510,674
B	8,979
B-	1,047,132
CCC+	16,617
CC	108,962
C	12,599
D	3,291,799
Total	72,424,369

The white portfolio is valued using general loan loss provisions (in accordance with BFA7) and country risk provisions, while the grey and black portfolio is valued using specific loan loss provisions and general specific loan loss provisions.

	CVaR
White stock	69,083,486
Grey stock	49,946
Black stock	3,290,937
Total	72,424,369

The Bank accepts mortgages, cash collateral, sureties, bank guarantees, assignments of receivables, transfers of ownership by way of security and letters of comfort as collateral for loans. 95.06% of the collateral is cash collateral on deposit accounts at the Bank for which a haircut of 0% is applied.

Furthermore, guarantees for trade finance products (letter of credit, trade credit, etc.) are recognised in order to reduce the risks of the issuer/borrower within the scope of these credit instruments. For credit risk calculation, the risk of the importer bank is replaced by the risk of the guarantor in accordance with Article 111 (3) in conjunction with Article 203 and Article 213 of the Capital Requirements Regulation (CRR). The internally determined rating of the guarantor is taken into account in the credit risk calculation.

In addition to the size concentrations inherent in the value-at-risk model, analyses of risk concentrations in countries, sectors, size classes and borrower units are also part of risk reporting.

To manage risk concentrations, country limits have been defined on the basis of individual countries and country groups, which limit the exposure in the individual countries to a maximum. These limits are based on the export credit guarantees of the Federal Republic of Germany (Hermes cover) and indices that take sustainability risks into account (ESG indices).

The concentration risk on the Turkey portfolio as at 31 December 2024 is as follows:

CONCENTRATION RISK	CVaR (IN TEUR)	IN% OF THE TOTAL CVAR	CREDIT RISK LIMIT FOR STANDARD SCENARIO (IN TEUR)	UTILISATION LIMIT
Turkey risk	68,158	94.11%	110,000	61.96%

In addition, the Bank's exposure to Turkey is quantified daily and compared with the limit set by the Auditing Association of German Banks, Cologne.

In addition to the standard scenario, other historical and hypothetical scenarios are calculated. The results are communicated and recognised in the monthly counterparty risk report and in the quarterly overall bank risk report.

3.2.5.2 Market price risks

Market risk is defined as the risk of the bank losing capital due to changes in market parameters (such as interest rates and exchange rates).

Market risk primarily includes the following sub-risk types:

SUB-RISK TYPES	DEFINITION OF
Interest rate risk	Risk that a realised interest result will be lower than expected due to changes in market interest rates. Interest rate risk can be divided into interest margin risk and market value risk. The accounting effect of market value risk is also referred to as valuation risk. Other subtypes of interest rate risk are implicit option risk, basis risk and gap risk.
Foreign currency risk	Risk that the value of a foreign currency asset/liability will fall due to changes in exchange rates because it is not financed in the same currency.
Structural foreign currency risk	Risk that the value of capital reserves and retained earnings in foreign currencies in certain subsidiaries may lead to an impairment of the items due to changes in exchange rates.
Share price risk	Risk that the value of an equity portfolio may unexpectedly fall due to market movements.
Credit spread risk	The credit spread risk in the banking book (CSRBB) records the risk of a change in the credit spread of an instrument assuming the same credit rating, i.e. how does the credit spread change within a certain default probability range if the credit rating remains the same.
CVA risk (risk of credit risk-related valuation adjustment)	Risk that the value of a derivative financial instrument may lead to a loss or impairment of the position due to a deterioration in creditworthiness.
Sustainability risks	Sustainability risks are environmental, social or corporate governance events or conditions that, if they materialise, could have an actual or potential negative impact on the bank's net assets, financial position and results of operations. Sustainability risks have the potential to have a negative impact on all business areas and risk types.

Commodity risks and other price risks are not relevant sub-risk types of market price risk for the Bank.

In addition to loan commitments, the Bank also invests in securities and money market transactions within the banking book. The banking book also includes currency swaps to hedge the exchange rate risk.

Open foreign currency positions from customer transactions are closed by corresponding offsetting transactions. Nominal open positions are subject to strict limits (currency peaks). Appropriate processes have been implemented to monitor the limit on a daily basis.

Value-at-risk is calculated for interest rate and foreign currency risks at a confidence level of 99.9%. Cash flows are calculated for all items in the bank portfolio. The risk is determined using a Monte Carlo simulation. The Bank assumes a holding period (forecast or risk horizon) of 261 business days (= one year). The model parameters are estimated with a history of 3,000 calendar days (with regard to the market data included in the risk parameter estimate).

Interest rate risk and foreign currency risk are the main risk subtypes of market price risk for the Bank.

In addition to the standard scenario, further historical and hypothetical scenarios are calculated, which are reviewed and adjusted annually for their appropriateness. The results are communicated and recognised in the monthly market price risk report and the quarterly overall bank risk report.

Interest rate risks in the Bank's banking book arise in connection with interest rate-sensitive transactions in the banking book and at overall bank level from maturity transformation.

The banking book comprises all fixed and variable-interest on-balance sheet and interest-sensitive off-balance sheet items. Items with an indefinite fixed-interest period are recognised in accordance with the Bank's internal maturity criteria with regard to the fixed-interest period and the capital commitment period.

In accordance with the regulatory requirements of Regulations (EU) 2024/855,

2024/856 and 2024/857, the impact of a sudden and unexpected interest rate shock of +/-200 basis points and other scenarios on the Bank's eligible Tier 1 capital is calculated on a quarterly basis.

For the purposes of external reporting, only the aggregate of all currencies (Currency: X1) in which the institution holds significant positions is taken into account.

Thresholds EVE:

IN TEUR	CHANGE IN PRESENT VALUE DEADLINE	COEFFICIENT DEADLINE
Parallel shift upwards	-2,798	-1.93%
Parallel shift downwards	705	n.a.
Steepening of the yield curve	0	n.a.
Flattening of the yield curve	-1,134	n.a.
Short-term upward shock	-2,311	n.a.
Short-term downward shock	464	n.a.

All threshold values are below the regulatory 15% limit (DVO 2024/856).

Threshold values NII:

The net interest income is calculated on the basis of the specifications for a "base scenario" and for one upward and one downward shock each. The deviation between the largest shock and the "base scenario" in relation to the core capital is less than 5%.

DEADLINE	OWN FUNDS IN TEUR	NII IN THE BASE SCE- NARIO	Δ NII +200 BP	Δ NII -200 BP	Δ NII QUOTE
31.12.24	145,117	24,734	1,814	-4,177	-2.88 %

3.2.5.3 Operational risks

Operational risk is the risk of loss resulting from the inadequacy or failure of internal processes and systems, people or external events. This definition includes legal risks, but does not include strategic risks or reputational risks. The Bank only allocates financial losses to operational risks if the loss incurred is clearly and exclusively attributable to the failure of internal processes, people or systems.

Coordinated instruments are used to identify and assess operational risks. The relevant loss data required to build up a data history is collected in a loss database, regardless of the amount of the loss. This forms the basis for targeted and detailed root cause analyses and remediation. A risk database is also used. A risk report is used to record potential operational risks.

Regular training for all employees serves to make the topic of "operational risks" more accessible to employees and to familiarise them with the significance of operational risk in daily work processes.

A self-assessment focussing on qualitative and quantitative statements on the risk situation is used to determine a value-at-risk for the normal, historical and hypothetical scenarios using a Monte Carlo simulation (confidence level 99.9%). There is also an ESG scenario in which an increased impact of sustainability risks is quantified.

3.2.5.4 Liquidity risks

Liquidity risk is the risk that the company may not be solvent at all times because the required funds are not available.

Liquidity risk primarily includes the following sub-risk types.

SUB-RISK TYPES	DEFINITION
Liquidity risks in foreign currency	The risk that the bank is unable to exchange currencies and the corresponding foreign exchange markets are inaccessible.
Risk of insolvency	Risk that the bank is unable to fulfil its short-term payment obligations on time.
Refinancing risk	Risk that refinancing funds are not available to the planned extent or at all, or cannot be procured at the expected conditions.
Sustainability risks	Sustainability risks are events or conditions in the environmental, social or corporate governance areas whose occurrence could have an actual or potential negative impact on the bank's net assets, financial position and results of operations. Sustainability risks have the potential to have a negative impact on all business areas and risk types.

Drawdown risk is the risk that loan commitments are unexpectedly utilised or deposits are unexpectedly drawn down. This risk manifests itself in the risk types described above and is therefore not listed as a separate risk type.

Insolvency risk is one of the bank's material risks. However, it is not backed by economic capital, as the Bank believes that liquidity risks cannot be meaningfully backed by capital. The insolvency risk can only be hedged with a liquidity buffer - backing possible loss risks with equity or risk coverage potential does not make sense and is not included in the risk-bearing capacity concept in accordance with AT 4.1 para. 4 MaRisk. This special treatment is due to the fact that the insolvency risk is hedged by an appropriately high liquidity buffer.

It is ensured that liquidity risks are adequately taken into account in the risk management and controlling processes.

Liquidity management at overall bank level is carried out by the Liquidity Committee. The measures are implemented by Corporate Banking/Treasury & Financial Institutions. This committee continuously analyses and assesses the refinancing side first

and foremost. Refinancing rates as well as the management of open refinancing sources, the utilisation of monetary policy instruments and the availability of securities that can be immediately liquidated play a decisive role here. In addition, the maturity structure of assets and liabilities is analysed for maturity mismatches.

Daily monitoring of short-term liquidity is carried out to supplement the regulatory liquidity ratios. The Bank's short, medium and long-term liquidity requirements in the reporting period were mainly covered by borrowing in collateralised form through participation in open market transactions and the acceptance of customer deposits.

The Bank uses an internal liquidity model to measure and manage the liquidity situation. This creates transparency on a daily basis about the expected and unexpected liquidity flows in the respective maturity band as well as the liquidity reserves that can be used to compensate for liquidity shortfalls. To determine these liquidity cash flows, assumptions are made in particular about the withdrawal of customer deposits, also taking into account deposit concentrations. Both a standard scenario and several different stress scenarios are presented. The objective is always a positive cash surplus in all relevant scenarios in the corresponding periods. In addition to the scenarios, limits are defined for liquidity.

The standard scenario shows that the cumulative cash flow, taking into account the liquidity reserves, will be positive in the next six months and therefore no liquidity bottleneck is recognisable from this perspective. These will develop as follows over the next six months:

PERIOD	31.12.2024 IN TEUR	31.12.2023 IN TEUR
Until one month	121,870	94,250
Up to two months	167,272	106,865
Up to three months	177,139	112,462
Up to four months	218,239	120,888
Up to five months	226,182	134,552
Up to six months	249,685	182,016

Refinancing structure

The Bank refinances itself primarily through customer deposits. It is partially refinanced by participating in the long-term refinancing transactions of the Deutsche Bundesbank. The Bank is not refinanced via the capital market.

The Bank has a stable and balanced refinancing structure.

3.2.6 Risk reporting

Reporting is generally carried out by Risk Management and Accounting/Controlling/Reporting to the Executive Board and designated managers.

The Bank uses a monthly report to present its risk-bearing capacity (“economic perspective”). The risk coverage potential, taking into account hidden liabilities, is also updated on a monthly basis.

As part of the quarterly risk reporting, it is checked whether the regulatory key figures (risk-bearing capacity “normative perspective”) are complied with for the future period under review. Risk reporting also includes a summary of the current situation, recommendations for management measures and a forward-looking risk assessment.

3.2.7 Risk-bearing capacity “economic perspective”

For the overall risk profile, the Bank ensures at all times that the risks classified as material are covered by the available risk coverage potential, thereby ensuring risk-bearing capacity.

The economic perspective compares economically derived risks and the correspondingly derived risk cover amount in the 1-year horizon. With this risk management approach, the Bank pursues the protection of senior creditors (creditor protection approach).

Significant risks that become relevant in the economic perspective of the risk-bearing capacity analysis arise for the Bank in the following areas:

- Counterparty default risk (credit risk)
- Market price risk
- Operational risk

The risk-bearing capacity from an economic perspective was as follows as at the reporting date:

IN TEUR	31.12.2024			31.12.2023		
	Normal scenario	Historical stress scenario	Hypothetical stress scenario	Normal scenario	Historical stress scenario	Hypothetical stress scenario
Risk coverage potential		152,985			148,104	
./.. risk buffer ⁶	6,229	6,229	0	6,269	6,269	0
./.. internal						
Overall bank risk limit	124,000	140,000	152,985	124,000	130,000	148,104
Remaining buffer	22,756	6,756	0	17,835	11,835	0

6 The “Risk buffer” item includes the defined management buffer as well as the buffer for non-material risks derived from the risk inventory

The risks (normal scenario) developed as follows:

RISK TYPES	31.12.2024			31.12.2023		
	Limit in TEUR	Risk in TEUR	Utilisation in%	Limit in TEUR	Risk in TEUR	Utilisation in%
Credit risk	110,000	72,424	66%	110,000	67,896	62%
Market price risk	7,000	3,260	47%	7,000	1,817	26%
Operational risk	7,000	4,854	69%	7,000	4,003	57%
Total	124,000	80,539	65%	124,000	73,716	59%

The risks in the stress scenarios were as follows:

RISK TYPES	HISTORICAL STRESS SCENARIO IN TEUR	HYPOTHETICAL STRESS SCENARIO IN TEUR
Credit risk	96,016	112,228
Market price risk	7,127	8,063
Operational risk	7,497	8,816
Overall bank risk	110,640	129,106
Total bank limit	140,000	152,985
Utilisation in%	79%	84%

3.2.8 Risk-bearing capacity “normative perspective”

In addition to the risk-bearing capacity “economic perspective”, OYAK ANKER Bank GmbH determines a forward-looking multi-year capital planning process (risk-bearing capacity “normative perspective”), which ensures the planning and monitoring of the future sustainability of its own risks. Future capital requirements are planned annually over a planning horizon of at least three years, analogous to the business and risk strategy.

In doing so, the Bank takes into account how changes in its own business activities or strategic objectives as well as changes in the economic environment affect regulatory and internal capital requirements. In particular, the Bank takes into account the growth planned in accordance with the strategy in its capital planning. In this context, the development and the resulting capital requirements are analysed, which are significant in terms of internal and external capital planning.

NORMATIVE RISK-BEARING CAPACITY PLANNING PLAN				
IN TEUR	31.12.2025	31.12.2026	31.12.2027	31.12.2028
Total risk exposure amount in accordance with CRR	656,163	667,868	684,800	689,408
of which total amount of risk positions for counterparty default risks	597,536	604,237	618,512	622,610
of which total amount of risk positions for market price risks	2,790	2,790	2,790	2,790
of which total amount of risk positions for operational risks	55,837	60,841	63,498	64,008
Own funds	150,778	161,311	174,153	187,701
Equity ratio	22.98%	24.15%	25.43%	27.23%

Possible adverse developments (e.g. the handling of various risk events and their impact on subsequent years) that deviate from the Bank’s expectations are adequately taken into account in the planning. At least one adverse scenario reflects adverse developments in the sense of a recession or a similarly severe and comparable development.

The ongoing effects of the war in Ukraine, supply bottlenecks due to supply chain problems and, above all, lasting problems with energy supply are leaving deep marks on the German economy. As a result, we assume negative economic growth of -3.01% for 2025 and -3.61% in 2026 and 0.55% for 2027 and 1.85% in 2028.

The negative economic development in the adverse scenario has a lasting impact on the German labour market. We assume an increase in the unemployment rate to 4.55% in 2025. In the following years, the unemployment rate rises further to 7.15% in 2026, 8.15% in 2027 and 6.35% in 2028. Due to the poor economic conditions, we

expect inflation to remain high at 4.13% in 2025, falling to 3.95%, 2.85% and 2.25% respectively in 2026-2028.

The adverse scenario assumes a sustained severe economic crisis in the Turkish economy with a gross domestic product of -1.20% in 2025 and -3.64% in 2026. In the following year 2027, we assume only a marginal improvement in the Turkish economy with still negative growth of -2.60%. In 2028, the Turkish economy recovers significantly to an expected 2.80%. The impact on the Turkish labour market would be drastic. The unemployment rate would increase to 14.40% and 17.30% in 2025 and 2026, respectively, and fall further to 16.40% and 10.30% in the following years. In addition, we expect inflation to rise sharply in the adverse scenario for Turkey to 45.90% in 2025. The inflation assumptions for the adverse scenario are significantly higher than the expectations of the plan scenario for the years 2025 to 2028 and are based on the historical stress from 2017 to 2020. The key interest rates of the Turkish Central Bank are 47.50% at the end of 2024. In the adverse scenario, we assume further key interest rate hikes by the Turkish Central Bank in subsequent years due to the continued rise in inflation figures. For the years 2025 and 2026, we expect 50.90% and 45.90% respectively. In 2027 and 2028, we see a significant reduction in key interest rates to 35.90% and 20.90% respectively.

The value of the EUR against the USD fell significantly over the course of 2024 to as low as 1.04. In response to the significant rise in inflation in the eurozone in the adverse scenario, we expect the European Central Bank to raise key interest rates. Here we assume 3.05% for 2025. In response to a decline in inflation figures in the following years, we expect lower key interest rates in the eurozone of 2.85% to 2.25% in the years 2026 to 2028. In contrast to the ECB, the US Federal Reserve will raise its key interest rates to 4.60% as early as 2025 in the adverse scenario. From 2026, key interest rates will be gradually reduced to 2.25% in 2028, further narrowing the interest rate differential between the two currency areas significantly. This inevitably leads to an appreciation of the European currency in the adverse scenario, particularly in 2026 to 1.18 and 2027 to 1.20 against the dollar.

The assumed factors of the adverse scenario lead to a worsening of the macroeconomic crisis, combined with persistently high inflation and worsening of the energy

crisis. As a result, the economy in Germany and Turkey (OYAK ANKER Bank GmbH's main markets) cannot recover quickly enough in the following years. The Bank takes the recession into account by defining an adverse scenario and making corresponding assumptions. Based on these macroeconomic assumptions, an extension of the recession can be assumed in the adverse scenario.

Based on the expectations and assumptions described above regarding the development of key macroeconomic parameters such as economic growth rates, inflation, unemployment, etc. in the adverse scenario for Germany and Turkey, changes in selected balance sheet and income statement items and deteriorations in the risk weightings of selected items used for the RWA calculation were simulated.

The results of the adverse scenario can be seen in the following overview:

NORMATIVE RISK-BEARING CAPACITY PLANNING ADVERS				
IN TEUR	31.12.2025	31.12.2026	31.12.2027	31.12.2028
Total risk exposure amount in accordance with CRR	721,391	725,076	734,937	736,256
of which total amount of risk positions for counterparty default risks	658,784	663,815	677,369	677,852
of which total amount of risk positions for market price risks	13,447	13,447	13,447	13,447
of which total amount of risk positions for operational risks	49,160	47,814	44,121	44,957
Own funds	150,273	151,868	160,299	169,069
Equity ratio	20.83%	20.95%	21.81%	22.96%

3.2.9 Overall picture of the Bank's risk and opportunity situation

The Bank consistently pursues the course set out in its business strategy, which is reviewed at regular intervals in order to adapt to developments on the markets and the dynamic regulatory environment. This strategic direction reflects the general organisational guidelines and business strategies of the Executive Board.

The risks arising for the Bank from its strategic orientation are identified, limited, quantified, monitored and managed from a conservative perspective in accordance with the risk strategy.

The primary risk for the Bank lies in the area of counterparty default risk, whereby the particular challenge lies in the concentration of risk in the Turkish portfolio.

The quantitative assessment of expected and unexpected losses in the context of counterparty default risks is based on a model-based approach. Statistical methods are used that are based on carefully estimated input parameters. Particular attention is paid to conservative estimates in order to ensure a reliable risk assessment.

The special challenges arising in particular from the concentration of risk in the Turkish portfolio are taken into account in the credit risk model. This is done via the probability of default as part of the internal risk classification process, which includes the transfer stop risk and other qualitative criteria.

In addition, the credit portfolio model was expanded to include the modelling of country risks. If a country defaults, it is assumed that all customers domiciled in this country are affected simultaneously. The Bank pursues a conservative approach here. Potential unfavourable developments in the Bank's risk profile are regularly monitored by means of historical and hypothetical stress tests, in particular taking into account the risk concentrations in Turkey and a possible deterioration in the macroeconomic situation, and are managed preventively if necessary.

Opportunities arise if the actual creditworthiness developments of the credit risk-bearing positions are more favourable than historically observed or estimated. In such a scenario, the necessary loan loss provisions would be lower than the calculated counterparty default risks. The country risk provisions that have been built up, in combination with a solid capitalisation, form a sufficient risk buffer. This cautious approach helps to effectively manage potential risks and at the same time utilise opportunities that could arise from positive developments in creditworthiness.

The current political and economic development in Turkey is characterised by positive

trends, which are reflected in particular in the assessments of external rating agencies. In Turkey, the Central Bank is returning to a more consistent policy in order to curb inflation and restore investor confidence. Despite an expected decline in economic growth due to tighter financial conditions, a gradual recovery is expected, supported by improved financial stability and investment. Already visible country rating upgrades for Turkey underline this positive trend.

From a risk perspective, market price risk plays a rather minor role for the Bank. The predominant risk in market price risks lies in the interest rate risk of interest-bearing items, which results from the different maturities of asset and liability items. There are also foreign currency risks due to the banking business model, which is closely linked to Turkey. However, the Bank has set strict limits for open foreign currency positions in the banking book, which means that foreign currency risks account for a comparatively small proportion of the overall market price risk position and can be considered negligible in relation to the Bank's total risk cover.

No trading book transactions are planned as part of the strategy. Additional products and markets will be added after a thorough examination of the opportunities and risks, but in a rather cautious manner. In view of interest rate trends and the structure of the Bank's interest book, potential opportunities could arise with regard to net interest income and the economic value of the interest book.

The Bank's robust liquidity position and the targeted holding of liquidity reserves enable it to react flexibly to potential business opportunities.

In the operational risk area, the calculation is based on carefully developed risk scenarios, which means that there is a high probability that the actual loss events that occur will be lower than the calculated risks. In the event of actual loss events, a thorough analysis is carried out, followed by possible process improvements for continuous optimisation.

Overall, with regard to the Bank's main risk drivers, the risks that have actually materialised are lower than the calculated risks.

The planned switch to a more modern core banking system as a project opens up numerous opportunities associated with increased efficiency, automation and digitalisation. This change will not only enable the Bank to increase its efficiency and digitalise its products, but also to react more flexibly to regulatory requirements and respond more agilely to changes in the financial environment. By using advanced technologies, the Bank is not only aiming to create customised, user-friendly digital platforms that significantly improve the customer experience and strengthen customer loyalty. It also expects to be able to introduce more flexible and innovative financial products and adapt effortlessly to future technological developments. This allows the Bank to continuously benefit from new technologies and innovations, while at the same time endeavouring to adapt more easily to constantly changing regulatory requirements.


Depending on the Bank's potential opportunities, supported by the conservative approach to risk assessment and management, the management will focus its attention not only in the short term, but also in the long term on structural, organisational aspects and financial results. The aim is to ensure the sustainability of quantitative successes, which are supported and promoted by qualitative progress.

Frankfurt am Main, 30 May 2025

OYAK ANKER Bank GmbH



Dr. Süleyman Erol
MEMBER OF THE
MANAGEMENT BOARD



Ümit Yaman
MEMBER OF THE
MANAGEMENT BOARD

Balance sheet as at 31 December 2024 of OYAK ANKER Bank GmbH, Frankfurt am Main

ASSETS	EUR	EUR	EUR	EUR	Previous year TEUR
1. Cash reserve					
a) Cash on hand			610.04		1
b) Balances with central banks			10,343,515.32	10,344,125.36	10,983
of which: at Deutsche Bundesbank	10,343,515.32	(prev. year: TEUR 10,983)			
2. Loans and advances to credit institutions					
a) due daily			205,638,922.33		125,678
b) Other receivables			380,017,645.11	585,656,567.44	319,056
3. Loans and advances to customers				723,961,557.92	684,753
of which: secured by mortgages	0.00	(prev. year: TEUR 0)			
Municipal loans	0.00	(prev. year: TEUR 0)			
4. Bonds and other fixed-income securities					
Bonds and debentures					
a) from public issuers		19,543,471.86			18,532
of which: eligible as collateral with Deutsche Bundesbank	19,543,471.86	(prev. year: TEUR 18,532)			
b) from other issuers		61,332,154.62		80,875,626.48	85,006
of which: eligible as collateral with Deutsche Bundesbank	50,642,156.02	(prev. year: TEUR 63,892)			
5. Shareholdings				809,598.97	1,402
of which: to banks	0.00	(prev. year: TEUR 0)			
in financial services institutions	0.00	(prev. year: TEUR 0)			
in securities institutions	0.00	(prev. year: TEUR 0)			
6. Participations				1,229,047.06	1,314
of which: to banks	0.00	(prev. year: TEUR 0)			
in financial services institutions	680,509.35	(prev. year: TEUR 766)			
in securities institutions	0.00	(prev. year: TEUR 0)			
7. Intangible assets					
a) Concessions acquired against payment. Industrial property rights and similar rights and assets			244,020.43		72
b) and licences to such rights and assets			9,759,670.90	10,003,691.33	4,714
8. Property, plant and equipment				213,745.16	163
9. Other assets				2,124,303.59	1,784
10. Prepaid expenses and deferred charges				290,463.70	340
Total assets				1,415,508,727.01	1,253,798

Balance sheet as at 31 December 2024 of OYAK ANKER Bank GmbH, Frankfurt am Main

LIABILITIES	EUR	EUR	EUR	EUR	Previous year TEUR
1. Liabilities to credit institutions					
a) due daily			0.00		0
b) with an agreed term or period of notice			0.00	0.00	1,090
2. Liabilities to customers					
a) Savings deposits					
aa) with an agreed period of notice		789,579.59			777
ab) of three months		524,328.03	1,313,907.62		1,976
b) Other liabilities					
ba) due daily		227,284,463.39			200,153
bb) with an agreed term or period of notice		433,051,280.74	660,335,744.13	661,649,651.75	338,509
3. Other liabilities				5,589,397.45	214
4. Prepaid expenses and deferred charges				1,887,505.94	2,251
5. Provisions					
a) Provisions for pensions and similar obligations			440,931.00		461
b) Tax provisions			9,438.25		566
c) Other provisions			2,064,338.91	2,514,708.16	1,985
6. Subordinated liabilities				580,020,546.32	549,575
7. Fund for general banking risks				353,816.94	934
8. Equity capital					
a) Capital called in					
Subscribed capital	115,000,000.00				115,000
less uncalled outstanding deposits	0.00	(prev. year: TEUR 0)	115,000,000.00		
b) Capital reserve			572,496.97		572
c) Retained earnings					
cd) Other revenue reserves		39,734,614.83	39,734,614.83		32,339
d) Retained earnings / accumulated loss			8,185,988.65	163,493,100.45	7,396
Total liabilities				1,415,508,727.01	1,253,798

	EUR	Previous year TEUR
1. Contingent liabilities		
Liabilities from guarantees and warranty agreements	1,111,771.60	2,100
2. Other obligations		
Irrevocable loan commitments	0.00	0

Income statement of OYAK ANKER Bank GmbH, Frankfurt am Main for the period from 1 January 2024 to 31 December 2024

Expenses

EXPENSES	EUR	EUR	EUR	EUR	Previous year TEUR
1. Interest expenses				67,690,158.09	68,492
of which deducted positive interest from banking business		0.00			
2. Commission expenses				267,140.24	231
3. General administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		6,580,052.42			6,324
ab) Social security contributions and expenses for pensions and support		1,012,513.03	7,592,565.45		880
of which: for pension schemes	21,320.82	(prev. year: 25 TEUR)			
b) Other administrative expenses			7,437,621.39	15,030,186.84	6,529
4. Write-downs and value adjustments on intangible assets and property, plant and equipment				248,139.57	358
5. Other operating expenses				3,166,543.19	1,454
6. Write-downs and value adjustments on receivables and certain securities and additions to provisions in the lending business				2,219,357.17	3,903
7. Write-downs and value adjustments on investments, shares in affiliated companies and securities treated as fixed assets				593,440.60	777
8. Taxes on income and earnings				3,765,954.56	4,041
9. Other taxes not recognised under item 8				-992,449.38	-678
10. Allocation to the fund for general banking risks				0.00	934
11. Net income for the year				8,185,988.65	7,396
Total expenses				100,174,459.53	100,641

Income

INCOME	EUR	EUR	EUR	Previous year TEUR
1. Interest income from				
a) Credit and money market transactions		95,652,453.99		96,356
of which deducted negative interest from banking transactions	0.00			
b) Fixed-income securities and debt register claims		1,228,496.70	96,880,950.69	1,574
2. Current income from				
a) Shares		0.00		0
b) Participations		30,038.64		30
c) Affiliated companies		0.00	30,038.64	0
3. Income from profit pooling, profit transfer management or partial profit transfer agreements			165,612.21	152
4. Commission income			2,340,653.07	2,387
5. Other operating income			176,992.95	142
6. Release from the fund for general banking risks			580,211.97	0
Total income			100,174,459.53	100,641

	EUR	Previous year TEUR
1. Net income for the year	8,185,988.65	7,396
2. Retained earnings/accumulated loss	8,185,988.65	7,396

Annex to the Annual financial statements

General information on the structure of the annual financial statements and the applied accounting and valuation methods

General information

OYAK ANKER Bank GmbH, with its registered office in Frankfurt am Main (hereinafter also referred to as the “Bank”), is entered in the commercial register of Frankfurt am Main Local Court under HRB No. 77306.

The annual financial statements have been prepared in accordance with the provisions of the German Commercial Code, the German Limited Liability Companies Act and taking into account the German Ordinance on Accounting for Banks, Financial Services Institutions and Securities Institutions, as amended.

OYAK ANKER Bank GmbH did not have a trading portfolio in 2024. The Bank's internal criteria for inclusion in the trading portfolio have not changed.

Accounting and valuation methods

Assets and liabilities are recognised and measured in accordance with Sections 252 et seq. and 340 et seq. of the German Commercial Code (HGB) and are unchanged from the previous year.

The basis for translation into euros on initial recognition is the exchange rate on the transaction date. Assets and liabilities denominated in foreign currencies are translated at the mean spot exchange rate at the end of the year. A net position is determined for each currency; there was no material net position on the reporting date.

Forward exchange transactions are translated at the respective forward rate at the end of the year. The scope of application of the special cover in accordance with Section

340h HGB includes foreign currency items and pending foreign exchange transactions (forward exchange transactions and foreign exchange swaps) that are not allocated to the trading portfolio. For specially covered transactions, the currency translation results are recognised net in other operating income.

Use was made of the offsetting options for certain expenses and income in accordance with Section 340c (2), Section 32 and Section 33 RechKredV.

Assets side

Cash reserve is recognised at nominal value.

Loans and advances to banks and customers are recognised at their nominal value, less specific and general valuation allowances, plus accrued interest.

Recognisable individual risks in the lending business, including contingent liabilities, are appropriately accounted for by recognising specific valuation allowances, taking into account the expected loss over the remaining term. In the private customer business, a generalised specific valuation allowance is also recognised for receivables with an increased probability of default that have not yet defaulted. This is calculated on the basis of historical default and loss rates. Specific valuation allowances are recognised in full for receivables that have already defaulted.

Latent credit risks are covered by general loan loss provisions in accordance with IDW RS BFA 7. The Bank applies the simplified procedure and uses the one-year expected loss to determine the expected loss. The Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) components are included in the calculation. PD is determined on the basis of internal rating procedures that take into account both historical default rates and other relevant risk factors. Loss given default (LGD) is determined taking into account existing collateral and its expected realisation amount. Exposure at default (EAD) corresponds to the credit volume outstanding at the time of a potential default. The presumption of balance between the credit rating premiums received and the underlying risk expectation was examined.

Specific country risk provisions are recognised for receivables from borrowers domiciled in Turkey. This includes all receivables, securities and contingent liabilities relating to Turkish counterparties. Legally effective collateral is deducted to calculate the risk provision. The remaining exposure represents the risk-bearing volume and forms the basis for the valuation. This is carried out using the probability of default of a current country rating reduced by three notches in order to take appropriate account of the existing uncertainties.

Securities in the investment portfolio are valued according to the moderate lower of cost or market principle. In the event of permanent impairments, the securities are written down to the lower fair value. Fixed-interest securities acquired below par (or above par) are allocated (or written down) to their nominal value on an accrual basis.

Investments and shares in affiliated companies are recognised at the lower of cost or fair value. In the event of permanent impairment, depreciation is calculated at the lower fair value. If the reason for the permanent impairment of securities or investments no longer applies, the impairment loss is reversed up to a maximum of the acquisition cost.

Intangible assets and property, plant and equipment are recognised at cost. The assets of operating and office equipment are reduced by scheduled straight-line depreciation and amortisation. The useful lives are between 3 and 5 years for intangible assets and between 3 and 13 years for property, plant and equipment. Advance payments are recognised at nominal value. Amortisation begins when the intangible asset is put into operation.

Low-value assets that amount to at least EUR 250.00 for the individual asset but do not exceed EUR 1,000.00 are capitalised in collective items and released in the year of formation and in each of the following four financial years with a one-fifth reduction in profit. Low-value assets not exceeding EUR 250.00 are recognised directly as an expense.

Other assets and prepaid expenses are recognised at nominal value and distributed over the term on an accrual basis.

Deferred taxes are recognised for temporary differences between the carrying amounts

in the balance sheet under commercial and tax law that are expected to reverse in the future, insofar as this is legally permissible. Deferred taxes are calculated on the basis of an income tax rate of 31.87%, which includes corporation tax, trade tax and the solidarity surcharge. No use is made of the option to recognise deferred tax assets in accordance with Section 274 (1) sentence 2 HGB for reasons of conservative accounting.

Liabilities side

Liabilities to banks, liabilities to customers and subordinated liabilities are recognised at their settlement amount plus accrued interest. Other liabilities and deferred income are recognised at the settlement amount and distributed over the term on an accrual basis.

The provision for pensions and similar obligations is calculated on the basis of an actuarial report. The calculation is based on the projected unit credit method (PUC) using the 2018 G mortality tables published by Heubeck-Richttafeln GmbH, Cologne, and an interest rate of 1.90% p.a. A pension growth rate of 2.0% p.a. is also applied. An unchanged salary level was assumed.

Tax provisions and other provisions take into account all recognisable risks from pending transactions and contingent liabilities that are necessary according to prudent business judgement and are recognised at the settlement amount in accordance with Section 253 (1) HGB.

In accordance with Section 253 (1) sentence 2 in conjunction with Section 253 (2) sentence 1 HGB, provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term.

As part of a value-oriented analysis in accordance with IDW RS BFA 3, it was analysed whether the measurement of the entire interest position in the banking book results in a surplus of obligations. The banking book comprises all on-balance sheet and off-balance sheet interest-related financial instruments up to their respective residual maturity. All interest income from interest-related financial instruments in the banking book and the expenses (including risk costs and administrative costs) expected to be required to

generate this income are taken into account in the assessment. Risk costs are recognised on the basis of the one-year expected loss for all positions up to their maturity. The administrative costs are distributed across the portfolio and recognised on a pro rata basis up to the respective residual term. Discounting is carried out using the present value method on the basis of the yield curve on the balance sheet date. The calculation as at 31 December 2024 shows no surplus obligation. Therefore, a provision in accordance with Section 249 (1) sentence 1 HGB is not required. Provisions are recognised for uncertain liabilities in the amount of the expected utilisation.

Premiums and discounts on receivables and liabilities are recognised in prepaid expenses and deferred income and amortised on a straight-line basis over the term.

The subscribed capital is recognised at nominal value.

Liabilities below the line

The provisions recognised for contingent liabilities as risk provisions are deducted from the total amount of contingent liabilities.

Notes to the balance sheet

Assets side of the balance sheet

Receivables from banks

Loans and advances to banks are broken down by residual term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Due daily	205,639	125,678
up to three months	72,338	42,123
more than three months to one year	302,812	264,363
more than one year and up to five years	4,868	12,570
more than five years	0	0

Receivables from banks totalling EUR 127,923 thousand (previous year: EUR 48,870 thousand) are receivables denominated in foreign currencies. Foreign currency receivables are mainly short-term bank balances with a maximum term of one year.

The following risk provisions were deducted:

	31.12.2024 TEUR	31.12.2023 TEUR
Lump-sum value adjustment according to BFA 7	174	314
Country risk provisioning	11,259	8,797

Receivables from customers

Receivables from customers are broken down by remaining term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
with indefinite term	1,305	1,715
up to three months	114,499	149,093
more than three months to one year	521,543	463,514
more than one year and up to five years	86,077	68,931
more than five years	538	1,500

Receivables from customers include receivables from affiliated companies totalling EUR 607,520 thousand (previous year: EUR 564,118 thousand). This does not include any receivables from the shareholder.

There are also receivables in foreign currencies totalling EUR 297,491 thousand (previous year: EUR 273,807 thousand).

This item also includes subordinated receivables totalling EUR 304,896 thousand (previous year: EUR 270,552 thousand), for which collateral exists in the form of cash deposits in the same amount, currency and term.

The following risk provisions were deducted:

	31.12.2024 TEUR	31.12.2023 TEUR
Individual value adjustments for corporate customers	27	27
Individual value adjustments for private customers	5,301	6,062
Generalised individual value adjustment	61	132
Lump-sum value adjustment according to BFA 7	329	397
Country risk provisioning	3,095	1,604

Bonds and other fixed-income securities:

	31.12.2024 TEUR	31.12.2023 TEUR
Marketable & listed on the stock exchange	80,876	103,538
of which eligible as collateral with Deutsche Bundesbank	72,153	82,424

The bonds and other fixed-income securities are marketable and listed.

No securities were allocated to the liquidity reserve as at the balance sheet date.

The fixed-interest securities in the investment portfolio with a carrying amount of EUR 80,876 thousand (previous year: EUR 103,538 thousand) were valued according to the modified lower of cost or market principle. As at the balance sheet date, the hidden reserves for bonds and other fixed-interest securities in the investment portfolio totalled EUR 17 thousand (previous year: EUR 0 thousand).

At the end of 2024, there were bonds and other fixed-interest securities that were recognised above their fair value. The resulting hidden liability amounts to EUR 3,625 thousand (previous year: EUR 6,233 thousand). The bank has analysed these items in detail and does not believe that they are permanently impaired.

Bonds with a nominal value of EUR 18,026 thousand (previous year: EUR 27,000 thousand) will mature in 2025.

Shareholdings

With the exception of emeis (formerly ORPEA), the investments are not listed on the stock exchange. They amount to EUR 810 thousand (previous year: EUR 1,403 thousand).

Affiliated companies

The shares in affiliated companies relate to VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH, Koblenz, which collects non-performing receivables on behalf of the bank.

In the 2024 financial year, VFG Verrechnungsstelle für gewerbliche Wirtschaft GmbH reported a net profit for the year of EUR 0 (previous year: EUR 0) after a profit transfer of EUR 166 thousand (previous year: EUR 152 thousand). The company's equity amounts to EUR 77 thousand (previous year: EUR 77 thousand).

The bank is the sole shareholder of the company.

Other shares in affiliated companies:

United Payment Europe S.r.l., Bucharest/Romania

The equity of the finance company amounts to (previous year: TRON 7,887).

In 2024, the company generated a loss/profit in the amount of (previous year loss TRON 18)¹.

The bank has a 45 percent stake.

Innovance Technologies GmbH, Frankfurt/Main

The equity of the IT company amounts to EUR 250 thousand.

In 2024, the profit (previous year: loss of EUR 268 thousand) was².

The bank holds a 35 percent stake.

OYAK Yatirim Menkul Degerler A.S., Istanbul/Turkey

The equity of the financial company amounts to TRY 300 million (previous year: TRY 300 million). In 2024, profit amounted to TRY 225 million (previous year: TRY 2,887 million, adjusted from TRY 1,999 million). The bank holds an unchanged 1.426% of equity based on the number of shares.

¹ No data is yet available for 2024.

² No data is yet available for 2024.

Statement of changes in fixed assets

The assets to be valued for fixed assets are summarised in the statement of changes in fixed assets.

The development of fixed assets is shown in the following statement of changes in fixed assets:

IN TEUR						AMORTISATION/ WRITE-UP					CHANGE OF THE EXCHANGE RATE 2024	CHANGE OF THE EXCHANGE RATE 2024 CUM.	CARRYING AMOUNTS	
	STAND 01.01.2023	ADDITIONS	DEPARTURES	REBOOKINGS	STAND 31.12.2024	STAND 01.01.2024	AMORTISATION	WRITE-UP	CHANGES / DEPARTURES	ACCUMULATED AS AT 31.12.2024			STAND 31.12.2024	STAND 31.12.2023
Debt securities	103,538	6,087	28,749	0	80,876	0	0	0	0	0			80,876	103,538
Shareholdings	1,940	0	0	0	1,940	537	593	0	0	1,130			810	1,403
Shareholdings Shares in affiliated companies	4,129	0	0	0	4,129	1,186	0	0	0	1,186	-85	-1,714	1,229	1,314
Intangible assets fixed assets														
a) Licences	1,963	345	0	0	2,308	1,890	173	0	0	2,063			244	72
b) Advance payments on intangible assets	4,714	5,395	349	0	9,760	0	0	0	0	0			9,760	4,714
Property, plant and equipment														
a) Operating and Business equipment	518	56	9	0	565	373	51	0	0	424			141	145
b) Low value Asset objects	82	79	34	0	126	64	24	0	34	54			72	18

Intangible assets

All intangible asset items, including prepayments made, are amounts for concessions, industrial property rights and similar rights and assets acquired for consideration as well as licences to such rights and assets. The useful life is between three and five years. The increase results from investments in the new core banking system.

Other assets

This item contains the following significant individual amounts:

	31.12.2024 TEUR	31.12.2023 TEUR
Tax refund claims	1,537	689
MAMBU invoice for 2025 (advance payment)	566	0
FD FX valuation (hedging transaction)	0	1,075

Prepaid expenses and deferred charges

Prepaid expenses include pro rata expenses for services, among other things, which represent expenses for a certain period after the balance sheet date.

The total amount of assets denominated in foreign currencies is EUR 436,785 thousand (previous year: EUR 333,501 thousand). The transactions taken into account have an unchanged maximum term until 1 August 2032. Of these, EUR 271,997 thousand (previous year: EUR 268,121 thousand) are cash-covered in the same currency and term.

Liabilities side of the balance sheet

Liabilities to banks

Liabilities to banks are broken down by residual term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Due daily	0	1,090
up to three months	0	0
more than three months to one year	0	0
more than one year and up to five years	0	0
more than five years	0	0

As at the balance sheet date, there were foreign currency liabilities to banks totalling EUR 0 thousand (previous year: EUR 0 thousand).

Liabilities to customers

Savings deposits are broken down by residual term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Due daily	0	0
up to three months	790	777
more than three months to one year	524	1,976
more than one year and up to five years	0	0
more than five years	0	0

Other liabilities to customers are broken down by residual term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Due daily	227,284	200,153
up to three months	80,309	65,341
more than three months to one year	219,721	156,143
more than one year and up to five years	132,437	107,588
more than five years	585	9,437

Other liabilities to customers include liabilities to affiliated companies totalling EUR 168,466 thousand (previous year: EUR 120,494 thousand). EUR 6,161 thousand (previous year: EUR 1,311 thousand) of these relate to liabilities to the shareholder. The liabilities to affiliated companies are current. Other liabilities include foreign currency liabilities totalling EUR 39,634 thousand (previous year: EUR 24,521 thousand).

Other liabilities

This item contains the following significant individual amounts:

	31.12.2024 TEUR	31.12.2023 TEUR
FX valuation (hedging transaction)	4,984	0
Taxes to be paid (KeSt/Soli, VAT, church tax)	358	116
Other liabilities	132	71

Prepaid expenses and deferred charges

Deferred income includes income before the balance sheet date if it represents income for a certain period after this date.

This item contains the following significant individual amounts:

	31.12.2024 TEUR	31.12.2023 TEUR
Accrual of processing fee for letters of credit	1,426	1,325
Accrual discount for syndicated loans	426	850

Provisions

This item contains the following significant individual amounts:

	31.12.2024 TEUR	31.12.2023 TEUR
Provisions for personnel	988	963
Provisions for pensions and similar rights	441	461
Provision for outstanding invoices	426	266
Provisions for audit costs Annual Conclusion	224	364
Provisions for remaining leave	162	113
Other	262	280

The difference between recognising the pension obligation at the 10-year average interest rate and the 7-year average interest rate is EUR 4 thousand. This difference is blocked for distribution.

Subordinated liabilities

Subordinated liabilities are broken down by remaining term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Due daily	0	0
up to three months	89,213	139,515
more than three months to one year	490,808	410,060
more than one year and up to five years	0	0
more than five years	0	0

Subordinated liabilities totalling EUR 271,398 thousand (previous year: EUR 267,556 thousand) are foreign currency liabilities. The subordinated deposits serve as cash collateral for existing loan receivables. The subordinated deposits are not recognised as supplementary capital. An early repayment obligation or any conversion is excluded.

Borrowings that exceed 10% of the total amount of subordinated liabilities:

DEPOSIT FROM	AMOUNT	CURRENCY	INTEREST RATE IN%	TERM UNTIL
	119,788	TUSD	10	29.04.25
OYAK Ordu Yardımlaşma Kurumu, Ankara	106,055	TUSD	9	10.04.25
	96,539	TEUR	8.25	03.06.25
	68,119	TEUR	8.5	10.03.25

Interest of EUR 52,891 thousand (previous year: EUR 58,953 thousand) was recognised in 2024.

Fund for general banking risks

	31.12.2024 TEUR	ADDITIONS TEUR	WITHDRAWALS TEUR	01.01.2024 TEUR
	354	0	580	934

The fund was recognised in the previous year in connection with the acquisition of an investment. Due to the devaluation of the corresponding carrying amount of the investment, part of the fund was withdrawn again.

Equity capital

Equity developed as follows:

	31.12.2024 TEUR	ADDITIONS TEUR	WITHDRAWALS TEUR	01.01.2024 TEUR
Subscribed capital	115,000	0	0	115,000
Capital reserve	572	0	0	572
Retained earnings	39,735	7,396	0	32,339
Accumulated profit/loss	8,186	0	0	7,396

The management proposes to allocate the net retained profits for the 2024 financial year to retained earnings.

The total amount of liabilities denominated in foreign currencies is EUR 311,032 thousand (previous year: 293,865 thousand). The transactions have a maximum term until 20 February 2032.

Liabilities below the line

Contingent liabilities

This item includes:

	31.12.2024 TEUR	31.12.2023 TEUR
Sureties and guarantees	1,112	2,100

The contingent liabilities item does not include any individual amounts that are of material significance.

Other obligations

The obligations recognised in item 1b) below the balance sheet line are subject to the risk identification and management procedures applicable to all credit relationships, which ensure that risks are identified in good time.

Acute risks of utilisation from the contingent liabilities reported below the balance sheet line are covered by corresponding provisions. The obligations recognised mainly relate to small guarantee agreements.

The risk assessment was based on an individual assessment of the creditworthiness of the respective customers. The amounts shown under 1b) do not reflect the cash flows actually expected in the future, as the bank estimates that the majority of contingent liabilities will expire without being utilised.

Notes to the income statement

The income statement is presented in account form.

Interest income

The increase in interest income is mainly due to the development of interest rates. Interest income from the lending and securities business mainly stems from business relationships with customers and banks based in Turkey (EUR 45,608 thousand), the Netherlands (EUR 18,408 thousand) and Luxembourg (EUR 13,142 thousand).

Commission income

Commission income stems from letter of credit and lending transactions as well as from guarantee commissions. Letter of credit commissions accounted for a significant proportion of income. These result almost exclusively from business relationships with banks and customers based in Turkey.

Current income from investments and affiliated companies

Current income from investments and affiliated companies relates to distributions from property funds (rescue acquisitions) in Germany.

Income from profit pooling, profit transfer or partial profit transfer agreements

Income from profit pooling, profit transfer or partial profit transfer agreements results from profit transfers from VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH, our subsidiary in Koblenz.

Other operating income

Other operating income mainly results from the reversal of provisions totalling EUR 112 thousand (previous year: EUR 81 thousand). This includes the reversal of the provision for outstanding invoices totalling EUR 49 thousand (previous year: EUR 40 thousand).

Interest expenses

The increase in interest expenses is also mainly due to the development of interest rates.

General administrative expenses

General administrative expenses totalled EUR 15,030 thousand in the reporting year (previous year: EUR 13,734 thousand). Of this amount, EUR 7,593 thousand (previous year: EUR 7,204 thousand) was attributable to personnel expenses, with wages and salaries increasing by EUR 256 thousand to EUR 6,580 thousand. The increase in other administrative expenses by EUR 908 thousand to EUR 7,438 thousand was primarily due to consulting and IT costs.

Other operating expenses

Other operating expenses include expenses for swap accruals for FX hedging transactions totalling EUR 3,086 thousand (previous year: EUR 1,399 thousand).

Taxes on income and earnings

Taxes on income relate exclusively to the result from ordinary activities.

Other financial obligations

Financial obligations from multi-year contracts

31.12.2024	DUE 2025 TEUR	DUE 2026 - 2028 TEUR	DUE FROM 2029 TEUR
Service	1,712	1,305	0
Rent	403	884	0
Maintenance	352	34	0
Leasing	33	57	0

31.12.2023	DUE 2024 TEUR	DUE 2025 - 2027 TEUR	DUE FROM 2028 TEUR
Services	2,129	1,905	536
Maintenance (IT)	821	348	0
Rent	412	1,096	176
Leasing	33	89	0

Contingent liabilities

Further contingent liabilities are presented below:

The required pro rata cover capital of the provident fund amounts to EUR 7 thousand (previous year: EUR 7 thousand). Twenty times the annual contribution is EUR 11 thousand (previous year: EUR 14 thousand). There is a shortfall in this amount. No provisions were recognised for the underlying pension commitments, as these relate to cases prior to 1 January 1987 (application of Article 28 EGHGB).

The Bank is liable for a loan from Grundbesitzgesellschaft bR Berlin, Karl-Marx-Allee II (property fund investments/rescue acquisitions) with VR-Bank Bad Kissingen eG, in the amount of EUR 8 thousand (previous year: EUR 9 thousand). The data is based on the annual report as at 30 June 2024.

The Bank is a member of the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.) and the Compensation Scheme of German Banks (Entschädigungseinrichtung deutscher Banken GmbH). The Deposit Protection Fund and the Compensation Scheme may, in principle, levy special contributions in the event that the funds of the Deposit Protection Fund or the Compensation Scheme are insufficient.

Foreign exchange transactions

To cover exchange rate fluctuations, the Bank had foreign exchange swaps in its portfolio at the end of the year. These serve to hedge balance sheet foreign currency

items. They are converted at the forward exchange rate.

	31.12.2024 TEUR	31.12.2023 TEUR
TUSD	138,803	40,219
TTRY	899,900	25,000
TGBP	0	400

As at the balance sheet date, these transactions resulted in a negative market value of EUR 4,984 thousand (previous year: positive market value of EUR 1,075 thousand).

Other information

Auditor's total fee

The expenses recognised for the auditor's services for the financial year amounting to EUR 499 thousand (previous year: EUR 322 thousand) are made up as follows:

	2024 TEUR	2023 TEUR
Audit services	351	369
Other confirmation services	11	11

The audit services pursuant to Section 340k in conjunction with Sections 316 et seq. HGB related to the audit of the annual financial statements and the reporting package as at 31 December 2024 (and 31 December 2023) in the amount of EUR 351 thousand (previous year: EUR 369 thousand) and the half-year reporting package as at 30 June 24 and 30 June 2023 in the amount of EUR 7.5 thousand (previous year: EUR 5.5 thousand). Other assurance services totalling EUR 11.3 thousand (previous year: EUR 10.9 thousand) related to the procedural audit and random sample audit in accordance with Section V No. 11 (1) and 12 of the General Terms and Conditions of Deutsche Bundesbank ("MACC") for 2023 (previous year: 2022).

Disclosures pursuant to section 26a (1) KWG

Certain information must be published in a separate disclosure report in accordance

with Part 8 of the Capital Requirements Regulation (CRR) and Section 26a of the German Banking Act (KWG) as part of the regulatory disclosure requirements (Pillar III). The Bank will publish the disclosure report as at 31 December 2024 with the required regulatory information in the Federal Gazette.

The return on investment as the ratio of net profit to average total assets is 0.61% (previous year: 0.55%).

Supplementary report

There were no events of particular significance after the balance sheet date.

Information on the company and its executive bodies

Employees

In accordance with Section 267 (5) HGB, the Bank employed an annual average of 29 female employees (previous year: 29) and 41 male employees (previous year: 35). At the end of the year, the Bank had 31 female employees (previous year: 29) and 39 male employees (previous year: 38). Converted to full-time employees, there were 63 (previous year 60) employees on the balance sheet date.

Management

The Bank makes use of the exemption under Section 286 (4) HGB and does not disclose salaries and pensions.

Supervisory Board

Expenses for the Supervisory Board in the 2024 calendar year totalled EUR 0 thousand (previous year: EUR 0 thousand).

Loans to the Supervisory Board and Management Board

As at the balance sheet date, there were no receivables or outstanding loan commitments to members of the Supervisory Board. There were receivables and open loan commitments to the managing directors totalling EUR 10 thousand (previous year: EUR 13 thousand).

Group

OYAK ANKER Bank GmbH is part of the OYAK Ordu Yardımlaşma Kurumu Group, Ziya Gökalp Cad.No. 64, Kurtulus 06600 Ankara / Turkey.

Due to the ratio of total assets and revenue of VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH to those of OYAK ANKER Bank GmbH, no consolidated financial statements were prepared in accordance with Sections 290 (5) in conjunction with 296 (2) HGB. in conjunction with Section 296 (2) HGB.

The financial statements of OYAK ANKER Bank GmbH are included in the consolidated financial statements of Ordu Yardımlaşma Kurumu (OYAK Ankara/Turkey). The latter prepares the consolidated financial statements for the smallest and largest group of consolidated companies. The consolidated financial statements of Ordu Yardımlaşma Kurumu (OYAK Ankara/Turkey) can be viewed on the website: www.oyak.com.tr.

Members of the Supervisory Board

The Supervisory Board was composed as follows in the 2024 financial year

Mr M. Emre Timurkan, Chairman (member from 31 October 2017 and Chairman from 12 March 2024)
Group Manager OYAK Financial Sector
Istanbul (Turkey)

Mr Can Örüng, Deputy Chairman (member from 24 March 2023 and Deputy Chairman from 12 March 2024)

Group Manager OYAK Human Resources
Istanbul (Turkey)

Mr Sebahattin Karakoc, member (member from 12 March 2024)
Deputy General Manager of the OYAK Group
Istanbul (Turkey)

Mr I. Emrah Silav, Chairman (until 12.03.2024)
Group Head Finance Sector of Ordu Yardımlaşma Kurumu (OYAK)
Istanbul (Turkey)

Managing Directors

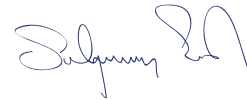
The following have been appointed as managing directors:

Dr Süleyman Erol, Managing Director Back Office

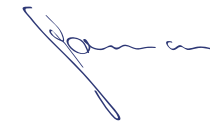
Ümit Yaman, Managing Director Market,

Frankfurt am Main, 30 May 2025

The management



Dr. Süleyman Erol
MEMBER OF THE
MANAGEMENT BOARD



Ümit Yaman
MEMBER OF THE
MANAGEMENT BOARD

Appendix to the annual financial statements as defined by § Section 26a (1) sentence 2 KWG OYAK ANKER Bank GmbH as at 31 December 2024

Company name, type of activity and geographical location of the branches

OYAK ANKER Bank GmbH, based in Frankfurt, does not have a branch abroad. All information presented in the annual financial statements within the meaning of Section 26a (1) sentence 2 KWG relates exclusively to its business activities as a credit and deposit-taking institution in the Federal Republic of Germany.

Turnover

Sales totalled EUR 31,441 thousand (previous year: EUR 31,737 thousand). Turnover includes the sum of net interest income, net commission income, net trading income and other operating income.

Number of wage and salary earners in full-time equivalents

In accordance with Section 267 (5) HGB, the Bank employed an annual average of 70 employees (previous year: 64). At the end of the year, we had 31 female employees (previous year: 29) and 39 male employees (previous year: 38). Converted to full-time equivalents, there were 63 (previous year 60) employees on the balance sheet date

Taxes on income and earnings

Taxes on income relate exclusively to the ordinary result. Taxes on profit and loss totalled EUR 3,766 thousand (previous year: EUR 4,041 thousand).

Profit or loss before taxes

Profit before taxes totalled EUR 11,952 thousand (previous year: EUR 11,437 thousand).

Public aid received

OYAK ANKER Bank GmbH did not receive any public subsidies as an expense allowance for social security contributions in 2024/2023.

Report of the independent auditor

To OYAK ANKER Bank GmbH, Frankfurt am Main

Report on the audit of the annual financial statements and the management report

Audit Opinions

We have audited the annual financial statements of OYAK ANKER Bank GmbH, Frankfurt am Main, which comprise the balance sheet as at 31 December 2024 and the income statement for the financial year from 1 January to 31 December 2024, as well as the appendix to the financial statements, including the presentation of balancing and accounting policies. In addition, we have audited the management report of OYAK ANKER Bank GmbH for the financial year from 1 January to 31 December 2024.

In our assessment supported by the findings of our audit:

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with the German generally accepted accounting principles, and
- the accompanying management report as a whole provides a true and fair view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code (HGB),

we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not provided any prohibited non-audit services in accordance with Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. 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.

In our opinion, the following matter was of most significance in our audit:

❶ Risk provisioning in the lending business

We have structured our presentation of this key audit matter as follows:

- ❶ Facts and problem definition
- ❷ Audit approach and findings
- ❸ Reference to further information

In the following, we present the key audit matter:

❶ Risk provisioning in the lending business

❶ Loan receivables totalling € 1,309,618 thousand (92.5% of total assets) are reported in the company's annual financial statements under the balance sheet items "Loans and advances to customers" and "Loans and advances to banks". As at 31 December 2024, risk provisions consisting of specific and general loan loss provisions were recognised for the loan portfolio. The measurement of risk provisions in the lending business is determined in particular by the structure and quality of the loan portfolios, macroeconomic factors and the estimates of the legal representatives with regard to future loan defaults. The amount of the specific loan loss provisions for receivables from customers corresponds to the difference between the outstanding loan amount and the lower value to be attributed to it on the reporting date. Existing collateral is taken into account. In the private customer business, a generalised specific valuation allowance is calculated based on historical default and loss rates. The general loan loss provisions cover the latent credit risk. General valuation allowances are recognised for foreseeable, risks in the lending business of banks that have not yet materialised in relation to individual borrowers. For this purpose, a general loan loss provision is recognised for loans not subject to specific loan loss provisions, excluding country risk, for business customers in the amount of the expected loss for the remaining term, taking into account credit rating premiums, and for private customers in the amount of

the expected loss for an observation period of twelve months. Country valuation allowances are also recognised for loans not subject to specific valuation allowances for borrowers domiciled in Turkey, where there is an increased country risk, in particular due to inflation and macroeconomic conditions, based on the probability of default of the country rating. The value adjustments in the lending business are, on the one hand, of great significance for the company's net assets and results of operations in terms of their amount and, on the other hand, involve considerable discretionary powers on the part of the legal representatives. In addition, the valuation parameters applied, which are subject to considerable uncertainty, have a significant influence on the recognition and amount of any necessary valuation allowances. Against this background, this matter was of particular significance in the context of our audit.

❷ As part of our audit, we first assessed the design of the company's relevant internal control system and, based on this, tested the effectiveness of the controls. In doing so, we considered the business organisation, the IT systems and the relevant valuation models. In addition, we assessed the valuation of loans and advances to banks and customers, including the appropriateness of estimated values, on the basis of samples of credit exposures. In doing so, we assessed, among other things, the available documentation of the company with regard to the economic circumstances and the recoverability of the corresponding collateral. Furthermore, we assessed the calculation methods applied by the Company and the underlying assumptions and parameters in order to evaluate the specific and general valuation allowances recognised. In particular, we also assessed the estimates made by the executive directors with regard to the effects of macroeconomic conditions on the economic circumstances of the borrowers and the recoverability of the corresponding collateral and analysed their consideration in the measurement of the loan receivables. On the basis of the audit procedures we performed, we were able to satisfy ourselves overall of the reasonableness of the assumptions made by the executive directors when testing the recoverability of the loan portfolio and the appropriateness and effectiveness of the controls implemented by the Company.

❸ The Company's disclosures on risk provisioning in the customer lending business are contained in the sections on accounting policies, loans and advances to banks, loans and advances to customers and other disclosures in the appendix to the financial statements.

Responsibilities of the legal representatives and the Supervisory Board for the annual financial statements and the management report

The legal representatives are responsible for preparing the annual financial statements in accordance with German commercial law in all material respects and for ensuring that the annual financial statements give a true and fair view of the company's net assets, financial position and results of operations in accordance with German principles of proper accounting.

Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German principles of proper accounting in order to enable the preparation of annual financial statements that are free from material misstatements due to intentional acts (i.e. manipulation of accounting and damage to assets) or errors.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters related to the company's ability to continue as a going concern, if applicable. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there are factual or legal circumstances that prevent this.

Furthermore, the legal representatives are responsible for the preparation of the management report that, as a whole, provides a true and fair view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report in accordance with the applicable German legal requirements, and to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

Auditor's responsibilities for the audit of the annual financial statements and the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement.

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 annual financial statements and management report.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition, we:

- identify and assess the risks of material misstatements in the annual financial statements and in the management report, whether due to fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls;

-
- obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control or on the effectiveness of these arrangements and measures;
 - evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors;
 - conclude 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to be able to continue as a going concern;
 - evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles;
 - evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the picture of the Company's position it provides;

- perform audit procedures on the forward-looking statements presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the management as a basis for the forward-looking statements, and evaluate the appropriateness of the derivation of the forward-looking statements from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Other information in accordance with Article 10 of the EU Audit Regulation

We were elected as auditor by the shareholders' meeting on 11 June 2024. We were appointed by the Supervisory Board on 29 August 2024. We have been the auditor of OYAK ANKER Bank GmbH, Frankfurt am Main, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Auditor responsible for the audit

The German Public Auditor responsible for the audit is Kay Böhm.

Frankfurt am Main, 30 May 2025

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Wirtschaftsprüfungsgesellschaft

Kay Böhm
Certified Auditor

ppa. Matthias Nickel
Certified Auditor

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