

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) UNDER RULE 144A OR (2) PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S) OUTSIDE OF THE U.S.**

**IMPORTANT: You must read the following before continuing.** The following applies to the Prospectus (the “**Prospectus**”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from Yapı ve Kredi Bankası A.Ş. (the “**Issuer**”) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S (“**REGULATION S**”) UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

**Confirmation of your Representation:** In order to be eligible to view this Prospectus, investors must be either (1) Qualified Institutional Buyers (“**QIBs**”) (within the meaning of Rule 144A (“**Rule 144A**”) under the Securities Act) or (2) persons other than U.S. persons (as defined in Regulation S) outside of the U.S. This Prospectus is being sent at your request and by accepting the e-mail and accessing this Prospectus, you shall be deemed to have represented to the Issuer that (1) you and any customers you represent are either (a) QIBs or (b) outside of the U.S. and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the U.S. and (2) that you consent to delivery of such Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the issuer in such jurisdiction.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of Abu Dhabi Commercial Bank P.J.S.C., Citigroup Global Markets Limited, Emirates NBD Bank PJSC, Merrill Lynch International, Morgan Stanley & Co. International plc and Standard Chartered Bank (the “**Joint Bookrunners**”), or any person who controls any of them, nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any

difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from any of the Joint Bookrunners.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

This Prospectus is being distributed only to and directed only at (i) persons who are outside the United Kingdom (the “**UK**”), (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as “**relevant persons**”). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

The Prospectus is being distributed only to and directed at real persons and legal entities domiciled outside of Türkiye.

## **PROHIBITION ON MARKETING AND SALES OF NOTES TO RETAIL INVESTORS**

The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, the Financial Conduct Authority Handbook Conduct of Business Sourcebook (“**COBS**”) requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “retail client”) in the UK.

In October 2018, the Hong Kong Monetary Authority (the “**HKMA**”) issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss absorption features and related products (the “**HKMA Circular**”). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO, a “Hong Kong professional investor”) only and are generally not suitable for retail investors in either the primary or secondary markets.

In Singapore, the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”), the Financial Advisers Act (Chapter 110 of Singapore) (the “**FAA**”), the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the “**Guidelines on Fair Dealing**”) and the Code of Conduct for Private Banking in Singapore (the “**PB Code**”) contain additional obligations and/or guidance in relation to the marketing, offer and sale of the Notes to investors in Singapore. The SFA, the FAA, the Guidelines on Fair Dealing and the PB Code are together referred to as the “**Singapore Regulations**”.

The COBS, the HKMA Circular and the Singapore Regulations are together referred to as the “**Regulations**”.

Each of the Joint Bookrunners is required to comply some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest therein) from the Issuer and/or any Joint Bookrunner, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and each of the Joint Bookrunners that:

1. it is not a retail client in the UK;
2. it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that

communication, invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK;

3. whether or not it is subject to the Regulations, it will not:

- (i) sell or offer the Notes (or any beneficial interests therein) to any retail clients or any person in Hong Kong that is not a Hong Kong professional investor or any person in Singapore that is not an "accredited investor" or an "institutional investor" (each as defined in Section 4A of the SFA, a "**Singapore professional investor**"); or
- (ii) communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail or any person in Hong Kong or Singapore that is not a Hong Kong professional investor or a Singapore professional investor, respectively;

4. if it is in Hong Kong, it is a Hong Kong professional investor; and

5. if it is in Singapore, it is a Singapore professional investor.

In selling or offering the Notes or making or approving communications, invitations or inducements relating to the Notes, each prospective investor may not rely on the limited exemptions set out in COBS.

The above obligations and Regulations are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area (the "**EEA**"), the UK, Hong Kong or Singapore) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interest therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under Directive 2014/65/EU (as amended, "**MiFID II**") or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interest therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interest therein) from the Issuer and/or any of the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

**UK MiFIR product governance / Professional investors and eligible counterparties only target market –** Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time –** In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No PRIIPs key information document and no UK PRIIPs key information document will be prepared as the Notes are not available to retail investors in the European Economic Area or the United Kingdom.



**Yapi ve Kredi Bankası A.Ş.  
a Turkish banking institution organised as a joint stock company**  
**U.S.\$500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes**  
**Under its U.S.\$11,000,000,000**  
**Global Medium Term Note Programme**

Issue Price: 100% payable in full in U.S. dollars on the Issue Date

Yapi ve Kredi Bankası A.Ş., a Turkish banking institution organised as a joint stock company (the “Bank” or the “Issuer”), is issuing U.S.\$500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes (the “Notes”) under its U.S.\$11,000,000,000 Global Medium Term Note Programme. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities or “blue sky” laws of any state of the United States of America (“United States” or “U.S.”), the Republic of Türkiye (“Türkiye”), the United Kingdom or any other jurisdiction, and are being offered: (a) for sale (the “U.S. Offering”) in the United States to qualified institutional buyers (each a “QIB”) as defined in, and in reliance upon, Rule 144A (“Rule 144A”) under the Securities Act and (b) for sale (the “International Offering” and, with the U.S. Offering, the “Offering”) outside the United States to persons other than U.S. persons in reliance upon Regulation S (“Regulation S”) under the Securities Act. For a description of certain restrictions on sale and transfer of the Notes, see “Subscription and Sale and Transfer and Selling Restrictions” in the Base Prospectus (as defined under “Documents Incorporated by Reference”).

**INVESTING IN THE NOTES INVOLVES RISKS. PROSPECTIVE INVESTORS SHOULD CONSIDER THE FACTORS SET FORTH UNDER “RISK FACTORS” BEGINNING ON PAGE 20 OF THIS PROSPECTUS AND INCORPORATED BY REFERENCE FROM THE BASE PROSPECTUS (SEE “DOCUMENTS INCORPORATED BY REFERENCE” BELOW).**

As described further under “Use of Proceeds”, the Issuer intends to use the proceeds from the issuance of the Notes for its general corporate purposes.

The Notes will bear interest from (and including) 4 April 2024 (the “Issue Date”) to (but excluding) 4 July 2029 (the “First Reset Date” and, together with each date falling on the fifth anniversary of the previous such date, each a “Reset Date”) at a fixed rate of 9.743% per annum. In respect of each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date (each a “Reset Period”), the Notes will bear interest at a fixed rate of 5.499 per cent. per annum above the CMT Rate in relation to such Reset Period (as defined in the terms and conditions of the Notes (the “Conditions”)). Subject to the right of the Issuer to cancel any payment of interest in respect of the Notes, interest will be payable semi-annually in arrear on each of 4 July and 4 January in each year (each an “Interest Payment Date”), commencing on 4 July 2024; provided that if any such date is not a Payment Day (as defined in Condition 7.4), then such payment will be made on the next Payment Day. There will be a short first Interest Period. The Notes initially will be sold to investors at a price equal to 100% of the principal amount thereof.

The Notes are perpetual securities with no fixed maturity or date for redemption and Noteholders do not have the right to call for their redemption. Subject as provided herein and (if required by applicable law) to the prior approval of the Banking Regulatory and Supervisory Authority (the “BRSA”), the Notes may be redeemed at the option of the Issuer in whole (but not in part) (i) on any date from (and including) 4 April 2029 to (and including) the First Reset Date or (b) on any Interest Payment Date thereafter, and (ii) upon the occurrence of a Capital Disqualification Event or a Tax Event, in each case, at their then Prevailing Principal Amount (as defined in Condition 5.13) together with interest accrued and unpaid to (but excluding) the date of redemption. For a more detailed description of the Notes, see the “Terms and Conditions of the Notes”.

The Issuer may elect, in its sole and absolute discretion, to cancel any payment of interest in respect of the Notes in whole or in part at any time and for any reason, and payments of interest in respect of the Notes will also not be made in certain other circumstances as provided in Condition 5.6. Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes, then the right of the Noteholders to receive the relevant interest payment (or part thereof) will be extinguished and the Issuer will have no obligation to pay such interest payment (or part thereof), whether or not future interest payments on the Notes are paid. The cancellation or other non-payment of interest as provided in Condition 5 will not constitute an event of default or entitle any action to be taken by Noteholders. For further information, see Condition 5.

**In the event that the CET1 Ratio of the Issuer and/or the Group is less than 5.125 per cent., in each case as determined by the Issuer (a “Trigger Event”), the Prevailing Principal Amount of the Notes will be Written-Down by the Trigger Event Write-Down Amount, as further provided in Condition 6.1, see “Risk Factors – Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written-Down”. To the extent the Prevailing Principal Amount of the Notes is less than their Initial Principal Amount at any time as a result of a Trigger Event Write-Down, the Prevailing Principal Amount may, in the sole and absolute discretion of the Issuer and subject to certain conditions, be subsequently reinstated (in whole or in part) out of the profits generated by the Issuer or the Group, as further described in Condition 6.5.**

**The Notes are also subject to loss absorption upon the occurrence of a Non-Viability Event (as defined in Condition 6.6), in which case, an investor in the Notes may lose some or all of its investment in the Notes. See “Risk Factors – Potential Permanent Write-Down – The Prevailing Principal Amount outstanding of the Notes will be permanently Written-Down by the amount determined by the BRSA upon the occurrence of a Non-Viability Event with respect to the Issuer” herein and Condition 6.2.**

If at any time a Tax Event or a Capital Disqualification Event occurs, the Issuer may, at its sole discretion, instead of giving notice to redeem the Notes pursuant to Condition 8.3 or 8.4, as the case may be, but subject to compliance with Applicable Banking Regulations and, to the extent required, the prior approval of the BRSA, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly (without any requirement for the consent or approval of the Noteholders), provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities (as defined in Condition 8.4). See “Risk Factors - Risks Related to the Structure of the Notes - Substitution and variation of the Notes without Holder consent” and Condition 8.5.

There is currently no public market for the Notes. This Prospectus has been approved as a prospectus by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “MiFID II”) and/or which are to be offered to the public in any member state of the European Economic Area (the “EEA”). Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“Euronext Dublin”) for the Notes to be admitted to the official list (the “Official List”) and trading on its regulated market (the “Euronext Dublin Regulated Market”). This Prospectus constitutes a “Prospectus” for the purposes of the Prospectus Regulation. References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Euronext Dublin Regulated Market. The Euronext Dublin Regulated Market is a regulated market for the purposes of MiFID II.

This Prospectus will be valid until the admission of the Notes to trading on the Euronext Dublin Regulated Market. The obligation to supplement the Prospectus in the event of any significant new factor, material mistake or material inaccuracy does not apply when the Prospectus is no longer valid.

Application has been made to the Capital Markets Board of Türkiye (the “CMB”) in its capacity as competent authority under Law No.6362 (the “Capital Markets Law”) of Türkiye relating to capital markets, for the issuance and sale of the Notes by the Issuer outside of Türkiye. The Notes cannot be sold outside Türkiye before the necessary approvals and an approved issuance certificate in respect of the Notes are obtained from the CMB. The CMB approval relating to the issuance of the Notes based upon which the offering of the Notes will be conducted was obtained on 27 April 2023 by the CMB letter dated 28 April 2023 and numbered E-29833736-105.02.02-36688 and the final approval of the CMB (which may be in the form of a tranche issuance certificate (*tertip ihrac belgesi*) or in any other form required under the applicable legislation) relating to the Notes is expected to be obtained from the CMB on or before the Issue Date.

As at the date of this Prospectus, the Issuer's current long term foreign currency rating by Fitch Ratings Limited ("Fitch") is B with "Positive" outlook and Moody's Investors Service (Nordics) AB ("Moody's") is B3 with "Positive" outlook, and the Issuer's current long term local currency rating by Fitch is B with "Stable" outlook and Moody's is B3 with "Positive" outlook. The Notes are expected on issue to be rated CCC by Fitch. As of the date of this Prospectus, Fitch is not established in the EEA and is not registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"), but the rating it has given to the Notes is endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation and has not been withdrawn. Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As of the date of this Prospectus, Moody's is established in the EEA and is registered under the CRA Regulation. As such, each of Fitch Ratings Ireland Limited and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Fitch is a credit rating agency established in the United Kingdom (the "UK") and registered under the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK CRA Regulation"). As such, ratings issued by Fitch may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. Moody's is not established in the UK and has not applied for registration under the UK CRA Regulation. Accordingly, the ratings issued by Moody's have been endorsed by Moody's Investors Service Limited in accordance with the UK CRA Regulation and have not been withdrawn. Moody's Investors Service Limited is established in the UK and registered under the UK CRA Regulation. As such, ratings issued by Moody's may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the Financial Conduct Authority ("FCA") Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore ("MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes (as defined in Condition 9) imposed or levied by or on behalf of a Relevant Jurisdiction (as defined in Condition 9) other than Taxes withheld relating to FATCA (as defined in Condition 7.1), unless the withholding or deduction of the Taxes is required by law. In that event, except as provided for in Condition 9, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders (as defined below) after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under decrees numbered 2010/1182 published on 20 December 2010 and numbered 2011/1854 published on 29 June 2011, and Presidential Decree No. 842 published on 21 March 2019 (the "Tax Decrees"). Pursuant to the Tax Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (iii) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0%. Accordingly, the withholding tax rate on interest on the Notes is 0%. See "*Taxation—Certain Turkish Tax Considerations*" in the Base Prospectus.

The Notes are being offered under Rule 144A and under Regulation S by Abu Dhabi Commercial Bank P.J.S.C., Citigroup Global Markets Limited, Emirates NBD Bank PJSC, Merrill Lynch International, Morgan Stanley & Co. International plc and Standard Chartered Bank (collectively, the "Joint Bookrunners"), subject to their acceptance and right to reject orders in whole or in part. The Notes will initially be represented by global notes in registered form (the "Global Notes"). The Notes offered and sold in the United States to QIBs in reliance on Rule 144A (the "Rule 144A Notes") will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons (the "Restricted Global Note") and will be registered in the name of Cede & Co., as nominee for The Depositary Trust Company ("DTC") and will be deposited on or about the Issue Date (as defined below) with The Bank of New York Mellon, New York Branch in its capacity as custodian (the "Custodian") for DTC. The Notes offered and sold outside the United States to persons other than U.S. persons in reliance on Regulation S (the "Regulation S Notes") will be represented by beneficial interests in a single, permanent global note in fully registered form without interest coupons (the "Unrestricted Global Note") and will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee, and will be deposited on or about the Issue Date with The Bank of New York Mellon, London Branch as common depositary for, and in respect of interests held through, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). It is expected that the Global Notes will be delivered against payment therefor in immediately available funds on the Issue Date.

**The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in MiFID II) in the EEA or to retail clients (as defined in the COBS) in the UK. Prospective investors are referred to the section headed "Prohibition on marketing and sales of Notes to retail investors" of this Prospectus for further information.**

#### *Joint Bookrunners*

Abu Dhabi Commercial Bank    BofA Securities    Citigroup    Emirates NBD Capital    Morgan Stanley    Standard Chartered Bank

The date of this Prospectus is 2 April 2024.

This prospectus (the “Prospectus”) constitutes a prospectus for the purposes of Article 6.3 of the Prospectus Regulation and for the purpose of giving necessary information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is material to an investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes, and the reasons for the issuance and its impact on the Issuer. This Prospectus is to be read in conjunction with all documents (or parts thereof) which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that such documents (or parts thereof) are incorporated by reference in, and form part of, this Prospectus. Where there is any inconsistency between the Base Prospectus (as defined in “*Documents Incorporated by Reference*” below) relating to the Issuer’s Global Medium Term Note Programme (the “Programme”) and this Prospectus, the language used in this Prospectus shall prevail.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material with respect to the Issuer and the Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions, predictions and intentions expressed in this Prospectus are honestly held and are not misleading in any material respects and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions, predictions or intentions misleading in any material respect, and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners to subscribe for or purchase, any Notes. The distribution of this Prospectus and the offer or sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

No person has been authorised in connection with the offering of the Notes to give any information or make any representation regarding the Issuer, the Joint Bookrunners or the Notes other than as contained in this Prospectus. Any such representation or information must not be relied upon as having been authorised by the Issuer or the Joint Bookrunners. The delivery of this Prospectus at any time does not imply that there has been no change in the Issuer’s affairs or that the information contained in it is correct as at any time subsequent to its date. This Prospectus may only be used for the purpose for which it has been published.

No representation or warranty, express or implied, is made by the Joint Bookrunners as to the accuracy or completeness of the information set forth in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation, whether as to the past or the future. None of the Joint Bookrunners assumes any responsibility for the accuracy or completeness of the information set forth in this document or any responsibility for any acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

None of the Issuer or the Joint Bookrunners or any of their respective representatives is making any representation to any offeree or purchaser of the Notes regarding the legality of any investment by such offeree or purchaser under appropriate legal investment or similar laws. Each investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

In this Prospectus, the “Group” refers to the Issuer and its consolidated subsidiaries, unless the context otherwise requires.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Unless otherwise indicated, “**Noteholder**” refers to the registered holder of any Note. “**Beneficial Owner**” refers to an owner of a beneficial interest in any Note.

Unless otherwise indicated, references to “**resident**” herein refer to tax residents of Türkiye and references to “**non-resident**” herein refer to persons who are not tax residents of Türkiye.

The Notes have not been and will not be registered under the Securities Act or under the securities or “blue sky” laws of any state of the United States or any other U.S. jurisdiction. Each investor, by purchasing a Note (or a beneficial interest therein), agrees that the Notes (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act or pursuant to the exemptions therefrom described under “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus. Each investor also will be deemed to have made certain representations and agreements as described therein. Any resale or other transfer, or attempted resale or other attempted transfer that is not made in accordance with the transfer restrictions may subject the transferor and transferee to certain liabilities under applicable securities laws.

Prospective investors that are U.S. persons should note that the issue date for the Notes will be more than two relevant business days (this settlement cycle being referred to as “T+2”) following the trade date of the Notes. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), of the United States, a trade in the United States in the secondary market generally is required to settle in two business days unless otherwise expressly agreed to by the parties at the time of the transaction. Accordingly, investors who wish to trade interests in the Notes in the United States on the trade date relating to such Notes or the next business day will likely be required, by virtue of the fact that the Notes initially will settle on a settlement cycle longer than T+2, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

Prospective investors must determine the suitability of investment in the Notes in the light of their own circumstances. In particular, prospective investors should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the investor’s overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect the investor’s investment and ability to bear the applicable risks.

The issuance of the Notes was approved by the CMB on 27 April 2023 in its letter dated 28 April 2023 and numbered E-29833736-105.02.02-36688 (the “**CMB Approval**”) and by the BRSA in its letter provided on 14 March 2024 and numbered E-32521522-101.02.01[50]-113753 (the “**BRSA Approval**” and, together with the CMB Approval, the “**Approvals**”). In addition, the final approval of the CMB (which may be in the form of a tranche issuance certificate (*tertip ihraç belgesi*) or in any other form required under the applicable legislation) relating to the Notes is expected to be obtained from the CMB on or prior to the Issue Date.

Pursuant to the Approvals, the offering of the Notes has been authorised by the CMB only for the purpose of the sale of the Notes outside of Türkiye in accordance with Article 15(b) of Decree 32 on the Protection of the Value of the Turkish Currency (as amended from time to time, “**Decree 32**”), the Capital Markets Law No. 6362 and Communiqué Serial VII, No 128.8 on Debt Instruments (the “**Communiqué on Debt Instruments**”).

The BRSA Approval authorised the treatment of the Notes as Additional Tier 1 capital of the Issuer for so long as the Notes comply with the requirements of the Regulation on the Equity of Banks (published in the Official Gazette dated 5 September 2013 (No. 28756) (the “**Equity Regulation**”). The BRSA Approval is conditional on the compliance of the Notes with the requirements of the Equity Regulation. For a description of the regulatory requirements in relation to Additional Tier 1 capital, see “*Additional Information – Turkish Regulatory Environment*”.

In addition, the Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye in accordance with the Approvals. Under the CMB Approval, the CMB has authorised the offering, sale and issue of the Notes on the condition that no sale or offering of Notes (or beneficial interests therein) may be made by way of public offering or private placement in Türkiye. Pursuant to Article 15(d)(ii) of Decree 32, there is no restriction on the purchase or sale of the Notes (or beneficial interests therein) by residents of Türkiye offshore on an unsolicited (reverse inquiry) basis in both the primary and secondary markets; *provided that* such purchase or sale is made through licensed banks and/or licensed brokerage institutions authorised pursuant to the BRSA and/or CMB regulations and the purchase price is transferred through licensed banks authorised pursuant to BRSA regulations. Monies paid for purchases of the Notes are not protected by the insurance coverage provided by the Savings Deposit Insurance Fund of Türkiye (the “**SDIF**”).

Pursuant to the Communiqué on Debt Instruments, the Issuer is required to notify the Central Registry Agency (*Merkezi Kayıt Kuruluşu*) within three Turkish business days from the Issue Date of the amount, issue date, ISIN, first payment date, maturity date, interest rate, name of the custodian, currency of the Notes and the country of issuance. Except as described in this Prospectus, beneficial interests in the Global Notes will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC, Euroclear and Clearstream, Luxembourg. Except as described in this Prospectus, owners of beneficial interests in the Global Notes will not be entitled to have the Notes registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered holders of the Notes under the Notes and the Agency Agreement (as defined below).

An application has been made to admit the Notes to listing on Euronext Dublin; however, no assurance can be given that such application will be accepted.

This Prospectus has been filed with and approved by the Central Bank of Ireland as required by the Prospectus Regulations.

## **PROHIBITION ON MARKETING AND SALES OF NOTES TO RETAIL INVESTORS**

The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, the COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “**retail client**”) in the UK.

In October 2018, the Hong Kong Monetary Authority (the “**HKMA**”) issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss absorption features and related products (the “**HKMA Circular**”). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO, a “**Hong Kong professional investor**”) only and are generally not suitable for retail investors in either the primary or secondary markets.

In Singapore, the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”), the Financial Advisers Act (Chapter 110 of Singapore) (the “**FAA**”), the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the “**Guidelines on Fair Dealing**”) and the Code of Conduct for Private Banking in Singapore (the “**PB Code**”)

contain additional obligations and/or guidance in relation to the marketing, offer and sale of the Notes to investors in Singapore. The SFA, the FAA, the Guidelines on Fair Dealing and the PB Code are together referred to as the “**Singapore Regulations**”.

The COBS, the HKMA Circular and the Singapore Regulations are together referred to as the “**Regulations**”.

Each of the Joint Bookrunners is required to comply some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest therein) from the Issuer and/or any Joint Bookrunner, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and each of the Joint Bookrunners that:

1. it is not a retail client in the UK;
2. it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus, in preliminary or final form) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that communication, invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK;
3. whether or not it is subject to the Regulations, it will not:
  - (i) sell or offer the Notes (or any beneficial interests therein) to any retail clients or any person in Hong Kong that is not a Hong Kong professional investor or any person in Singapore that is not an "accredited investor" or an "institutional investor" (each as defined in Section 4A of the SFA, a “**Singapore professional investor**”); or
  - (ii) communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail or any person in Hong Kong or Singapore that is not a Hong Kong professional investor or a Singapore professional investor, respectively;
4. if it is in Hong Kong, it is a Hong Kong professional investor; and
5. if it is in Singapore, it is a Singapore professional investor.

In selling or offering the Notes or making or approving communications, invitations or inducements relating to the Notes, each prospective investor may not rely on the limited exemptions set out in COBS.

The above obligations and Regulations are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA the UK, Hong Kong or Singapore) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interest therein), whether or not specifically mentioned in this Prospectus, in preliminary or final form, including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interest therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Bank and/or the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

**IMPORTANT – EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II or (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes

(or beneficial interests therein) or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investors in the EEA might be unlawful under the PRIIPs Regulation.

**IMPORTANT - UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**UK MiFIR product governance / Professional investors and ECPs only target market** - Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

## **PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001, AS MODIFIED OR AMENDED FROM TIME TO TIME**

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

All references herein to “**Türkiye**” are to the Republic of Türkiye, all references to “**Ireland**” are to Ireland (exclusive of Northern Ireland).

**In connection with the issue of the Notes to be underwritten by the Joint Bookrunners, Morgan Stanley & Co. International plc (the “Stabilisation Manager”) (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the issue of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules. Notwithstanding anything herein to the contrary, the Issuer may not (whether through over-allotment or otherwise) issue more Notes than have been approved by the CMB.**

Other than the Approvals, the Notes have not been approved or disapproved by any state securities commission or any other U.S., Turkish, United Kingdom, Irish or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary may be a criminal offence.

The distribution of this Prospectus and the offering of the Notes (and beneficial interests therein) in certain jurisdictions may be restricted by law. Persons that come into possession of this Prospectus are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes (or any beneficial interest therein) in any jurisdiction in which such offer or solicitation is unlawful. In particular, there are restrictions on the distribution of this Prospectus and the offer and sale of the Notes (and beneficial interests therein) in the United States, Türkiye, the United Kingdom, Ireland and other jurisdictions.

## **RESPONSIBILITY STATEMENT**

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

The Issuer has derived substantially all of the information contained in this Prospectus concerning the Turkish market and its competitors, which may include estimates or approximations, from publicly available information, including press releases and filings made under various securities laws. Unless otherwise indicated, all data relating to the Turkish banking sector in this Prospectus has been obtained from the website of the BRSA at [www.bddk.org.tr](http://www.bddk.org.tr) and the Banks' Association of Türkiye's website at [www.tbb.org.tr](http://www.tbb.org.tr) and all data relating to the Turkish economy, including statistical data, has been obtained from the website of the Turkish Statistical Institute (Türkiye İstatistik Kurumu) ("TurkStat") at [www.turkstat.gov.tr](http://www.turkstat.gov.tr), the Central Bank of Türkiye (the "Central Bank") website at [www.tcmb.gov.tr](http://www.tcmb.gov.tr) and the Turkish Treasury's website at [www.hazine.gov.tr](http://www.hazine.gov.tr). Data has been downloaded/observed on various days between the months of January 2023 and March 2024 and may be the result of calculations made by the Issuer and therefore may not appear in the exact same form on such websites or elsewhere. Such websites do not form a part of, and are not incorporated into, this Prospectus. Unless otherwise indicated, the sources for statements and data concerning the Issuer and its business are based on best estimates and assumptions of the Issuer's management. Management believes that these assumptions are reasonable and that its estimates have been prepared with due care. The data concerning the Issuer included herein, whether based on external sources or based on the Issuer's management internal research, constitute the best current estimates of the information described.

Any translation of information from Turkish into English for the purpose of inclusion in this Prospectus is direct and accurate.

Where third party information has been used in this Prospectus, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Such data, while believed to be reliable and accurately extracted by the Issuer for the purposes of this Prospectus, has not been independently verified by the Issuer or any other party and you should not place undue reliance on such data included in this Prospectus. As far as the Issuer is aware and able to ascertain from the information published by such third party sources, this information has been accurately reproduced and no facts have been omitted which would render the reproduction of this information inaccurate or misleading.

## **TURKISH TAX CONSIDERATIONS**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes (as defined in Condition 9) other than Taxes withheld relating to FATCA (as defined on page 62 below) imposed or levied by or on behalf of any Relevant Jurisdiction (as defined in Condition 9), unless the withholding or deduction of the Taxes is required by law. In that event, except as provided for in Condition 9, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under the Tax Decrees. Pursuant to the Tax Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (iii) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0%.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Alternative Performance Measures**

The section entitled “*Alternative Performance Measures*” on pages (ix) to (xii) (inclusive) of the Base Prospectus is incorporated herein by reference. For the purposes of this Prospectus only, investors should read the following with respect to measures that might be considered to be APMs in this Prospectus (and that are not defined or specified by the BRSA Principles or any other legislation applicable to the Group) in addition to those set out in the section entitled “*Alternative Performance Measures*” in the Base Prospectus:

*Core revenue margin:* For a particular year, this is: (a)(i) the Bank-only net interest income for such period, *less* (ii) net interest income relating to swap contracts for such period, and *plus* (iii) net fee and commission income for such period, *as a percentage of* (b) the Bank-only average interest-earning assets.

*Total loan-to-deposit ratio:* As of a particular date, this is: (a) the aggregate amount of cash loans and receivables (performing) as of such date, *as a percentage of* (b) the sum of (i) total deposits as of such date and (ii) TL bills as of such date.

*TL loan-to-deposit ratio:* As of a particular date, this is: (a) TL performing loans as of such date, *as a percentage of* (b) the sum of (i) TL deposits as of such date and (ii) TL bills as of such date.

*FC loan-to-deposit ratio:* As of a particular date, this is: (a) FC performing loans as of such date, *as a percentage of* (b) FC deposits in USD as of such date.

*Customer Demand Deposit share in Customer Deposits:* As of a particular date, this is: (a) customer demand deposits (*i.e.*, total demand deposits *less* bank demand deposits) as of such date, *as a percentage of* (b) customer deposits (*i.e.*, total deposits *less* bank deposits) as of such date.

*TL Customer Demand Deposit share in TL Customer Deposits:* As of a particular date, this is: (a) TL demand deposits (*i.e.*, total demand deposits *less* bank demand deposits, foreign currency demand deposits and precious metals deposits) as of such date, *as a percentage of* (b) TL deposits (*i.e.*, total deposits *less* bank deposits, foreign currency deposits and precious metals deposits) as of such date.

### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This Prospectus contains statements that may be considered to be “forward-looking statements” as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements appear in a number of places throughout this Prospectus, including, without limitation, under “*Risk Factors*”, “*Use of Proceeds*”, as well as under “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Business of the Bank*” and elsewhere in the Base Prospectus incorporated by reference herein, and include, but are not limited to, statements regarding:

- the impact of the offering of the Notes on the bank’s financial condition and its regulatory capital ratios;
- strategy and objectives;
- trends affecting the Bank’s results of operations and financial condition;
- expectations with respect to macroeconomic conditions and financial and currency markets, including future developments regarding inflation and foreign exchange rates;
- asset portfolios;
- loan loss reserve;
- capital adequacy;
- legal proceedings;
- macroeconomic policy, such as with respect to central bank interest rates and central bank policies impacting the Bank;

- competitive advantages or pressures;
- future growth and expansion;
- the impact of rating actions;
- future regulatory developments in the Turkish banking industry;
- the Bank's exposure to market volatility; and
- environmental and social governance goals.

The forward-looking statements may also be identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “probability”, “target”, “goal”, “objective”, “future” or similar expressions or variations on such expressions.

By their nature, forward-looking statements involve uncertainties and assumptions, see “*Risk Factors*” herein and as incorporated by reference from the Base Prospectus for important factors that could cause actual results to differ materially from those in such forward-looking statements.

You should not place undue reliance on any forward-looking statements. The Bank does not have any intention or obligation to update forward-looking statements to reflect new information, future events or matters that may cause the forward-looking events the Bank discusses in this Prospectus not to occur or to occur in a manner different from what the Bank expects.

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## OVERVIEW OF THE OFFERING OF THE NOTES

*The following is an overview of certain information relating to the offering of the Notes, including the principal provisions of the terms and conditions thereof. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus (including in the Base Prospectus). See, in particular, “Terms and Conditions of the Notes”. Terms used in this section and not otherwise defined shall have the meanings given to them in the Terms and Conditions of the Notes.*

<b>Issue</b>	U.S.\$500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes.
<b>Interest and Interest Payment Dates</b>	<p>The Notes will bear interest from and including the Issue Date to (but excluding) the First Reset Date at a fixed rate of 9.743 per cent. per annum. From (and including) each Reset Date to (but excluding) the next succeeding Reset Date, the Notes will bear interest at a fixed rate equal to the Reset Interest Rate. Interest will be payable semi-annually in arrear on each of 4 July and 4 January in each year commencing on 4 July 2024, provided that if any such date is not a Payment Day (as defined in Condition 7.4), then the Noteholders will not be entitled to payment until the next following Payment Day in the relevant place and will not be entitled to further interest or other payment in respect of such delay. There will be a short first Interest Period.</p> <p><b>“Reset Interest Rate”</b> means the rate per annum equal to the aggregate of: (a) the Reset Margin and (b) the CMT Rate in relation to such Reset Period (each as defined in Condition 5.13), as determined by the Fiscal Agent on the Reset Determination Date.</p>
<b>Interest Cancellation</b>	<p>The Issuer may elect, in its sole and absolute discretion, to cancel any payment of interest that is otherwise scheduled to be paid on an Interest Payment Date in whole or in part at any time and for any reason. The Issuer will also be obliged to cancel interest in certain circumstances. See Condition 5.</p> <p>If a Capital Disqualification Event (as defined below) has occurred in respect of the Notes and the Notes are no longer eligible to comprise (in whole and not part only) Additional Tier 1 capital of the Issuer, in the event that the Issuer does not exercise its option to redeem the Notes, the interest cancellation provisions shall cease to apply to the Notes and the Issuer shall no longer have the discretion to cancel any interest payments due on the Notes on any Interest Payment Date following the occurrence of that Capital Disqualification Event.</p> <p>If, on any Interest Payment Date, any payment of interest in respect of the Notes scheduled to be made on such date is not made in full and such unpaid amount is cancelled, then certain restrictions on the recommendation by the board of directors of the Issuer with respect to Distributions and the</p>

	acquisition of Junior Obligations (including any Ordinary Shares or other class of share capital of the Issuer will apply, as further described in Condition 5.11.
<b>Issue Date</b>	4 April 2024.
<b>First Reset Date</b>	4 July 2029.
<b>Use of Proceeds</b>	The Issuer intends to use the proceeds of the Offering, estimated to amount to approximately U.S.\$500,000,000, for its general corporate purposes.
<b>Regulatory Treatment</b>	Application was made by the Issuer to the BRSA for confirmation that the full principal amount of the Notes will qualify for initial treatment as Additional Tier 1 capital (as provided under Article 7 of the Equity Regulation), which approval was received on 14 March 2024. See “ <i>Additional Information – Turkish Regulatory Environment</i> ”.
<b>Status and Subordination</b>	<p>See Condition 3.1. The Notes (and claims for payment by the Issuer in respect thereof) will constitute direct, unsecured and subordinated obligations of the Issuer and shall, in the case of a Subordination Event and for so long as that Subordination Event subsists, rank:</p> <ul style="list-style-type: none"> <li>(a) subordinate in right of payment to the payment of all Senior Obligations,</li> <li>(b) <i>pari passu</i> without any preference among themselves and with all Parity Obligations, and</li> <li>(c) in priority to all payments in respect of Junior Obligations.</li> </ul> <p>By virtue of the subordination of the Notes set out in Condition 3, no amount will, in the case of a Subordination Event and for so long as that Subordination Event subsists, be paid under the Notes until all payment obligations in respect of Senior Obligations have been satisfied.</p>
<b>Trigger Event Write-Down of the Notes</b>	<p>If a Trigger Event occurs at any time, the Issuer will cancel any interest in respect of the Notes accrued and unpaid to (but excluding) the Trigger Event Write-Down Date and reduce the then Prevailing Principal Amount of each Note by the relevant Trigger Event Write-Down Amount in the manner described in Condition 6.1.</p> <p>Any Trigger Event Write-Down of the Notes will be effected, save as may otherwise be required by Applicable Banking Regulations, (i) such that each Note will be Written-Down <i>pro rata</i> with the other Notes and (ii) taking into account the write-down or conversion into equity of each other Trigger Event Loss-Absorbing Instrument to the extent required to</p>

	<p>restore the CET1 Ratio of the Issuer and/or the Group to the lower of (A) the Specified Trigger Threshold of such other Trigger Event Loss Absorbing Instrument and (B) 5.125 per cent.</p> <p>To the extent such write-down or conversion of any other Trigger Event-Loss Absorbing Instrument is not possible for any reason, this shall not in any way impact on any Trigger Event Write-Down of the Notes. The only consequence shall be that the Notes will be Written-Down and the Trigger Event Write-Down Amount determined as provided below without taking into account any such write down or conversion of such other Trigger Event Loss-Absorbing Instrument.</p> <p><b>“Trigger Event Write-Down Amount”</b> means save as may otherwise be required by Applicable Banking Regulations, the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down <i>pro rata</i> with the other Notes pursuant to a Trigger Event Write-Down, which amount shall be determined by the Issuer as:</p> <ul style="list-style-type: none"> <li>(i) the amount of such Prevailing Principal Amount that (together with the <i>pro rata</i> write down or conversion to the extent possible of any other Trigger Event Loss-Absorbing Instruments) would be sufficient to restore the CET1 Ratio of the Issuer and/or the Group, as the case may be, to at least 5.125 per cent. (but without taking into account for these purposes any further write down or conversion of any other Trigger Event Loss-Absorbing Instruments in accordance with their terms by any amount greater than the <i>pro rata</i> amount necessary to so restore such CET1 Ratios); or</li> <li>(ii) if such Write-Down (together with the write down or conversion to the extent possible of any other Trigger Event Loss-Absorbing Instruments) would be insufficient to so restore such CET1 Ratio(s), the amount necessary to reduce the Prevailing Principal Amount of each Note to one cent.</li> </ul>
<b>Non-Viability Event Write-Down of the Notes</b>	If a Non-Viability Event occurs at any time, the Issuer will cancel any interest in respect of the Notes accrued and unpaid to (but excluding) the date of the occurrence of that Non-Viability Event (including if payable on such date) and will, <i>pro rata</i> with the other Notes and any other Parity Loss-Absorbing Instruments, reduce the then Prevailing Principal Amount of each outstanding Note by the relevant Non-Viability Event Write-Down Amount in the manner described in Condition 6.2. See Condition 6.

<b>Reinstatement</b>	<p>To the extent the Prevailing Principal Amount of the Notes is less than their Initial Principal Amount at any time as a result of a Trigger Event Write-Down, the Issuer may increase the Prevailing Principal Amount of each Note (a “<b>Write-Up</b>”) up to a maximum of its Initial Principal Amount. Any Write-Up (including the amount of such Write-Up) shall be:</p> <ul style="list-style-type: none"> <li>(a) subject to compliance with Applicable Banking Regulations and, if required by Applicable Banking Regulations, to having obtained the prior approval of the BRSA;</li> <li>(b) in the sole and absolute discretion of the Issuer;</li> <li>(c) effected only to the extent that both a positive Solo Distributable Net Profit and a positive Consolidated Distributable Net Profit are recorded;</li> <li>(d) effected on a <i>pro rata</i> basis with the other Notes and any Written-Down Additional Tier 1 Instruments of the Issuer or the Group that have terms permitting a principal write-up to occur on a basis similar to that set out in these provisions in the circumstances existing on the date of the relevant Write-Up;</li> <li>(e) subject to the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group (when the amount of the Write-Up is aggregated together with any other Relevant Distributions) not being exceeded thereby; and</li> <li>(f) effected only if the sum of: <ul style="list-style-type: none"> <li>(i) the aggregate amount of the relevant Write-Up on all of the Notes;</li> <li>(ii) the aggregate amount of any payments of interest in respect of the Notes that were paid on the basis of a Prevailing Principal Amount lower than the Initial Principal Amount at any time after the end of the previous financial year;</li> <li>(iii) the aggregate amount of the increase in principal amount of each such Written-Down Additional Tier 1 Instrument at the time of the relevant Write-Up and the increase in principal amount of the Notes and any such Written-Down Additional Tier 1 Instrument as a result of any previous write-up since the end of the previous financial year; and</li> <li>(iv) the aggregate amount of any payments of interest or distributions in respect of each such Written-Down Additional Tier 1 Instrument that were paid on the basis of</li> </ul> </li> </ul>
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	<p>a principal amount lower than the principal amount it was issued with at any time after the end of the previous financial year,</p> <p>does not exceed the Maximum Write-Up Amount as of the date of the relevant Write-Up.</p> <p><b>"Maximum Write-Up Amount"</b> means the lower of:</p> <ul style="list-style-type: none"> <li>(A) the Solo Distributable Net Profit multiplied by the sum of the aggregate Initial Principal Amount of the Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the Issuer, and divided by the total Tier 1 capital of the Issuer as at the date of the relevant Write-Up; and</li> <li>(B) the Consolidated Distributable Net Profit multiplied by the sum of the aggregate Initial Principal Amount of the Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the Group, and divided by the total Tier 1 capital of the Group as at the date of the relevant Write-Up,</li> </ul> <p>or any higher amount permissible pursuant to Applicable Banking Regulations in force on the date of the relevant Write-Up.</p> <p>See Condition 6.5.</p>
<b>No Set-off or Counterclaim</b>	See Condition 3.2.
<b>No Link to Derivative Transactions, Guarantees or Security</b>	See Condition 3.3.
<b>Certain Covenants</b>	The Issuer will agree to certain covenants, including covenants limiting transactions with Affiliates. See Condition 4.
<b>Redemption at the option of the Issuer</b>	The Issuer may, having given not less than 5 nor more than 60 days' notice to the Noteholders (which notice will be irrevocable and will specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding, subject (if required by applicable law) to having obtained the prior approval of the BRSA, on (a) any date from (and including) 4 April 2029 to (and including) the First Reset Date or (b) any Interest Payment Date thereafter, at their then Prevailing Principal Amount together with interest accrued and unpaid to (but excluding) the date of redemption. See Condition 8.2.
<b>Redemption upon a Capital Disqualification Event</b>	The Issuer may, having given not less than 5 nor more than 60 days' notice to the Noteholders (which notice will be irrevocable and will specify the date

	<p>fixed for redemption, which date shall not be earlier than the date falling three months prior to the date on which the Notes (or the applicable portion thereof) cease to be eligible for inclusion as Additional Tier 1 capital of the Issuer), redeem all, but not some only, of the Notes then outstanding, subject (if required by applicable law) to having obtained the prior approval of the BRSA, at any time at their then Prevailing Principal Amount together with interest accrued and unpaid to (but excluding) the date of redemption upon the occurrence of a Capital Disqualification Event.</p> <p><b>“Capital Disqualification Event”</b> means if, as a result of any change in applicable law (including the Equity Regulation), or the application or official interpretation thereof, as confirmed in writing by the BRSA, all or any part of the aggregate Prevailing Principal Amount of the outstanding Notes is not (or will cease to be) eligible for inclusion as Additional Tier 1 capital of the Issuer. See Condition 8.4.</p>
<b>Redemption for Tax Reasons</b>	See Condition 8.3.
<b>Substitution or Variation instead of Redemption</b>	If at any time a Capital Disqualification Event or a Tax Event occurs, the Issuer may either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities. See Condition 8.5.
<b>Taxation; Payment of Additional Amounts</b>	<p>See Condition 9.</p> <p>As of the date of this Prospectus, withholding tax at the rate of 0 per cent. applies on interest on the Notes. See “<i>Taxation - Certain Turkish Tax Considerations</i>” in the Base Prospectus.</p>
<b>Enforcement</b>	Upon the occurrence of certain events, the holder of any Note may exercise certain limited remedies. See Condition 11.
<b>Form, Transfer and Denominations</b>	The Regulation S Notes will be represented by beneficial interests in the Unrestricted Global Note in registered form, without interest coupons attached, which will be delivered to a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. The Rule 144A Notes will be represented by beneficial interests in the Restricted Global Note, in registered form, without interest coupons attached, which will be deposited with the Custodian, and registered in the name of Cede & Co., as nominee for, DTC. Except in limited circumstances, definitive Notes in registered form will not be issued in exchange for beneficial interests in the Global Notes. See “ <i>Terms and Conditions of the Notes—Condition 2</i> ” in the Base Prospectus.

	<p>Interests in the Rule 144A Notes will be subject to certain restrictions on transfer. See “<i>Transfer Restrictions</i>” herein. Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg, in the case of the Regulation S Notes, and by DTC and its direct and indirect participants, in the case of the Rule 144A Notes.</p> <p>Notes will be issued in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 thereafter. See Condition 1.</p>
<b>Purchases by the Issuer, its Subsidiaries and its Affiliates</b>	Except to the extent permitted by applicable law, the Notes shall not be purchased by, or otherwise assigned and/or transferred to, or for the benefit of, any Related Entity (as defined in Condition 8.6) or the Issuer. If so permitted by applicable law, and subject to having obtained the prior approval of the BRSA (if so required by applicable law), the Issuer or any Related Entity may at any time purchase Notes in any manner and at any price in the open market or otherwise.
<b>Governing Law</b>	The Notes will be, and the Agency Agreement, the Deed of Covenant and the Deed Poll are, and any non-contractual obligations arising out of, or in connection with, any of them will be, governed by and construed in accordance with English law, except for the provisions of Condition 3, which are and shall be governed by, and construed in accordance with, Turkish law.
<b>Listing</b>	An application has been made to Euronext Dublin to admit the Notes to listing on the Official List and trading on the Euronext Dublin Regulated Market. However, no assurance can be given that such application will be accepted.
<b>Other Selling Restrictions</b>	The Notes have not been nor will be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act), except to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The offer and sale of Notes is also subject to restrictions in Türkiye and the United Kingdom. See “ <i>Subscription and Sale and Transfer and Selling Restrictions—Selling Restrictions</i> ” in the Base Prospectus.
<b>Risk Factors</b>	For a discussion of certain risk factors relating to Türkiye, the Issuer and the Notes that prospective

	investors should carefully consider prior to making an investment in the Notes, including certain risks relating to the structure of the Notes, see “ <i>Risk Factors</i> ” herein and in the Base Prospectus.
<b>Issue Price</b>	100% of the principal amount of the Notes payable in full in U.S. dollars on the Issue Date.
<b>Yield to the First Reset Date</b>	9.75% per annum. The yield is calculated at the Issue Date as the yield to the First Reset Date. It is not an indication of future yield.
<b>Regulation S Security Codes</b>	ISIN: XS2796491681  Common Code: 279649168
<b>Rule 144A Security Codes</b>	ISIN: US984848AS09  CUSIP: 984848 AS0  Common Code: 279742419
<b>Representation of Noteholders</b>	There will be no trustee.
<b>Expected Ratings</b>	CCC by Fitch
<b>Fiscal Agent, Exchange Agent, Principal Paying and Transfer Agent:</b>	The Bank of New York Mellon, London Branch
<b>Registrar:</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch

## RISK FACTORS

An investment in the Notes involves certain risks. Prior to making an investment decision, prospective purchasers of the Notes should carefully read the entire Prospectus and the documents (or parts thereof) that are incorporated herein by reference, and in particular should consider all the risks inherent in making such an investment, including the information under the heading “Risk Factors” on pages 9 to 50 (inclusive) of the Base Prospectus (other than the information under the heading “Risks Related to the Structure of a Particular Issue of Notes” for which investors should refer to the below) (the “**Programme Risk Factors**”), before making a decision to invest. In addition to the other information in this Prospectus a number of factors that are material for the purpose of assessing the market risks associated with the Notes are also described in the Programme Risk Factors. Prospective investors should also read the detailed information set out elsewhere in (or incorporated by reference into) this Prospectus and reach their own views prior to making any investment decision. If any of the risks set out in the Programme Risk Factors or herein actually occur, the market value of the Notes may be adversely affected. The Bank believes that the factors described in the Programme Risk Factors and below represent the principal risks inherent in investing in the Notes, but the Bank does not represent that such statements regarding the risks of holding any Notes are exhaustive.

The Programme Risk Factors are incorporated by reference into this Prospectus. For the purpose of the Notes only, investors should read the following “Risks Related to the Structure of a Particular Issue of Notes” (with references to Conditions in the following being references to the Conditions of the Notes as forth in “Terms and Conditions of the Notes” herein) in addition to the Programme Risk Factors:

### Risks Related to the Structure of the Notes

#### ***The Notes are complex instruments that may not be suitable for all investors***

The Notes may not be suitable for all investors. Prospective investors must determine the suitability of investment in the Notes in the light of their own circumstances. In particular, prospective investors should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the investor’s overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect the investor’s investment and ability to bear the applicable risks.

A potential investor should not invest in the Notes unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

#### ***Subordination – Claims of Noteholders under the Notes will be unsecured and deeply subordinated***

The Notes will constitute unsecured and deeply subordinated obligations of the Issuer. On any distribution of the assets of the Issuer on its dissolution, winding-up or liquidation (as further described in the definition of “Subordination Event” in Condition 3.4), and for so long as such Subordination Event subsists, the Issuer’s obligations under the Notes will rank subordinate in right of payment to the payment of all Senior Obligations and no amount will be paid under the Notes until all such Senior Obligations have been paid in full. Unless the Issuer has assets remaining after making all such payments, no payments will be made on the Notes. Consequently, although the Notes may pay a higher rate of interest than comparable notes which are not

subordinated, there is a real risk that an investor in the Notes will lose all or some of its investment on the occurrence of a Subordination Event.

***Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written-Down***

The Notes are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as Additional Tier 1 capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions and which, in particular, require the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer and/or the Group.

Accordingly, if at any time the CET1 Ratio of the Issuer and/or the Group, in each case as determined by the Issuer, falls below 5.125 per cent., the Prevailing Principal Amount of the Notes shall be Written-Down by the relevant Trigger Event Write-Down Amount (being the amount sufficient to restore the CET1 Ratio of the Issuer and/or the Group, as the case may be, to at least 5.125 per cent. or otherwise to reduce such Prevailing Principal Amount to one cent), as described in Condition 6.1. Any Trigger Event Write-Down of the Notes will be effected, save as may otherwise be required by Applicable Banking Regulations, (i) such that each Note will be Written-Down *pro rata* with the other Notes and (ii) taking into account the write-down or conversion into equity of each other Trigger Event Loss-Absorbing Instrument to the extent required to restore the CET1 Ratio of the Issuer and/or the Group to the lower of (A) the Specified Trigger Threshold of such other Trigger Event Loss-Absorbing Instrument and (B) 5.125 per cent. (to the extent it is possible for such other Trigger Event Loss Absorbing Instruments to be written-down or converted into equity *pro rata* with any Trigger Event Write-Down of the Notes). Any such Trigger Event Write-Down of the Notes will not, therefore, take into account any further write-down or conversion of such other Trigger Event Loss-Absorbing Instruments in accordance with their terms in determining any Trigger Event Write-Down Amount in respect of the Notes necessary to restore the CET1 Ratio of the Issuer and/or the Group, as the case may be, to at least 5.125 per cent.

Noteholders may lose all or some of their investment as a result of such a reduction in the Prevailing Principal Amount of the Notes. The Trigger Event Write-Down of the Notes pursuant to Condition 6.1, together with any write-down or conversion to the extent possible of any other Trigger Event Loss Absorbing Instrument, may also result in the CET1 Ratio of the Issuer and/or the Group being restored to a level greater than the respective Trigger Event level, as all such instruments are intended to be written-down or converted into equity by at least the *pro rata* amount necessary to restore the CET1 Ratio of the Issuer and/or the Group to at least the Trigger Event level of 5.125 percent and the terms of certain instruments may require the further write-down or conversion of those instruments.

To the extent such write-down or conversion of any other Trigger Event Loss Absorbing Instrument is not possible for any reason, this shall not in any way impact on any Trigger Event Write-Down of the Notes. The only consequence shall be that the Notes will be Written-Down and the Trigger Event Write-Down Amount determined as provided below without taking into account any such write-down or conversion of such other Trigger Event Loss Absorbing Instrument.

A Trigger Event Write-Down of the Notes may occur at any time and on more than one occasion. Any such reduction of the Prevailing Principal Amount shall not constitute an event of default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer. Following any Trigger Event Write-Down, Noteholders' claims in respect of principal will, in all cases, be based on the reduced Prevailing Principal Amount to the extent the Prevailing Principal Amount has not subsequently been written up, as described in Condition 6.5. Furthermore, the occurrence of a Trigger Event Write-Down and the cancellation of any accrued and unpaid interest to (but excluding) the Trigger Event Write-Down Date in connection with such Trigger Event Write-Down will not in any way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any Junior Obligation or Parity Obligation other than payments to shareholders of the Issuer, which payments shall be subject to the provisions of Condition 5.11.

In addition, any accrued and unpaid interest to (but excluding) the Trigger Event Write-Down Date in connection with any Trigger Event Write-Down as described above will be cancelled, and interest will only continue to accrue on the Prevailing Principal Amount of the Notes following such Trigger Event Write-Down, which interest will accrue on a Prevailing Principal Amount that is lower than the Initial Principal Amount of

the Notes or, as the case may be, the Prevailing Principal Amount of the Notes immediately prior to such Trigger Event Write-Down.

Any redemption of the Notes pursuant to Condition 8.2 or upon the occurrence of a Tax Event or a Capital Disqualification Event following any such Trigger Event Write-Down will further be at the then Prevailing Principal Amount of the Notes, which may be lower than their Initial Principal Amount.

Following any such Trigger Event Write-Down, the Issuer will not in any circumstances be obliged to Write-Up the Prevailing Principal Amount of the Notes.

To the extent the Issuer does exercise its discretion to Write-Up the Notes, such Write-Up can only be undertaken as provided in Condition 6.5 and is subject to compliance with certain restrictions and Applicable Banking Regulations. A Write-Up may only occur if both a positive Solo Distributable Net Profit and a Consolidated Distributable Net Profit are recorded, and will be subject to the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group. No Write-Up of the Notes will be effected: (i) if a Trigger Event has occurred in respect of which the Trigger Event Write-Down has not yet occurred, (ii) if a Trigger Event has occurred in respect of which the Trigger Event Write-Down has occurred but the CET 1 Capital Ratio of the Issuer and/or the Group has not been restored to at least 5.125 per cent., (iii) if the Write-Up (together with any corresponding write-up of all other Written-Down Additional Tier 1 Instruments of the Issuer or the Group that have terms providing for such write-up) would cause a Trigger Event to occur, (iv) if a Non-Viability Event has occurred at any time subsequent to a Trigger Event insofar as the amount of the Notes Written-Down pursuant to that Trigger Event is concerned or (v) in respect of any Written-Down Amount of the Notes that has been Written-Down pursuant to a Non-Viability Event Write-Down.

Investors should note that, the risk of a Trigger Event Write-Down is an appreciable risk and is not limited to the liquidation or bankruptcy of the Issuer. It may result in Noteholders losing some or all of their investment. Due to the limited circumstances in which a Write-Up may be undertaken, any reinstatement of the principal amount of the Notes and recovery of such investment may only take place over an extended period, if at all and (among other reasons and without limiting the complete discretion of the Issuer in relation to any Write-Up (including the amount of such Write-Up)) may not occur as a result of any prior redemption of the Notes at their Prevailing Principal Amount pursuant to Condition 8.2 or upon the occurrence of a Tax Event or a Capital Disqualification Event).

Any Trigger Event Write-Down of the Notes or any suggestion of a Trigger Event Write-Down could, therefore, materially adversely affect the rights of Noteholders, the price or value of the Notes issued and/or the amounts payable by the Issuer to in respect of the Notes. The Notes are also subject to loss absorption upon the occurrence of a Non-Viability Event, and such Non-Viability Event may occur prior to the occurrence of a Trigger Event (see “*Potential Permanent Write-Down – The Prevailing Principal Amount outstanding of the Notes will be permanently Written-Down by the amount determined by the BRSA upon the occurrence of a Non-Viability Event with respect to the Issuer*”).

***Potential Permanent Write-Down – The Prevailing Principal Amount outstanding of the Notes will be permanently Written-Down by the amount determined by the BRSA upon the occurrence of a Non-Viability Event with respect to the Issuer***

If a Non-Viability Event occurs at any time, the Issuer shall cancel any interest in respect of the Notes accrued and unpaid to (but excluding) the date of occurrence of that Non-Viability Event (including if payable on such date) and:

- (a) *pro rata* with the other Notes and any other Parity Loss-Absorbing Instruments; and
- (b) in conjunction with, and such that no Non-Viability Event Write-Down shall take place without there also being, the maximum possible reduction in the principal amount and/or corresponding conversion into equity being made in respect of, or other absorption to the maximum extent possible under the laws of Türkiye of the relevant loss(es) by, all Junior Obligations (including CET1 Capital (in Turkish: *Çekirdek Sermaye*)) to the maximum extent allowed by law of the relevant loss(es) giving rise to the Non-Viability of the Issuer within the framework of the procedures and other measures by which the relevant loss(es) of

the Issuer giving rise to the Non-Viability Event may be absorbed by such Junior Obligations pursuant to Article 71 of Banking Law (No. 5411) and/or otherwise under Turkish law and regulations,

reduce the then Prevailing Principal Amount of each Note by the relevant Non-Viability Event Write-Down Amount. For these purposes, any determination of a Non-Viability Event Write-Down Amount will take into account the absorption of the relevant loss(es) by all Junior Obligations to the maximum extent possible or otherwise allowed by law and the Writing Down of the Notes pro rata with all other Parity Loss-Absorbing Instruments (if any), thereby maintaining the respective rankings of the Issuer's obligations as described in Condition 3.1.

A Non-Viability Event is defined in Condition 6.6 as the determination by the BRSA that, upon the incurrence of a loss by the Issuer (on a consolidated or non-consolidated basis), the Issuer has become, or it is probable that the Issuer will become, Non-Viable. The Issuer is Non-Viable at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law (No. 5411) that (i) its operating licence is to be revoked and the Issuer liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Issuer, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders.

Prior to any such determination of Non-Viability by the BRSA, there are a number of measures that may be taken by the BRSA under Articles 68 to 70 of the Banking Law (No. 5411) as a form of early intervention including corrective, rehabilitative and restrictive measures. In addition to the measures referred to in those Articles, the BRSA may also request other measures. These may include the BRSA calling for an increase in the bank's own funds, which the BRSA may look for the bank to achieve through, among other things, the issue of further shares (whether to existing or new shareholders). The scope and manner of implementation of the measures described above that may be taken pursuant to Articles 68 to 70 of the Banking Law (No. 5411) will be decided solely by the Board of the BRSA. The transfer of shareholders' rights (except to dividends) and the management and supervision of the Issuer to the SDIF under Article 71 of the Banking Law (No. 5411) on the condition that losses are deducted from the capital of existing shareholders will also take place only upon the decision of the Board of the BRSA.

It is only, as determined by the BRSA (a) where such measures are not taken either completely or partially, or are taken but the bank's financial structure is not strengthened or it is considered that the bank's financial structure cannot be strengthened, or (b) where the continuation of the operations of the bank is considered to be endangering the position for deposit holders and the security and stability of the financial system, or (c) upon the default or insolvency of the bank or fraud of its management, that the BRSA is then authorised under Article 71 of the Banking Law (No. 5411) to make the relevant determination that the bank's operating licence is to be revoked and the bank liquidated or its shareholders rights and management and supervision are to be transferred to the SDIF.

In conjunction with any determination by the BRSA of the Issuer's Non-Viability, the relevant loss(es) may be absorbed by shareholders of the Issuer pursuant to Article 71 of the Banking Law (No. 5411) upon: (a) the transfer of shareholders' rights (except to dividends) and the management and supervision of the Issuer to the SDIF, on the condition that such loss(es) are deducted from the capital of the shareholders or (b) the revocation of the Issuer's operating licence and its liquidation. However, the Non-Viability Event Write-Down of the Notes under the Equity Regulation may take place before any such transfer or liquidation.

Pursuant to the provision in the first paragraph of Condition 6.2, while the Notes may be Written-Down before any transfer or liquidation as described in the preceding paragraph, it is essential that the Non-Viability Event Write-Down takes place in conjunction with such transfer to the SDIF or revocation of the Issuer's operating licence and the possibility of its liquidation pursuant to Article 71 of the Banking Law (No. 5411) in order that the respective rankings described in Condition 3.1 are maintained and the relevant loss(es) are absorbed by Junior Obligations to the maximum extent possible. In this respect such action will be taken as is decided by the Board of the BRSA. Where a Non-Viability Event Write-Down of the Notes does take place before the liquidation of the Issuer, Noteholders would only be able to claim and prove in such liquidation in respect of the Prevailing Principal Amount of the outstanding Notes following the Non-Viability Event Write-Down. To the extent the Notes are Written-Down in full, Noteholders will have no further claim against the Issuer.

Notwithstanding the above, should the BRSA determine that the Notes are to be Written-Down before the absorption of the relevant loss(es) by shareholders of the Issuer pursuant to Article 71 of the Banking Law or any other Statutory Loss-Absorption Measure, there can be no assurance that such loss absorption will take place or that it will be taken into account by the BRSA in the determination of the Non-Viability Event Write-Down Amount.

Should such loss absorption not take place or be so taken into account by the BRSA, subject as described in “*Limited Remedies – Investors will have limited Remedies under the Notes*” below, a Noteholder may institute proceedings against the Issuer to enforce the above provisions of the Notes. However, to the extent any judgment was obtained in the United Kingdom on the basis of English law as the governing law of the Notes (other than those provisions of the Conditions governed by Turkish law), there is uncertainty as to the enforceability of any such judgment by the Turkish courts. In addition, there are certain circumstances in which the courts of Türkiye might not enforce a judgment obtained in the courts of another country, which are more fully described under the section entitled “*Enforcement of Judgments and Service of Process*” on page 51 of the Base Prospectus. Therefore, there can be no assurance that a Noteholder would be able to enforce in Türkiye any judgment obtained in the courts of another country in these circumstances.

Any Non-Viability Event Write-Down of the Notes would be permanent and Noteholders will have no further claim against the Issuer in respect of any amount of the Notes subject to any Non-Viability Event Write-Down. In addition, a Non-Viability Event may occur prior to the occurrence of a Trigger Event. Consequently, there is a real risk that an investor in the Notes will lose all or some of its investment upon the occurrence of a Non-Viability Event. Therefore, the occurrence of any such event or any suggestion of such occurrence could materially adversely affect the rights of Noteholders, the market price of investments in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. See Condition 6 for further information on any such potential Non-Viability Event Write-Down of the Notes, including for the definitions of various terms used above.

#### ***Payments of interest on the Notes are discretionary and subject to the fulfilment of certain conditions***

The Notes accrue interest as further described in Condition 5, but the Issuer may elect, in its sole and absolute discretion, to cancel any payment of interest which is otherwise scheduled to be paid on an Interest Payment Date in whole or in part at any time and for any reason. Payments of interest in respect of the Notes shall be made only out of Distributable Items of the Issuer (for further information regarding Distributable Items, see “*Risk Management—Capital Management*” in the Base Prospectus and “*Additional Information – Turkish Regulatory Environment*” below). To the extent that (i) the Issuer has insufficient Distributable Items to make any payment of interest in respect of the Notes scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid out of Distributable Items in such financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Issuer, and/or (ii) the BRSA, in accordance with Applicable Banking Regulations then in force, requires the Issuer to cancel the relevant payment of interest in respect of the Notes in whole or in part, then the Issuer will, without prejudice to the right above to cancel all such payments of interest in respect of the Notes, make partial or, as the case may be, no such payment of interest in respect of the Notes.

Moreover, no payment of interest will be made in respect of the Notes if and to the extent that such payment (i) would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group to be exceeded provided that a partial payment of interest may be made to the extent that such partial payment does not cause the relevant Maximum Distributable Amount to be exceeded; or (ii) would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Instruments pursuant to Applicable Banking Regulations. The calculation of the Maximum Distributable Amount is a complex calculation, which is subject to requirements applicable at the relevant time, and any shortfalls in CET1 Capital, Additional Tier 1 capital and Tier 2 capital will affect this calculation. As at 31 December 2023, the Group had excess Additional Tier 1 capital but a shortfall in Tier 2 capital compared to the BRSA’s minimum requirements. Reflecting the redemption of its US\$650 million Perpetual Fixed Rate Resettable Additional Tier 1 Notes and the issuance of its US\$650 million Tier 2 Notes, each of which closed in January 2024, the Group would have had a shortfall in Additional Tier 1 capital and a surplus of Tier 2 capital. The Group maintained a positive MDA Buffer.

Further, from time to time, as the BRSA has the authority to impose additional capital adequacy ratio requirements on a bank-by-bank basis, by taking into account their internal systems, their assets and financial

structure or otherwise as a result of the ICAAP process, the applicable capital adequacy ratios applicable as of the date of this Prospectus for the purposes of the calculation of the Maximum Distributable Amount may change. For further information regarding the Maximum Distributable Amount, see “*Additional Information – Turkish Regulatory Environment*”.

There can, therefore, be no assurance that a Noteholder will receive payments of interest in respect of the Notes. Unpaid interest is not cumulative or payable at any time thereafter and, accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes as a result of any cancellation of such payment of interest pursuant to Condition 5, then the right of the Noteholders to receive the relevant interest payment (or part thereof) will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) or to pay any interest thereon, whether or not interest on the Notes is paid in respect of any future Interest Period.

No such cancellation or non-payment of any interest (or part thereof) will constitute an event of default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer or in any way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any Junior Obligation or Parity Obligation other than payments to shareholders of the Issuer, which payments shall be subject to the provisions of Condition 5.11.

If, as a result of any of the conditions set out above being applicable, only part of any interest on the Notes may be paid, the Issuer may proceed, in its sole discretion, to make such partial interest payments under the Notes.

Furthermore, upon the occurrence of a Trigger Event or a Non-Viability Event, any accrued and unpaid interest on the Notes will be cancelled.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that, for example, the Issuer may not have sufficient Distributable Items or of the application of a Maximum Distributable Amount may have an adverse effect on the market price of the Notes.

***The circumstances that may give rise to a Trigger Event or the cancellation of any payment of interest on the Notes are unpredictable***

The occurrence of a Trigger Event and the cancellation of any payment of interest on the Notes is inherently unpredictable and depends on a number of factors, many of which are outside of the Issuer's control. For example, the occurrence of one or more of the risks described in “*Risk Factors - Risks Related to the Group's Business*” in the Base Prospectus, or the deterioration of the circumstances described therein, will substantially increase the likelihood of the occurrence of a Trigger Event or the cancellation of any payment of interest on the Notes. Furthermore, the occurrence of a Trigger Event depends, in part, on the calculation of the CET1 Ratio (which is to be determined by the Issuer) and payments of interest in respect of the Notes shall be made only out of Distributable Items and subject to any Maximum Distributable Amount not being exceeded as a result of any such payment, each of which can be affected, among other things, by the growth of the business and future earnings of the Issuer and/or the Group, as applicable; expected payments by the Issuer and/or the Group, as applicable, in respect of dividends and distributions and other equivalent payments in respect of instruments ranking junior to the Notes as well as other Additional Tier 1 Instruments; regulatory changes (including, in the case of the calculation of the CET1 Ratio and any Maximum Distributable Amount, possible changes in regulatory capital definitions and calculations, and the definition and calculation of risk weighted assets, and, in the case of Distributable Items, possible changes in the items eligible for such distribution, as well as reserve requirements) and, for the purposes of the CET1 Ratio and any Maximum Distributable Amount, the Issuer's ability to actively manage the risk weighted assets of the Issuer and the Group. The usual reporting cycle of the Issuer is for the CET1 Ratio of the Issuer and the Group to be reported on a quarterly basis in conjunction with its interim financial statements, which may mean investors are given limited warning of any significant deterioration in the CET1 Ratio. In addition, since the BRSA may require the Bank to calculate the CET1 Ratio at any time, a Trigger Event could occur at any time. The availability of Distributable Items for any interest payments and the making of such payments being subject to a Maximum Distributable Amount could also change at any time and with limited warning.

The CET1 Ratio and any Maximum Distributable Amount of the Issuer and/or the Group will also depend on the Issuer's decisions relating to its businesses and operations, as well as the management of its capital position, and may be affected by changes in applicable accounting rules or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. The Distributable Items of the Issuer will further depend on such decisions, as well as those relating to payments in respect of dividends, distributions and other equivalent payments, as well as changes in applicable accounting rules and similar regulatory adjustments. For example, the Issuer may decide not to, or not be able to, raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event or the cancellation of interest payments as a result of a Maximum Distributable Amount otherwise being exceeded. The Issuer may also decide to pay a dividend even if that would result in the subsequent cancellation of any interest payment in respect of the Notes. See also "*Risk Factors – Risks Related to the Group's Business*" in the Base Prospectus for further developments, circumstances and events which may impact the CET1 Ratio of the Issuer and/or the Group and/or result in the cancellation of interest payments in respect of the Notes.

Due to the inherent uncertainty in advance of any determination of a Trigger Event or cancellation of any interest payment in respect of the Notes regarding whether any such Trigger Event may exist or interest payment may be cancelled, it will be difficult to predict when, if at all, the Notes will be subject to a Trigger Event Write-Down or cancellation of an interest payment. Accordingly, trading behaviour in respect of the Notes is not necessarily expected to follow trading behaviour associated with other types of interest-bearing securities. Any indication that the Issuer and/or the Group, as applicable, is trending towards a Trigger Event or the cancellation of interest payments in respect of the Notes can be expected to have an adverse effect on the market price of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices comparable to other similar yielding instruments.

***Holders will bear the risk of movements in the CET1 Ratio of the Issuer and the Group that could give rise to the occurrence of a Trigger Event and the availability of Distributable Items or application of any Maximum Distributable Amount that could give rise to any cancellation of interest payments***

The market price of the Notes is expected to be affected by movements in the CET1 Ratio of the Issuer and the Group, and the availability of Distributable Items and application of any Maximum Distributable Amount, including, in particular, if at any time there is a significant deterioration in any such CET1 Ratio, the availability of sufficient Distributable Items for the making of any interest payments together with any other payments to be made from Distributable Items or so as to result in the possible application of a Maximum Distributable Amount. Any indication that the CET1 Ratio of the Issuer or the Group is trending towards occurrence of a Trigger Event or that the Issuer is trending towards the cancellation of interest payments in respect of the Notes may have an adverse effect on the market price of the Notes. The level of the CET1 Ratio and Distributable Items, as well as the relevant capital of the Bank and/or the Group for the purposes of any Maximum Distributable Amount may also significantly affect the market price of the Notes.

***Perpetual Notes***

The Issuer is under no obligation to redeem the Notes at any time and the Noteholders have no right to call for their redemption. The only circumstances in which Noteholders may claim payment in respect of the Notes is in the winding-up, dissolution or liquidation of the Issuer (see "*—Limited Remedies – Investors will have limited remedies under the Notes*" below).

***Early Redemption – The Notes may be subject to early redemption at the option of the Issuer***

The Issuer will have the right to redeem the outstanding Notes at their then Prevailing Principal Amount on (a) any date from (and including) 4 April 2029 to (and including) the Reset Date or (b) any Interest Payment Date thereafter, together with interest accrued and unpaid to (but excluding) the date of redemption, subject (if required by applicable law) to having obtained the prior approval of the BRSA in accordance with Condition 8.2 of the Notes. Any such prior approval of the BRSA is subject to the conditions under Article 7(2)(d) of the Equity Regulation that, among other things, (i) the Notes are replaced with an equivalent, or higher, quality of capital, and such replacement does not restrict the Issuer's ability to continue its operations and (ii) the Issuer continues to satisfy its applicable capital requirements following the exercise of the redemption option.

Also, the Issuer shall have the right to redeem the Notes pursuant to this optional redemption feature following a Write-Down before the Prevailing Principal Amount has been restored to the Initial Principal Amount

(including where such Write-Down occurs following the delivery to the Noteholders of a notice of redemption and prior to the relevant redemption of the Notes). Accordingly, Noteholders risk receiving only the amount of principal so reduced by the Write-Down.

This optional redemption feature is likely to limit the market value of the Notes during the period in which the Issuer may elect or is perceived to have such right to elect to redeem them, as the market value during this period generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to such period.

An investor might not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and might only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Redemption upon a Capital Disqualification Event – The Issuer will have the right to redeem the Notes upon the occurrence of a Capital Disqualification Event***

The Issuer will have the right to redeem the outstanding Notes at their then Prevailing Principal Amount, together with interest accrued and unpaid to (but excluding) the date of redemption, upon the occurrence of a Capital Disqualification Event. Upon such redemption, the investors in the Notes might not be able to reinvest the amounts received at a rate that will provide the same rate of return as their investment in the Notes. A Capital Disqualification Event includes any changes in applicable law (including the Equity Regulation), or the application or official interpretation thereof (which change in application or official interpretation is confirmed in writing by the BRSA), that results in all or any part of the Prevailing Principal Amount of the outstanding Notes not being eligible for inclusion as Additional Tier 1 capital of the Issuer.

Also, the Issuer shall have the right to redeem the Notes following a Write-Down upon the occurrence of a Capital Disqualification Event before the Prevailing Principal Amount has been restored to the Initial Principal Amount (including where such Write-Down occurs following the delivery to the Noteholders of a notice of redemption and prior to the relevant redemption of the Notes). Accordingly, Noteholders risk only receiving the amount of principal so reduced by the Write-Down.

This optional redemption feature is also likely to limit the market value of the Notes during any period in which the Issuer may elect or is perceived to have such right to elect to redeem them, as the market value during this period generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to any such period when any relevant change in law is yet to become effective.

There can be no assurance that Noteholders will be able to reinvest the amount received upon any such redemption and at a rate that will provide the same rate of return as their investment in the Notes.

***Redemption for Taxation Reasons – The Issuer will have the right to redeem the Notes upon the occurrence of certain changes requiring it to pay increased withholding taxes with respect to interest or other payments on the Notes or which result in it no longer being entitled to claim a deduction in calculating its tax liability in respect of the payment of interest or the value of such deduction being reduced***

The withholding tax rate on interest payments in respect of bonds issued by Turkish legal entities outside of Türkiye varies depending upon the original maturity of such bonds as specified under Decree 2009/14592 dated 12 January 2009, which has been amended by Decree No. 2010/1182 dated 20 December 2010 and Decree No. 2011/1854 dated 26 April 2011 and Presidential Decree No. 842 dated 20 March 2019 (together, the "Tax Decrees"). Pursuant to the Tax Decrees, with respect to bonds with a maturity of three years or more, the withholding tax rate on interest is 0 per cent. Accordingly, the initial withholding tax rate on interest on the Notes will be 0 per cent. The Issuer is also entitled to claim a deduction in calculating its tax liability under Turkish tax law in respect of payments of interest on the Notes.

The Issuer will have the right to redeem all, but not some only, of the Notes, subject (if required by applicable law) to having obtained the prior approval of the BRSA (see "- Early Redemption – The Notes may be subject to early redemption at the option of the Issuer" above for a description of the conditions for any such approval of the BRSA), at any time at their then Prevailing Principal Amount together with interest accrued and unpaid to (but excluding) the date of redemption if, as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 9.1) or any change or clarification in the application or

official interpretation of the laws or regulations of a Relevant Jurisdiction, which change, clarification or amendment becomes effective after the Issue Date, on the next Interest Payment Date, the Issuer would:

- (a) be required to (i) pay additional amounts as provided or referred to in Condition 9 and (ii) make any withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, where such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or
- (b) no longer be entitled to claim a deduction in calculating its tax liability in a Relevant Jurisdiction in respect of the payment of interest on the Notes to be made on the next Interest Payment Date, or the value of such deduction to the Issuer, as compared to what it would have been on the Issue Date, is reduced.

Upon notice of such a redemption being given, investors in the Notes might not be able to reinvest the amounts received at a rate that will provide an equivalent rate of return as their investment in the Notes.

Also, the Issuer shall have the right to redeem the Notes pursuant to this redemption feature following a Write-Down before the Prevailing Principal Amount has been restored to the Initial Principal Amount (including where such Write-Down occurs following the delivery to the Noteholders of a notice of redemption and prior to the relevant redemption of the Notes). Accordingly, Noteholders risk only receiving the amount of principal so reduced by the Write-Down.

This redemption feature is also likely to limit the market value of the Notes at any time when the Issuer has the right to redeem them or is perceived to have such right as provided above, as the market price at such time will generally not rise substantially above the price at which they can be redeemed. This may similarly be true in any prior period when any relevant change in law or regulation is yet to become effective.

#### ***Substitution and variation of the Notes without Holder consent***

Subject to Condition 8.5, if at any time a Tax Event or a Capital Disqualification Event occurs, the Issuer may, at its sole discretion, instead of redeeming the Notes, at any time either substitute the Notes or vary their terms accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities. Qualifying Additional Tier 1 Securities are, among other things, notes that have terms not materially less favourable to a Noteholder, as reasonably determined by the Issuer following the advice of an independent financial institution of international standing, than the terms of the Notes as specified in Condition 8.5.

There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Additional Tier 1 Securities will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Additional Tier 1 Securities are not materially less favourable to Noteholders than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Noteholder).

#### ***Holders of the Notes only have a limited ability to cash in their investment in the Notes***

The Issuer has the option to redeem the Notes in certain circumstances but the ability of the Issuer to redeem or purchase the Notes is subject to the Issuer satisfying certain conditions. See “—*Early Redemption - The Notes may be subject to early redemption at the option of the Issuer*” below and Condition 8. There can be no assurance that Noteholders will be able to reinvest the amount received upon any such redemption and at a rate that will provide the same rate of return as their investment in the Notes.

Therefore, Noteholders have no ability to cash in their investment, except:

- (i) if the Issuer exercises its right to redeem or purchase the Notes in accordance with Condition 8; or
- (ii) by selling their Notes, provided a secondary market exists at the relevant time for the Notes (see “—*Risks Related to the Market Generally - No Secondary Market – An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes*” in the Base Prospectus).

**No Limits on Senior Obligations or Parity Obligations – There will be no limitation under the documents relating to the issuance of the Notes on the Issuer’s incurrence of Senior Obligations or Parity Obligations**

There will be no restriction in the documents relating to the issuance of the Notes on the amount of Senior Obligations or Parity Obligations that the Issuer may incur. The incurrence of any such obligations may reduce the amount recoverable by the Noteholders on any dissolution, winding-up or liquidation of the Issuer and may result in an investor in the Notes losing all or some of its investment.

**Limited Remedies – Investors will have limited remedies under the Notes**

A holder of a Note will only be able to accelerate payment of the Prevailing Principal Amount of that Note, together with interest accrued and unpaid to (but excluding) the date of repayment (if not cancelled pursuant to Condition 5), on the occurrence of a Subordination Event or otherwise on the winding-up, dissolution or liquidation of the Issuer as described in Condition 11 and then claim or prove in the winding-up, dissolution or liquidation. Noteholders may institute proceedings against the Issuer as described in Condition 11 to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to the provisions above, any obligation for the payment of any principal or interest in respect of the Notes) but will not have any other right of acceleration under the Notes, whether in respect of any default in payment or otherwise, and the only remedy of a Noteholder on any default in a payment on the Notes will be to institute proceedings for the Issuer’s winding-up, dissolution or liquidation as described in Condition 11 and to claim or prove in the winding-up, dissolution or liquidation.

No other remedy will be available to Noteholders against the Issuer, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations, covenants or undertakings under the Notes, and Noteholders will not be able to take any further or other action to enforce, claim or prove for any payment by the Issuer in respect of the Notes.

In addition, in accordance with Condition 3.2, all payment obligations of, and payments made by, the Issuer under and in respect of the Notes must be determined and made without reference to any right of set-off or counterclaim of any holder of the Notes, whether arising before or in respect of any Subordination Event. By virtue of the subordination of the Notes, following a Subordination Event and for so long as that Subordination Event subsists and prior to all payment obligations in respect of Senior Obligations having been satisfied, no holder of the Notes shall exercise any right of set-off or counterclaim in respect of any amount owed to such holder by the Issuer in respect of the Notes and any such rights shall be deemed to be waived.

**Reset Interest Rate – The interest rate on the Notes will be reset on each Reset Date, which could affect interest payments on an investment in the Notes and the market price of any such investment**

The Notes will initially bear interest at the Initial Interest Rate to (but excluding) the First Reset Date. On each Reset Date, the Rate of Interest will be reset to the Reset Interest Rate, all as more fully described in Condition 5. Any Reset Interest Rate could be less than the Initial Interest Rate and thus could affect the market price of an investment in the Notes.

**The Issuer’s interests may not be aligned with those of investors in the Notes**

The CET1 Ratio, Distributable Items and any Maximum Distributable Amount will depend in part on decisions made by the Issuer (including its shareholders, see “—*The Group is controlled by two large shareholders and has business with related parties*” in the Base Prospectus) and other entities in the Group relating to their businesses and operations, as well as the management of their capital position. The Issuer and other entities in the Group will have no obligation to consider the interests of Noteholders in connection with their strategic decisions, including in respect of capital management and the relationship among the various entities in the Group and the Group’s structure. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would have avoided the occurrence of a Trigger Event. Noteholders will not have any claim against the Issuer or any other entity in the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Noteholders to lose all or part of their investment in the Notes.

**Modification, waivers and substitution**

The Conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a video conference platform) of Noteholders to consider matters affecting their interests generally or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. As a result, such binding decisions made by majorities of Noteholders may be adverse to the interests of potential investors.

***The U.S. federal income tax consequences of investing in the Notes are not certain***

No authority directly addresses the U.S. federal income tax characterization of securities like the Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. Despite the fact that the Notes are denominated as debt, the Issuer intends to treat the Notes as equity interests in the Issuer for U.S. federal income tax purposes. However, the Issuer's characterization of the Notes is not binding on the Internal Revenue Service (the "IRS"), and no assurance can be given that the IRS will not assert, or a court would not sustain, a contrary position regarding the characterization of the Notes. U.S. Holders (as defined under "Taxation—Certain U.S. Federal Income Tax Considerations") should consult their own independent tax advisors regarding the characterization of the Notes for U.S. federal income tax purposes. See "Taxation—Certain U.S. Federal Income Tax Considerations—U.S. Federal Income Tax Characterization of the Notes."

***The Issuer may be a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors***

The Issuer will be classified as a passive foreign investment company ("PFIC") in any taxable year if either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets (generally determined on the basis of a quarterly average and generally measured at fair market value) is attributable to assets which produce passive income or are held for the production of passive income. The application of the PFIC rules is subject to uncertainty in several respects. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. However, the IRS has issued guidance that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank.

Based upon the Issuer's regulatory status under Turkish law, its banking activities performed in the ordinary course of business (including lending, accepting deposits and depositing money in other banks), and the proportion of its income derived from activities that are "bona fide" banking activities for U.S. federal income tax purposes, the Issuer believes that it should not be a PFIC for its most recently ended taxable year, and does not expect to be a PFIC for the current taxable year or for any foreseeable future taxable year. However, because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the composition of a foreign bank's assets and income, and certain IRS guidance has not been finalized, there can be no assurance that the Issuer will not be considered a PFIC for its most recently ended taxable year, the current taxable year or any subsequent taxable year.

If the Issuer is a PFIC for any taxable year during which a U.S. Holder (as defined under "Taxation—Certain U.S. Federal Income Tax Considerations") held the Notes, the U.S. Holder might be subject to increased U.S. federal income tax liability and to additional reporting obligations. U.S. Holders should consult their own independent tax advisors regarding the application of the PFIC rules to an investment in the Notes. See "Taxation—Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations."

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Prospectus:

- (a) the sections of the Base Prospectus of the Issuer dated 20 December 2023 (as supplemented by the first supplement thereto dated 7 March 2024, the “**Base Prospectus**”) relating to the Programme, entitled as set out in the table below:

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(1) For the purpose of this Prospectus, the definition of “Net interest margin” on page (x) of the Base Prospectus is amended and updated with the below:

*Swap adjusted net interest margin:* For a particular period, this is: (a)(i) the Bank-only net interest income for such period, *plus* (ii) the Bank-only net interest income relating to swap transactions, *as a percentage of* (b) the Bank-only average interest-earning assets. When determined for a period shorter than 12 months, this is expressed on an annualised basis by multiplying the result by 12 divided by the number of months in such period

(2) For the purpose of this Prospectus, references to “Net interest margin” appearing in the Base Prospectus under “*Selected Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” are amended and updated to refer to “Swap adjusted net interest margin”.

which is published on the Issuer’s website at:

<https://www.yapikrediinvestorrelations.com/en/debt-capital-markets/detail/MTN-Programme/34/1720/0>

- (b) the first supplement to the Base Prospectus dated 7 March 2024 which is published on the Issuer’s website at:

<https://www.yapikrediinvestorrelations.com/en/images/pdf/mtn-programme/Yapi-Kredi-Supplement-for-Q4-2023.pdf>

- (c) the convenience translations into English of the unaudited interim BRSA consolidated financial statements of the Group as at and for the nine months ended 30 September 2023 and the independent auditor's review report and notes of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of PricewaterhouseCoopers International Limited) ("PwC") thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/30092023-consolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/30092023-consolidated_financials.pdf)

- (d) the convenience translations into English of the unaudited interim BRSA unconsolidated financial statements of the Issuer as at and for the nine months ended 30 September 2023 (with 30 September 2022 comparatives for the statement of income) and the independent auditor's review report and notes of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/30092023-unconsolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/30092023-unconsolidated_financials.pdf)

- (e) the convenience translations into English of the unaudited interim BRSA consolidated financial statements of the Group as at and for the six months ended 30 June 2023 (with 30 June 2022 comparatives for the statement of income) and the independent auditor's review report and notes of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/30062023-consolidated\\_financial\\_report.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/30062023-consolidated_financial_report.pdf)

- (f) the convenience translations into English of the unaudited interim BRSA unconsolidated financial statements of the Issuer as at and for the six months ended 30 June 2023 (with 30 June 2022 comparatives for the statement of income) and the independent auditor's review report and notes of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/30062023-unconsolidated\\_financial\\_report.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/30062023-unconsolidated_financial_report.pdf)

- (g) the convenience translations into English of the unaudited interim BRSA consolidated financial statements of the Group as at and for the three months ended 31 March 2023 (with 31 March 2022 comparatives for the statement of income) and the independent auditor's review report and notes of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/31032023\\_consolidated\\_financial\\_report.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/31032023_consolidated_financial_report.pdf)

- (h) the convenience translations into English of the unaudited interim BRSA unconsolidated financial statements of the Issuer as at and for the three months ended 31 March 2023 (with 31 March 2022 comparatives for the statement of income) and the independent auditor's review report and notes of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/31032023\\_unconsolidated\\_financial\\_report.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/31032023_unconsolidated_financial_report.pdf)

- (i) the convenience translations into English of BRSA consolidated financial statements and related notes of the Group as of and for the year ended 31 December 2023 and the independent auditor's report of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/31122023-consolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2023/31122023-consolidated_financials.pdf)

- (j) the convenience translations into English of BRSA consolidated financial statements and related notes of the Group as of and for the year ended 31 December 2022 and the independent auditor's report of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2022/31122022-consolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2022/31122022-consolidated_financials.pdf);

- (k) the convenience translations into English of BRSA consolidated financial statements and related notes of the Group as of and for the year ended 31 December 2021 (with 31 December 2020 comparatives for the statement of income) and the independent auditor's report of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2021/31122021\\_consolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-consolidated-financials/2021/31122021_consolidated_financials.pdf);

- (l) the convenience translations into English of BRSA unconsolidated financial statements and related notes of the Issuer as of and for the year ended 31 December 2023 and the independent auditor's report of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/31122023-unconsolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2023/31122023-unconsolidated_financials.pdf);

- (m) the convenience translations into English of BRSA unconsolidated financial statements and related notes of the Issuer as of and for the year ended 31 December 2022 and the independent auditor's report of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2022/31122022-unconsolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2022/31122022-unconsolidated_financials.pdf);

- (n) the convenience translations into English of BRSA unconsolidated financial statements and related notes of the Issuer as of and for the year ended 31 December 2021 and the independent auditor's report of PwC thereon, which are published on the Issuer's website at:

[https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2021/31122021\\_unconsolidated\\_financials.pdf](https://www.yapikrediinvestorrelations.com/en/images/pdf/brsa-unconsolidated-financials/2021/31122021_unconsolidated_financials.pdf).

No other part of the Issuer's website forms a part of, or is incorporated into, this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

Printed copies of the documents incorporated by reference will also be available, during usual business hours on any workday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of the Fiscal Agent and at the registered office of the Issuer.

**Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which may affect the assessment of the Notes. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise) be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus.**

## SELECTED FINANCIAL INFORMATION

The section entitled “*Selected Financial Information*” on pages 124 to 129 (inclusive) of the Base Prospectus is incorporated herein by reference. For the purposes of this Prospectus only, investors should read the following subsection entitled “*Key Ratios*” in addition to the section entitled “*Selected Financial Information—Key Ratios*” on page 129 of the Base Prospectus.

### **Key Ratios**

The following table provides certain of the Group’s key ratios as of and for the years ended 31 December 2023, 2022 and 2021. The basis for calculation of ratios that are non-GAAP financial measures is set out in “*Presentation of Financial and Other Information—Alternative Performance Measures*”. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with BRSA Principles.

	<b>As of and for the year ended 31 December</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
		(%)	
Core revenue margin (bank-only) .....	8.17	10.81	4.62
Fees divided by operating costs.....	78	67	74
Total loan-to-deposit ratio.....	82	85	94
TL loan-to-deposit ratio .....	100	104	147
FC loan-to-deposit ratio .....	58	61	65
Customer Demand Deposit share in Customer Deposits.....	42.1	41.0	42.9
TL Customer Demand Deposit share in TL Customer Deposits .....	21.4	24.7	27.3
FC Customer Demand Deposit share in TL Customer Deposits	69.9	60.4	50.9

*Note: Key ratios related to profit and loss items are compared on an annual basis.*

## ADDITIONAL INFORMATION

### Turkish Regulatory Environment

The section entitled “*Turkish Regulatory Environment*” on pages 261 to 300 (inclusive) of the Base Prospectus is incorporated herein by reference. For the purposes of the Notes and this Prospectus only, investors should read the following two paragraphs entitled “*Additional Tier 1 Rules under Turkish Law*” and “*Distributable Items and Restrictions on Dividend Distribution*” in addition to the section entitled “*Turkish Regulatory Environment*” in the Base Prospectus:

#### Additional Tier 1 Rules under Turkish Law

***Permanent write-down or conversion into equity of Additional Tier 1 instruments upon a determination of non-viability by the BRSA or if the Common Equity Tier 1 capital adequacy ratio or the consolidated Common Equity Tier 1 capital adequacy ratio of the bank falls below 5.125%***

Under Article 7(2)(i) of the Equity Regulation, in order for a debt instrument to constitute Additional Tier 1 capital, the bank must be entitled, pursuant to the terms of that debt instrument, to write-down or convert into equity such debt instrument, if (i) the Common Equity Tier 1 capital adequacy ratio or (ii) the consolidated Common Equity Tier 1 capital adequacy ratio of the bank falls below 5.125%, in which case the bank shall promptly notify the BRSA. In such a case, an amount of the debt instruments must be written-down or converted into equity so as to restore the Common Equity Tier 1 capital adequacy ratio or the consolidated Common Equity Tier 1 capital adequacy ratio of the bank to at least 5.125%. As a result of the write-down:

- the claims of the holders of the debt instrument must be reducible in the event of liquidation of the bank;
- the amount payable must be reducible in the event of exercise of the redemption option; and
- dividend or interest payments must be partially or completely cancellable.

Under Article 7(2)(j) of the Equity Regulation, in order for a debt instrument to constitute Additional Tier 1 capital it should be possible, pursuant to the terms of that debt instrument, for the debt instrument to be written-down or converted into equity, upon the decision of the BRSA in the event that it is probable that (i) the bank’s operating licence may be revoked or (ii) shareholder rights (other than dividend rights), and the management and supervision of the bank, may be transferred to the SDIF, in each case pursuant to Article 71 of the Banking Law.

Prior to any determination of non-viability of a bank under Article 71 of the Banking Law, or the Common Equity Tier 1 capital adequacy ratio or the consolidated Common Equity Tier 1 capital adequacy ratio of a bank falling below 5.125%, in accordance with Articles 68, 69 and 70 of the Banking Law, the BRSA may require a number of corrective, rehabilitative and restrictive measures to be taken by the bank, including, without limitation, the following:

- *Article 68 (Corrective measures)*: the corrective measures that the BRSA may require the bank to take under Article 68 of the Banking Law may include an increase in the capital of the bank, a temporary suspension on the distribution of profits, the sale of assets, restrictions on lending to the shareholders and restrictions on long-term investments;
- *Article 69 (Rehabilitative measures)*: where the measures under Article 68 of the Banking Law are either not taken or are considered by the BRSA to be insufficient the BRSA may, under Article 69 of the Banking Law, require the bank to take certain rehabilitative measures including changes to the financial structure, an increase in capital adequacy and/or liquidity ratios, the sale of assets, restrictions on operational and management expenditure, restrictions on variable payments to employees, restrictions or prohibition on lending, changes to the board of directors and responsible employees and the preparation of short to long term business plans; and
- *Article 70 (Restrictive measures)*: where the measures under Articles 68 and 69 of the Banking Law are either not taken or are considered by the BRSA to be insufficient, the BRSA may, under Article 70 of

the Banking Law, require the bank to take certain restrictive measures including restricting or temporarily suspending activities, dismissal of management, limiting or ceasing its non-performing operations, disposal of its non-performing assets, merger with another bank and the finding of new shareholders.

It is only where the BRSA determines that (a) such measures are not taken (partially or completely) either within the time period required by the BRSA or, in any case, within 12 months following BRSA's request to take the necessary measure(s), or are taken but the bank's financial structure is not strengthened or the BRSA considers that the bank's financial structure cannot be strengthened; or (b) the continuation of the activities of such bank is considered as endangering the rights of deposit holders and the security and stability of the financial system; or (c) the bank is in default, is insolvent, or its management or controlling shareholders have utilised such bank's resources for their own interests, directly, indirectly or fraudulently, in a manner that jeopardised the secure functioning of the bank or caused such bank to sustain a loss as a result of such misuse, that the BRSA is then authorised under Article 71 of the Banking Law to make the determination of non-viability of a bank.

### ***Additional Tier 1 Rules***

According to the Equity Regulation, Additional Tier 1 capital shall be calculated by subtracting capital deductions from the sum of (i) preferred shares that are not included in Common Equity Tier 1 capital (save for such shares which require the distribution of dividends in the future); (ii) share premiums resulting from the issue of the preferred shares under (i); and, (iii) the debt instruments that have been approved by the BRSA and related issuance premiums.

The Equity Regulation sets out that, in order for a debt instrument to be included in the calculation of Additional Tier 1 capital, the following conditions will need to be met (the "**Additional Tier 1 Conditions**"):

- (i) the debt instrument shall have been issued by the bank and approved by the CMB and shall have been fully collected in cash;
- (ii) in the event of dissolution of the bank, shall be subordinated with respect to the debt instruments that are included in Tier 2 capital and rights of deposit holders and all other creditors;
- (iii) the debt instrument shall not be related to any derivative operation or contract violating the condition stated in clause (ii) nor shall it be tied to any guarantee or security, in one way or another, directly or indirectly;
- (iv) the debt instrument shall not have a maturity and shall not include any provision that may incentivise redemption, such as dividends and increase of interest rate;
- (v) if the debt instrument includes a redemption option, such option shall be exercisable no earlier than five years after issuance and only with the approval of the BRSA; approval of the BRSA is subject to the following conditions:
  - (1) the bank should not create any market expectation that the option will be exercised by the bank,
  - (2) the debt instrument shall be replaced by another debt instrument either of the same quality or higher quality, and such replacement shall not have a restrictive effect on the bank's ability to sustain its operations, or
  - (3) following the exercise of the option, the equity of the bank shall exceed the higher of: (A) the capital adequacy requirement that is to be calculated pursuant to the Capital Adequacy Regulation along with the Regulation on Capital Maintenance and Cyclical Capital Buffer, (B) the capital requirement derived as a result of an internal capital adequacy assessment process of the bank and (C) the higher capital requirement set by the BRSA (if any);

however, if tax legislation or other regulations are materially amended, a redemption option may be exercised; provided that the above conditions in this clause (v) are met and the BRSA approves;

- (vi) the redemption of the principal shall be subject to approval of the BRSA, in which case the BRSA would seek the conditions stated in clause (v) to be met;
- (vii) the bank must be entitled to cancel the interest and dividend payments and if it exercises such right, it shall not have an obligation to pay the difference between the amount set out in the terms of that debt instrument and the amount actually paid in the subsequent periods (even in case of non-payment), cancellation of payments shall not be considered as default, the bank must be entitled to use at its own discretion the amounts corresponding to the cancelled payments, and the cancellation shall not have any effect restricting the bank, except for the payments to be made to the shareholders;
- (viii) the dividend and interest payments shall be made out of distributable items;
- (ix) the debt instrument's dividend or interest payments shall not be linked to the creditworthiness of the bank;
- (x) the debt instrument shall not be: (1) purchased by the bank or by corporations controlled by the bank or significantly under the influence of the bank, (2) assigned to such entities, or (3) in respect of its purchase, directly or indirectly financed by the bank itself;
- (xi) the debt instrument shall not possess any features hindering the issuance of new equity items;
- (xii) the bank must be entitled, pursuant to the terms of that debt instrument, to write-down or convert into equity the debt instrument, if the Common Equity Tier 1 capital adequacy ratio or the consolidated Common Equity Tier 1 capital adequacy ratio of the bank falls below 5.125%, in which case the bank shall promptly notify the BRSA. An amount of the debt instruments must be written-down or converted into equity such that the Common Equity Tier 1 capital adequacy ratio or the consolidated Common Equity Tier 1 capital adequacy ratio reaches at least 5.125% (see “—*Potential Permanent Write-Down–The Prevailing Principal Amount outstanding of the Notes will be permanently Written-Down by the amount determined by the BRSA upon the occurrence of a Non-Viability Event with respect to the Issuer*” above). As a result of the write-down:
  - (1) the claims of the holders of the debt instrument must be reducible in the event of liquidation;
  - (2) the amount payable must be reducible in the event of exercise of the redemption option; and
  - (3) dividend or interest payments must be partially or completely cancellable.
- (xiii) in the event it is probable that as a result of the losses it incurs (1) the bank’s operating licence may be revoked or (2) shareholder rights (other than dividend rights), and the management and supervision of the bank, may be transferred to the SDIF, in each case pursuant to Article 71 of the Banking Law, then the debt instrument may be subject to set-off against such losses, written-down or converted into equity upon the decision of the BRSA (see “—*Potential Permanent Write-Down–The Prevailing Principal Amount outstanding of the Notes will be permanently Written-Down by the amount determined by the BRSA upon the occurrence of a Non-Viability Event with respect to the Issuer*” above); and
- (xiv) in the event that the debt instrument has not been issued by the bank itself or one of its consolidated entities, the proceeds obtained from the issuance shall be immediately transferred without any restriction to the bank or its consolidated entity (as the case may be) in accordance with the rules listed above.

Loans (as opposed to securities) that have been approved by the BRSA upon the application of the board of directors of the applicable bank, with such application accompanied by a written statement from the board of directors of the applicable bank confirming that all of the Additional Tier 1 Conditions are met (except for the requirements that they are issued and that they are approved by the CMB), may also be included in the calculation of Additional Tier 1 capital.

The BRSA may also require other conditions in addition to the Additional Tier 1 Conditions to be met in respect of a debt instrument, including in connection with the procedures relating to the write down or conversion into equity of the debt instrument.

Applications to include debt instruments or loans in the calculation of Additional Tier 1 capital are required to be accompanied with the CMB registration letter and the terms of the debt instrument or the original copy or a notarised copy of the applicable loan agreement(s), as the case may be. If an applicable loan agreement is not yet signed, a draft of such agreement is filed with the BRSA. If the terms of the executed loan agreement or issued debt instrument contain different provisions than the draft thereof so provided to the BRSA, then a written statement of the board of directors of the applicable bank confirming that such difference does not affect Additional Tier 1 capital qualifications is required to be submitted to the BRSA within five business days of the signing of such loan agreement or the issuance date of such debt instrument. If the interest rate is not explicitly indicated in the loan agreement or the prospectus relating to the debt instrument (*borçlanma aracı izahnamesi*), or if the interest rate is excessively high compared to that of similar loans or debt instruments, then the BRSA may not authorise the inclusion of the loan or debt instrument in the calculation of Additional Tier 1 capital.

Debt instruments and loans that are approved by the BRSA are included in the calculation of Additional Tier 1 capital as of the date of transfer to the relevant accounts in the applicable bank's records. When applying the measures set out under Article 71 of the Banking Law, the BRSA shall not take into account as liabilities the debt instruments and loans included in the calculation of Additional Tier 1 capital of the bank.

#### ***BRSA Communiqué on the Debt Instruments Included in the Equity Calculation of the Banks***

Paragraph 9 of Article 7 of the Equity Regulation provides that the BRSA is to determine the rules and procedures with respect to the write-down or conversion into equity of the debt instruments included in the Additional Tier 1 capital calculation of the banks. Accordingly, on 7 June 2018, the BRSA published the Communiqué on Debt Instruments to be Included in the Equity Calculation of the Banks (the “**Regulatory Capital Communiqué**”) in the Official Gazette dated 7 June 2018 and numbered 30444, which entered into force upon its publication. The Regulatory Capital Communiqué is intended to align the Turkish Additional Tier 1 framework with the European practice and imposes certain new requirements on the issuers.

In this regard, Article 4 of the Regulatory Capital Communiqué introduces a new requirement for issuers of Additional Tier 1 or Tier 2 debt instruments to mandate a locally licensed independent auditor to provide an opinion to the BRSA, confirming that the terms and conditions of the Additional Tier 1 or Tier 2 debt instruments, as the case may be, are in full compliance with the requirements set forth under Article 7 or Article 8 of the Equity Regulation, as applicable.

Further, the Regulatory Capital Communiqué stipulates that the debt instruments included in Additional Tier 1 capital of the banks come before the debt instruments included in Tier 2 capital of the banks, in terms of write-off, write-down or conversion into equity. The nominal value of the debt instruments is to be taken into account for determination of the amount to be written-off, written-down or converted into equity.

If there are multiple debt instruments included in Additional Tier 1 capital of the bank; the write-off, write-down or conversion into equity is to be carried out *pro rata* for each debt instrument included in Additional Tier 1 capital of the bank, by taking into account each debt instrument's portion in the total value of the debt instruments included in Additional Tier 1 capital of the bank. The same provision applies for the debt instruments included in Tier 2 capital of the bank. Dividend distribution for, prepayment or early redemption of, the debt instruments included in equity calculation, converted into equity or written-down, is to take into account the outstanding amount after the conversion into equity or write-down.

The Regulatory Capital Communiqué provides for a temporary-write down of the AT1 debt instruments upon occurrence of a trigger event (i.e., the Common Equity Tier I ratio of a bank falling below 5.125% on a solo and consolidated basis). In terms of the temporary write-down procedure, a bank is required to immediately notify the BRSA and the holders of such debt instrument of the occurrence of a trigger event. An issuer will have one month from the occurrence of a trigger event to decide whether it will make a permanent and/or temporary write-down of the Additional Tier 1 debt instruments and to determine the amount of such temporary/permanent written-down or conversion into equity, without prejudice to any authority that the

Banking Law grants to the BRSA. The BRSA is entitled to change such period of one (1) month, if it deems necessary.

According to the Regulatory Capital Communiqué, a write-up is not possible for the debt instruments constituting Additional Tier 1 capital or Tier 2 capital, which have been written-down or converted into equity, upon the decision of the BRSA due to the probability of (i) revocation of the bank's operating licence or (ii) transfer to the SDIF of the shareholder rights (other than dividend rights), and the management and supervision of the bank, in each case pursuant to Article 71 of the Banking Law.

The Regulatory Capital Communiqué, however, allows the issuers to effect a write-up, provided that the following conditions are satisfied:

- the write-up subsequent to a temporary write-down must be made on the net profit of the issuer generated within its current accounting period;
- the sum of the maximum write-up amount and the dividend or coupon payments to be made over the written-down principal amount must not be more than the distributable net profit of the issuer multiplied by the sum of the aggregate initial principal amount of the Additional Tier 1 debt instruments and the aggregate initial principal amount of all written-down debt instruments of the issuer, divided by the total Tier 1 capital of the issuer. This calculation is to be made as of the date of the write-up;
- The write-up must be made on a *pro rata* basis with other written-down Additional Tier 1 debt instruments of the issuer; and
- the sum of any write-up amount, coupon and dividend payments over the written-down debt instruments will be treated as dividend payments, which will be subject to the restrictions relating to distributions and the maximum distributable amount restrictions.

The Regulatory Capital Communiqué has introduced certain requirements for implementation of conversion into equity option, as well. Accordingly:

- in order for an issuer to issue regulatory capital debt instruments with the conversion into equity mechanism, the issuer must have obtained a general assembly of shareholders resolution prior to the issuance;
- the issuer must have obtained all requisite consents to ensure that equity issuance as set forth under the agreement for debt instrument/issuance certificate is promptly effected once the "conversion into equity" requirement has arisen;
- regulatory capital debt instruments cannot be converted into preferred shares;
- the agreement for debt instrument/issuance certificate must include the following item (iii), as well as either of the following items (i) or (ii):
  - (i) conversion rate and the maximum equity amount to be issued for conversion;
  - (ii) conversion range; and
  - (iii) method for determining equity price to be employed in calculation of conversion rate or conversion range,
- if as a result of implementation of conversion into equity, holding of a person in the relevant issuer reaches, exceeds or falls below 10%, 20%, 33% or 50%, the BRSA approval would be required for exercise of shareholding rights (other than dividend rights), provided that such persons meet the eligibility criteria for founders of a bank as set out under the Banking Law; and

- the shares acquired as a result of “conversion into equity” are not taken into account for calculations to be made under the Regulation on the Capital Maintenance and Cyclical Capital Buffer or such other restrictions of the CMB with respect to dividend distribution.

## **Distributable Items and Restrictions on Dividend Distribution**

The following is a description of certain information relating to the distributable items, including requirements under the Turkish Commercial Code, the Capital Markets Law, the CMB regulations, the Banking Law and the BRSA regulations.

Public companies have the option to distribute dividends in the form of cash or in the form of bonus shares to the shareholders, to distribute a combination of cash and bonus shares, or to retain all or part of their earnings for the relevant financial year as retained earnings, to make their payments as lump sum or in installments subject to the limitations discussed below. Public companies may distribute dividends from net profits or non-mandatory reserves.

Distributable items are calculated in accordance with the articles of association of the public companies after deducting all expenses, depreciation and similar payments and setting aside legally required reserves, taxes and the previous year's losses, if any, from the revenue for the prior fiscal period. The amount of distributable items is the lesser of the amounts derived by performing this calculation using (i) the statutory financial statements, which are prepared in accordance with the Turkish Commercial Code and Turkish tax legislation and (ii) the TFRS accounts prepared in accordance with CMB regulations, which may differ from the IFRS accounts due to different depreciation, expense, revenue and foreign exchange gain and loss recognition standards.

Distributable items are then allocated in the following order:

- (i) 5.0% of the distributable items is allocated to a first legal reserve until the first legal reserve reaches 20.0% of the paid-in capital;
- (ii) the remaining amount after adding the value of any donations made within the relevant annual term (if any), may be distributed to the shareholders as a first dividend in accordance with the Turkish Commercial Code, Turkish capital markets regulations and the articles of association of a public company;
- (iii) the remainder of the distributable items may be (i) distributed in full or in part to the shareholders as a second dividend or distributed to the board members, officers, employees as a share of the profit or distributed to the foundations or similar institutions established for various purposes or (ii) set aside as year-end profits or as part of non-mandatory reserves; and
- (iv) after deducting an amount equal to 5.0% of the paid-in capital from the amount to be distributed to the shareholders and persons participating in profit as stated above, 10.0% of the remaining amount is allocated as a second legal reserve and added to the statutory reserve.

Unless and until the statutory funds and other financial obligations required by the law are set aside and the dividend determined in accordance with the articles of association of a public company is distributed in cash or as bonus shares, such public company cannot resolve:

- (i) to set aside any reserve,
- (ii) to transfer a dividend to the next year, or
- (iii) to make distributions to the members of its board of directors, managers, employees and foundations or similar institutions established for various purposes.

If the calculated first dividend amount is less than 5.0% of the paid-in capital, a public company may not distribute the first dividend. However, the amount retained will be added to the calculation of the first dividend for the following fiscal year.

As of 31 December 2023, the Bank's total distributable items, net of tax, amounted to TL 95,660,786 thousand compared to TL 67,236,244 thousand as of 31 December 2022.

### ***BRSA Restrictions***

However, pursuant to Article 6 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer published in the Official Gazette dated 5 November 2013 and numbered 28812 (the “**Regulation on the Capital Maintenance and Cyclical Capital Buffer**”), the amount of dividends (*kâr dağıtım tutarı*) which can be distributed by the banks is the product of (i) the amount of “distributable dividends” (*dağıtılabilir kâr tutarı*), and (ii) “the maximum ratio of dividend distribution” (*azami kâr dağıtım oranı*) calculated as per Article 5 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer.

Article 6 further provides that the BRSA shall determine the rules and procedures for determining the scope and calculation of the amount of distributable dividends. Accordingly, with Article 20 of its decision dated 18 December 2015 No. 6602, the BRSA has determined that the amount of distributable dividends is the sum of (i) the net profit for the relevant period calculated under the Turkish Accounting Standards and after deduction of all statutory and contractual obligations, and (ii) the profit carried forward.

Article 5 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer provides that the maximum ratio of dividend distribution of a bank is based on the additional core capital requirement (*ilâve çekirdek sermaye gereksinimi*) of such bank, and contains the table below indicating specific maximum ratios of dividend distribution for a bank, depending on the level of additional core capital requirement of such bank. Such levels are calculated by dividing the additional core capital of the bank by its additional core capital requirement.

<b>Result of division of the additional core capital of a bank by its additional core capital requirement</b>	<b>The maximum ratio of dividend distribution for such bank (%)</b>
Less than or equal to 25% .....	0
More than 25% and less than or equal to 50% .....	20
More than 50% and less than or equal to 75% .....	40
More than 75% and less than 100% .....	60

Pursuant to Article 5 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer, the aforementioned maximum ratio of dividend distribution applies only if the additional core capital of the bank is lower than its additional core capital requirement. If the additional core capital of the bank is lower than its additional core capital requirement according to calculations on a consolidated basis and non-consolidated basis, for the purposes of determining the maximum ratio of dividend distribution, the calculation giving rise to a lesser ratio must be taken into consideration.

Article 4 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer stipulates that the additional core capital of a bank is the excess core capital (*i.e.*, excess CET1 capital) of that bank, which is calculated by deducting from the total core capital of the bank, the core capital of the bank required, pursuant to the 2016 Capital Adequacy Regulation, for meeting its obligations of (i) core capital adequacy (*i.e.* CET 1 ratio), (ii) Tier 1 capital adequacy ratio and (iii) capital adequacy standard ratio. Article 29 and Article 30 of the 2016 Capital Adequacy Regulation stipulate that, on both a consolidated and non-consolidated basis, those ratios are, respectively: (i) 4.5%, (ii) 6.0% and (iii) 8.0%. However, the BRSA has the authority to impose additional capital adequacy requirements on a standalone basis for each bank either (i) pursuant to Article 31/2 of the 2016 Capital Adequacy Regulation, by taking into account their internal systems, assets and financial structures; or, (ii) pursuant to Article 56 et seq. of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks, as issued by the BRSA and published in the Official Gazette dated 11 July 2014 and numbered 29057 (the “**Internal Systems Regulation**”), as a result of the assessment of the capital adequacy by the BRSA of each bank as submitted in the context of the ICAAP process each year, if not required more often by the BRSA. When the BRSA imposes such additional capital adequacy requirements as per Article 31/2 of the 2016 Capital Adequacy Regulation, the additional capital may or may not be in the form of core capital; whereas, any additional capital adequacy requirement imposed under the Internal Systems Regulation must be in the form of core capital. Therefore, any additional capital adequacy requirement so required by the BRSA may impact the calculation of the excess CET1 capital and, hence, the Maximum Distributable Amount.

As at 31 December 2023, the BRSA required a minimum CET1 capital adequacy ratio of 8.05% and the Group's consolidated CET1 Ratio was 15.6%, reflecting the BRSA's regulatory forbearances that allow for total risk weighted assets to be calculated with 31 December 2022 exchange rates ("BRSA Regulatory Forbearances"). As at 31 December 2023, the Group's CET1 Ratio was 13.78% without reflecting such BRSA Regulatory Forbearances. As at 31 December 2023, the Group's consolidated, and the Bank's unconsolidated, risk weighted assets were TL 1,115,541 million and TL 1,047,513, respectively, reflecting the BRSA Regulatory Forbearances. The Group's consolidated capital adequacy ratios, and the Bank's unconsolidated capital adequacy ratios were at the following levels as at 31 December 2023:

	As at 31 December 2023
	(%)
<i>Group's consolidated capital adequacy ratios</i>	
Capital adequacy ratio <sup>(1)</sup> .....	16.9
Tier 1 capital adequacy ratio <sup>(2)</sup> .....	15.3
CET1 Ratio <sup>(3)</sup> .....	13.8
<i>Bank's unconsolidated capital adequacy ratios</i>	
Capital adequacy ratio <sup>(1)</sup> .....	18.1
Tier 1 capital adequacy ratio <sup>(2)</sup> .....	16.5
CET1 Ratio <sup>(3)</sup> .....	14.8

<sup>(1)</sup> The capital adequacy ratios do not include the impact of BRSA Temporary Forbearances. The Group's capital adequacy ratio reported for 31 December 2023 including the impact of Temporary Forbearances was 19.1%.

<sup>(2)</sup> The tier 1 capital adequacy ratios do not include the impact of BRSA Temporary Forbearances. The Group's tier 1 capital adequacy ratio reported for 31 December 2023 including the impact of Temporary Forbearances was 17.2%.

<sup>(3)</sup> The CET1 Ratios do not include the impact of BRSA Temporary Forbearances. The Group's CET1 Ratio reported for 31 December 2023 including the impact of Temporary Forbearances was 15.6%.

For the purposes of calculating the Maximum Distributable Amount under the Conditions, the Group's consolidated, or the Bank's unconsolidated, as applicable, additional core capital in excess of the additional core capital requirement applicable to the Group or the Bank, is referred to herein as the "**MDA Buffer**". The Bank's unconsolidated MDA Buffer as at 31 December 2023 amounted to TL 98,884 million, or 944 basis points and the Group's consolidated MDA Buffer as at 31 December 2023 amounted to TL 82,007 million, or 735 basis points, in each case reflecting the BRSA Regulatory Forbearances, or TL 87,665 million (748 basis points) and TL 67,474 million (535 basis points), respectively without reflecting the BRSA Regulatory Forbearances. See Condition 5.6.

The Group's or the Bank's CET1 capital in excess of the trigger event level applicable to the Notes (being a CET1 Ratio of less than 5.125%) is referred to herein as the "**distance to trigger event**". The Bank's unconsolidated distance to trigger event as at 31 December 2023 was TL 120,193,516 thousand and the Group's consolidated distance to trigger event as at 31 December 2023 was TL 116,495,381 thousand, in each case reflecting the BRSA Regulatory Forbearances, or TL 113,817,388 thousand and TL 109,085,031 thousand, respectively, without reflecting the BRSA Regulatory Forbearances.

Article 5 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer provides that the additional core capital requirement of a bank is the product of (i) the sum of (a) the bank-specific countercyclical capital buffer ratio and the (b) the capital conservation buffer ratio; and (ii) the risk-weighted assets of such bank.

Pursuant to the BRSA Decisions on the Countercyclical Capital Buffer, the countercyclical capital buffer for Turkish banks' exposures in Türkiye has initially been set at 0% of a bank's risk-weighted assets in Türkiye (effective as of 1 January 2016); however, such ratio might fluctuate between 0% and 2.5% as announced from time to time by the BRSA. Any increase in the countercyclical capital buffer ratio is to be effective one year after the relevant public announcement, whereas any reduction is to be effective as of the date of the relevant public announcement.

The Regulation on the Capital Maintenance and Cyclical Capital Buffer sets the capital conservation buffer ratios for banks as 2.500% for 2024.

For the purposes of calculating (i) the additional core capital requirement and (ii) the maximum ratio of dividend distribution; additional core capital requirements arising from the D-SIBs Regulation are also taken into account. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Results of Operations—Basel III Transition*" in the Base Prospectus.

Finally, pursuant to Article 17 of the decision of the BRSA dated 18 December 2015 No. 6602, banks must obtain the approval of the BRSA prior to making any dividend distribution. In such decision, the BRSA has stated that, for the purposes of such approvals, it takes into account paragraphs 2 and 3 of Article 6 of the Regulation on the Capital Maintenance and Cyclical Capital Buffer, stipulating that the following are also deemed a “dividend distribution”:

- (i) Dividend payments to shareholders, and share buybacks;
- (ii) Payments in respect of instruments which can be included in Additional Tier 1 capital of a bank, provided that the bank makes such payment in spite of its right to not make such payment;
- (iii) All discretionary payments made to employees within scope of TFRS 2; and
- (iv) Other payments and transactions to be determined by the BRSA.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which (except for the paragraphs in italics) will be incorporated by reference into each Global Note (as defined below) and each definitive Note will have endorsed thereon or attached thereto such Terms and Conditions.*

The USD500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 and forming a single series with the Notes) are issued by Yapı ve Kredi Bankası A.Ş. (the “**Issuer**”) pursuant to the Agency Agreement (as defined below).

References herein to the “**Notes**” shall mean:

- (a) in relation to any Notes represented by a global Note (a “**Global Note**”), units of each Specified Denomination in U.S. dollars;
- (b) any Global Note; and
- (c) any definitive Notes in registered form (whether or not issued in exchange for a Global Note in registered form).

The Notes have the benefit of an amended and restated Agency Agreement dated 22 December 2021, as supplemented by (i) the first supplemental agency agreement dated 2 December 2022, (ii) the second supplemental agency agreement dated 20 December 2023, (iii) the third supplemental agency agreement dated 17 January 2024 and (iv) the fourth supplemental agency agreement dated 4 April 2024 (such Agency Agreement as further amended and/or modified and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent and exchange agent (the “**Fiscal Agent**” and the “**Exchange Agent**”, which expression shall, in each case, include any successor fiscal agent and exchange agent) and the other paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, New York Branch as transfer agent (together with the Registrar, as defined below, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agent) and The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar).

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below.

The Noteholders are entitled to the benefit of a deed of covenant (such deed of covenant as amended and/or modified and/or supplemented and/or restated from time to time, the “**Deed of Covenant**”) dated 22 December 2021 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

Copies of the Agency Agreement, a deed poll (such deed poll as amended and/or modified and/or supplemented and/or restated from time to time, the “**Deed Poll**”) dated 22 December 2021 and made by the Issuer and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Fiscal Agent, the Registrar and the other Paying Agents, the Exchange Agent and the other Transfer Agents (such agents and the Registrar being together referred to as the “**Agents**”) or (ii) may be provided by email to a Noteholder following their prior written request to any Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent). The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll and the Deed of Covenant. The statements in these Terms and Conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and *provided that*, in the event of inconsistency between the Agency Agreement and the Conditions, the Conditions will prevail.

In these Conditions, unless the contrary intention appears, a reference to a law (including a provision of a law) is a reference to that law (or provision) as extended, amended or re-enacted.

## **1. FORM, DENOMINATION AND TITLE**

### **1.1 Form and Denomination**

The Notes are in registered form and, in the case of definitive Notes, serially numbered, and are issued in amounts of USD 200,000 and integral multiples of USD 1,000 thereafter (each, a “**Specified Denomination**”). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

The Notes are issued pursuant to the Turkish Commercial Code (No. 6102), the Capital Markets Law (No. 6362) of Türkiye and the Communiqué on Debt Instruments Serial: VII, No: 128.8 of the Turkish Capital Markets Board (in Turkish: *Sermaye Piyasası Kurulu*) (the “**CMB**”). The proceeds of the Notes shall be fully paid in cash to the Issuer.

### **1.2 Title**

Subject as set out below, title to the Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next two succeeding paragraphs.

For so long as any of the Notes is represented by a Global Note deposited with and registered in the name of a nominee for a common depositary for Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the registered holder of the relevant Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

For so long as the Depository Trust Company (“**DTC**”) or its nominee is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may otherwise be approved by the Issuer and the Fiscal Agent.

## **2. TRANSFERS OF NOTES**

### **2.1 Transfers of interests in Global Notes**

Transfers of beneficial interests in Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect

participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Global Note only in a Specified Denomination and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

## **2.2 Transfers of Notes in definitive form**

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Note in definitive form may be transferred in whole or in part (in a Specified Denomination). In order to effect any such transfer (a) the holder or holders must (i) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Note in definitive form of a like aggregate nominal amount to the Note (or the relevant part of the Note) being transferred. In the case of the transfer of part only of a Note in definitive form, a new Note in definitive form in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the transferor.

## **2.3 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer and/or Agent may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration and/or transfer.

# **3. STATUS OF THE NOTES**

## **3.1 Subordination**

The Notes (and claims for payment by the Issuer in respect thereof) constitute direct, unsecured and subordinated obligations of the Issuer and shall, in the case of a Subordination Event and for so long as that Subordination Event subsists, rank:

- (a) subordinate in right of payment to the payment of all Senior Obligations;
- (b) *pari passu* without any preference among themselves and with all Parity Obligations; and
- (c) in priority to all payments in respect of Junior Obligations.

By virtue of the subordination of the Notes as set out in this Condition 3, no amount will, in the case of a Subordination Event and for so long as that Subordination Event subsists, be paid under the Notes until all payment obligations in respect of Senior Obligations have been satisfied.

### **3.2 No Set-off or Counterclaim**

All payment obligations of, and payments made by, the Issuer under and in respect of the Notes must be determined and made without reference to any right of set-off or counterclaim of any holder of the Notes, whether arising before or in respect of any Subordination Event. By virtue of the subordination of the Notes, following a Subordination Event and for so long as that Subordination Event subsists and prior to all payment obligations in respect of Senior Obligations having been satisfied, no holder of the Notes shall exercise any right of set-off or counterclaim in respect of any amount owed to such holder by the Issuer in respect of the Notes and any such rights shall be deemed to be waived.

### **3.3 No Link to Derivative Transactions**

The Issuer will not: (a) link its obligations in respect of the Notes to any derivative transaction or derivative contract or (b) provide in any manner for such obligations to be the subject of any guarantee or security, in each case in a way which would result in a violation of Article 7(2)(b) of the Equity Regulation.

### **3.4 Interpretation**

In these Conditions:

**“Additional Tier 1 capital”** means additional tier 1 capital (in Turkish: *ilave ana sermaye*) as provided under Article 7 of the Equity Regulation.

**“Additional Tier 1 Instruments”** means any securities, other instruments, loans or other obligations that constitute Additional Tier 1 capital of the Issuer.

**“BRSA”** means the Banking Regulation and Supervision Agency (in Turkish: *Bankacılık Düzenleme ve Denetleme Kurumu*) of Türkiye or such other governmental authority in Türkiye having primary bank supervisory authority with respect to the Issuer.

**“Equity Regulation”** means the BRSA Regulation on the Equity of Banks (published in the Official Gazette dated 5 September 2013 (No. 28756).

**“Junior Obligations”** means any class of share capital (including Ordinary Shares and preferred shares) of the Issuer together with any payment obligations of the Issuer, which obligations rank, or are expressed to rank, junior to the Issuer’s obligations under the Notes.

**“Ordinary Shares”** means ordinary shares in the capital of the Issuer, each of which confers on the holder one vote at general meetings of the Issuer.

**“Parity Obligations”** means any obligations of the Issuer in respect of any Additional Tier 1 Instruments or other payment obligations of the Issuer, which in each case rank, or are expressed to rank, *pari passu* with the Issuer’s obligations under the Notes.

**“Senior Obligations”** means any of the Issuer’s present and future indebtedness and other obligations (including, without limitation, any obligations of the Issuer (a) in respect of any Senior Taxes, statutory preferences and other legally-required payments, (b) to depositors, trade creditors and other senior creditors, (c) under hedging and other financial instruments, and (d) except as provided in (i), (ii) and (iii) below, to other subordinated creditors (including in respect of any Tier 2 Instruments)), other than its obligations under (i) the Notes, (ii) any Parity Obligations and (iii) any Junior Obligations.

**“Senior Taxes”** means any tax, levy, fund, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) including, without limitation, the Banking and Insurance Transactions Tax (in Turkish: *Banka ve Sigorta Muameleleri Vergisi*) imposed by Article 28 of the Expenditure Taxes Law (No. 6802), income withholding tax pursuant to the Decrees of the Council of Ministers of Türkiye (No. 2009/14592, 2009/14593 and 2009/14594, as amended by No. 2011/1854 and 2010/1182, and Presidential Decree No. 842 dated 20 March 2019), Articles 15 and 30 of the Corporate Income Tax Law (No. 5520) and Article 94 and Provisional Article 67 of the Income Tax Law (No. 193), any reverse VAT imposed by the VAT Law (No. 3065), any stamp tax imposed by

the Stamp Tax Law (No. 488) and any withholding tax imposed by, or anti-tax haven regulations under, Article 30.7 of the Corporate Income Tax Law (No. 5520).

“**Subordination Event**” means any distribution of the assets of the Issuer on a dissolution, winding-up or liquidation of the Issuer whether in bankruptcy, insolvency, receivership, voluntary or mandatory reorganisation of indebtedness (in Turkish: *konkordato*) or any analogous proceedings referred to in the Banking Law (No. 5411), the Turkish Commercial Code (No. 6102) or the Turkish Execution and Bankruptcy Code (No. 2004).

“**Tier 2 capital**” means tier 2 capital (in Turkish: *katkı sermaye*) as provided under Article 8 of the Equity Regulation.

“**Tier 2 Instruments**” means any securities, other instruments, loans or other obligations that constitute Tier 2 capital of the Issuer.

“**Türkiye**” means the Republic of Türkiye.

## 4. COVENANTS

### 4.1 Maintenance of Authorisations

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer shall take all necessary actions to maintain, obtain and promptly renew, and do or cause to be done all things reasonably necessary to ensure the continuance of, all consents, permissions, licences, approvals and authorisations, and make or cause to be made all registrations, recordings and filings, which may at any time be required to be obtained or made in Türkiye (including, for the avoidance of doubt, with the CMB and the BRSA) for (i) the execution, delivery or performance of the Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes or for the validity or enforceability thereof, or (ii) the conduct by it of the Permitted Business, save for any consents, permissions, licences, approvals, authorisations, registrations, recordings and filings (collectively, “**Permissions**”) which are immaterial in the conduct by the Issuer of the Permitted Business. For the avoidance of doubt, any Permissions relating to the Issuer’s ability or capacity to undertake its banking or financial advisory functions shall not be deemed to be immaterial in the conduct by the Issuer of its Permitted Business.

### 4.2 Transactions with Affiliates

So long as any of the Notes remains outstanding, the Issuer shall not, and shall not permit any of its Subsidiaries to, in any 12 month period, (a) make any payment to, (b) sell, lease, transfer or otherwise dispose of any of its properties, revenues or assets to, (c) purchase any properties, revenues or assets from, or (d) enter into or make or amend any transaction, contract, agreement, understanding, loan, advance, indemnity or guarantee (whether related or not) with or, for the benefit of, any Affiliate (each, an “**Affiliate Transaction**”) which Affiliate Transaction has (or, when taken together with any other Affiliate Transactions during such 12 month period, in the aggregate have) a value in excess of USD 50,000,000 (or its equivalent in any other currency) unless such Affiliate Transaction and each such other aggregate Affiliate Transaction is on terms that are no less favourable to the Issuer or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Subsidiary with an unrelated Person.

### 4.3 Financial Reporting

So long as any of the Notes remains outstanding, the Issuer shall deliver to the Fiscal Agent:

- (a) not later than 120 days after the end of each financial year, English language copies of the Issuer’s audited consolidated financial statements for such financial year, prepared and presented in accordance with BRSAAS consistently applied, including comparative financial information for the preceding financial year, and such financial statements of the Issuer shall be accompanied by the reports of the auditors thereon; and

- (b) not later than 90 days after the end of the first six months of each of the Issuer's financial years, English language copies of its unaudited consolidated financial statements for such six-month period, prepared and presented in accordance with BRSAAS consistently applied, including comparative financial information for the corresponding period of the previous financial year.

#### **4.4 Merger, Amalgamation, Consolidation, Sale, Assignment or Disposal**

So long as any of the Notes remains outstanding, the Issuer shall not merge, amalgamate or consolidate with or into, or sell, assign or otherwise dispose of all or substantially all of its property and assets (whether in a single transaction or a series of related transactions) to, any other person (a "Successor Entity") without the prior approval of the holders of the Notes by way of an Extraordinary Resolution unless either:

- (a) the surviving legal entity following any such merger, amalgamation or consolidation is the Issuer; or
- (b)
  - (i) the Successor Entity is incorporated, domiciled and resident in Türkiye and executes a deed poll and such other documents (if any) as may be necessary to give effect to its assumption of all of the obligations, covenants, liabilities and rights of the Issuer in respect of the Notes (together, the "Documents") and (without limiting the generality of the foregoing) pursuant to which the Successor Entity shall undertake in favour of each Noteholder to be bound by the Notes, these Conditions and the provisions of the Agency Agreement, the Deed of Covenant and the Deed Poll as fully as if it had been named in the Notes, these Conditions, the Agency Agreement, the Deed of Covenant and the Deed Poll in place of the Issuer; and
  - (ii) the Issuer (or the Successor Entity) delivers to the Fiscal Agent a legal opinion from a leading firm of lawyers in each of Türkiye and England to the effect that, subject to no greater limitations as to enforceability than those which would apply in any event in the case of the Issuer, the Documents constitute or, when duly executed and delivered, will constitute, legal, valid and binding obligations of the Successor Entity, with each such opinion to be dated not more than seven days prior to the date of such merger, amalgamation or consolidation or sale, assignment or other disposition,

and provided (A) none of the events or circumstances described in paragraphs (a) or (b) of Condition 11 below has occurred and is continuing and (B) such merger, amalgamation or consolidation or sale, assignment or other disposition does not and would not (I) result in any other default or breach of the obligations and covenants of the Issuer under the Notes or of the Successor Entity on its assumption of such obligations and covenants in accordance with the provisions of Condition (b) or (II) otherwise have a Material Adverse Effect.

#### **4.5 Interpretation**

In these Conditions:

"**Affiliate**" means, in respect of any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and, in the case of a natural Person, any immediate family member of such Person. For the purposes of this definition, "**control**", as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For the purposes of this definition, the terms "**controlling**", "**controlled by**" and "**under common control with**" shall have corresponding meanings.

"**BRSAAS**" means the "*Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents*" published in the Official Gazette No. 26333 dated 1 November 2006 by the BRSA (as defined below) and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and interpretations published

by the BRSA and “*Turkish Accounting Standards*” and “*Turkish Financial Reporting Standards*” issued by the Public Oversight Accounting and Auditing Standards Authority for those matters not regulated by the aforementioned regulations.

“**Group**” means the Issuer together with its consolidated Subsidiaries.

“**Material Adverse Effect**” means a material adverse effect on: (i) the business, financial condition or results of operations of the Issuer or the Group, or (ii) the Issuer’s ability to perform its obligations under the Notes, which, in the case of Condition 4.4(b) above, shall be determined by reference to the Issuer and the Group immediately prior to, and to the Successor Entity and the New Group immediately after, the relevant merger, amalgamation or consolidation or sale, assignment or other disposition.

“**New Group**” means the Successor Entity together with its consolidated Subsidiaries.

“**Permitted Business**” means any business which is the same as or related, ancillary or complementary to any of the businesses of the Issuer on the Issue Date (as defined below).

“**Person**” means (i) any individual, company, unincorporated association, government, state agency, international organisation or other entity and (ii) its successors and assigns.

“**Subsidiary**” means, in relation to any Person, any company (i) in which such Person holds a majority of the voting rights or (ii) of which such Person is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which such Person is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of such Person.

## 5. INTEREST

### 5.1 Interest Rate and Interest Payment Dates

Each Note bears interest in respect of the period from (and including):

- (a) the Issue Date to (but excluding) the First Reset Date, at the rate of 9.743 per cent. per annum (the “**Initial Interest Rate**”); and
- (b) each Reset Date to (but excluding) the next succeeding Reset Date (each a “**Reset Period**”), at the rate per annum equal to the aggregate of: (i) the Reset Margin and (ii) the CMT Rate in relation to such Reset Period (the “**Reset Interest Rate**” and, together with the Initial Interest Rate, each, a “**Rate of Interest**”), as determined by the Fiscal Agent on the Reset Determination Date.

Interest will be payable semi-annually in arrear on each of 4 July and 4 January (each, an “**Interest Payment Date**”) in each year, commencing on 4 July 2024. There will be a short first Interest Period from (and including) the Issue Date to (but excluding) the first Interest Payment Date of 4 July 2024.

In the case of any Write-Down (as defined in Condition 6.1 below) of the Notes and the cancellation pursuant to Condition 6.1 or 6.2, as the case may be, of any interest accrued and unpaid on the Notes in respect of the period from (and including) the Interest Payment Date immediately preceding the Write-Down Date (or, if none, the Issue Date) to (but excluding) the Write-Down Date, interest will be payable on the Notes on the Interest Payment Date immediately following such Write-Down in respect of (i) the period from (and including) the Write-Down Date to (but excluding) such Interest Payment Date, and (ii) the Prevailing Principal Amount of the outstanding Notes during that period.

### 5.2 Calculation of Interest

Interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate Prevailing Principal Amount of the outstanding Notes represented by the relevant Global Note or the relevant Notes in definitive form and, in each case, multiplying such sum by 30/360, and rounding the resultant figure to the nearest USD 0.01 (with USD 0.005 being rounded upwards).

In the case of a period for which interest is to be calculated where different Prevailing Principal Amounts of a Note have applied, the above calculation shall be performed separately for each sub-period within that period during which the Prevailing Principal Amount of such Note was different and the aggregate of the amounts resulting from such calculations shall be the interest payable in respect of the relevant period.

### **5.3 Determination and Notification of Reset Interest Rate**

The Fiscal Agent will, at or as soon as practicable after the Relevant Time, determine the Reset Interest Rate and cause it to be notified to the Issuer and any stock exchange on which the Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after such determination but in no event later than the fourth London Business Day thereafter. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

### **5.4 Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the other Agents and all Noteholders and (in the absence of wilful default or fraud) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **5.5 Optional Cancellation of Interest**

The Issuer may elect, in its sole and absolute discretion, to cancel any payment of interest in whole or in part at any time and for any reason. Following any such election, the Issuer shall give notice to Noteholders in accordance with Condition 14 and to the Fiscal Agent of the cancellation of such interest payment. Any failure by the Issuer to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, any such election or give Noteholders any rights as a result of such failure.

### **5.6 Mandatory Cancellation of Interest**

- (a) Payments of interest in respect of the Notes shall be made only out of Distributable Items of the Issuer. To the extent that (i) the Issuer has insufficient Distributable Items to make any payment of interest in respect of the Notes scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid out of Distributable Items in such financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Issuer, and/or (ii) the BRSA, in accordance with Applicable Banking Regulations then in force, requires the Issuer to cancel the relevant payment of interest in respect of the Notes in whole or in part, then the Issuer will, without prejudice to the right above to cancel any such payments of interest in respect of the Notes, make partial or, as the case may be, no such payment of interest in respect of the Notes.
- (b) No payment of interest will be made in respect of the Notes if and to the extent that such payment:
  - (i) would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group to be exceeded provided that a partial payment of interest may be made to the extent that such partial payment does not cause the relevant Maximum Distributable Amount to be exceeded; or
  - (ii) would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Instruments pursuant to Applicable Banking Regulations.

- (c) The Issuer shall, following the application of any requirement pursuant to paragraph (a) or (b) above to make partial or (as the case may be) no payment of interest on the Notes, give notice thereof to Noteholders in accordance with Condition 14 and to the Fiscal Agent. Any failure by the Issuer to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, any such requirement to make partial or (as the case may be) no payment of interest or give Noteholders any rights as a result of such failure.

## **5.7 Interest Payments Non-Cumulative**

Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes as a result of any cancellation of such payment of interest pursuant to the provisions of this Condition 5, then the right of the Noteholders to receive the relevant interest payment (or part thereof) will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) or to pay any interest thereon, whether or not interest on the Notes is paid in respect of any future Interest Period.

## **5.8 Non-payment Evidence of Cancellation**

If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) or, as appropriate, the Issuer's exercise of its discretion to cancel such interest payment (or relevant part thereof), and accordingly, such interest (or part thereof) shall not in any such case be due and payable.

## **5.9 Cancellation not an Event of Default**

No such cancellation or non-payment of any interest (or part thereof) will constitute an event of default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer or in any way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any Junior Obligation or Parity Obligation other than any payment to shareholders of the Issuer.

## **5.10 Capital Disqualification Event**

If a Capital Disqualification Event (as defined in Condition 8.4 below) has occurred in respect of the Notes and the Notes are no longer eligible to comprise (in whole and not, for the purposes of this Condition 5.10, part only) Additional Tier 1 capital of the Issuer, in the event that the Issuer does not exercise its option to redeem the Notes as provided in Condition 8.4, the interest cancellation provisions in Conditions 5.5 to 5.9 above shall cease to apply to the Notes and the Issuer shall no longer have the discretion to cancel any interest payments due on the Notes on any Interest Payment Date following the occurrence of that Capital Disqualification Event.

As soon as practicable after becoming aware of the occurrence of a Capital Disqualification Event, the Issuer shall give notice thereof to Noteholders in accordance with Condition 14 and to the Fiscal Agent. Any failure by the Issuer to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, this Condition or give Noteholders any rights as a result of such failure.

## **5.11 Restrictions Following Non-Payment of Interest**

If, on any Interest Payment Date, any payment of interest in respect of the Notes scheduled to be made on such date is not made in full and cancelled pursuant to the above provisions:

- (a) the board of directors of the Issuer (the "Board of Directors") shall not directly or indirectly recommend or, if proposed by shareholders of the Issuer, shall recommend to the shareholders of the Issuer that they reject, the payment or making of any Distribution (other than in the form

of Ordinary Shares or any other class of share capital of the Issuer) on any Ordinary Shares or other class of share capital of the Issuer; and

- (b) the Issuer shall not directly or indirectly, redeem, purchase or otherwise acquire any Junior Obligations (including any Ordinary Shares or other class of share capital of the Issuer) other than in relation to (i) transactions in securities effected by or for the account of customers of the Issuer or any of its subsidiaries or in connection with the distribution or trading of, or market making in respect of such securities; (ii) the satisfaction by the Issuer or any of its subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers or directors of the Issuer or any of its subsidiaries; (iii) a reclassification of any share capital of the Issuer or of any of its subsidiaries or the exchange or conversion of one class or series of such share capital for another class or series of such share capital; or (iv) the purchase of any share capital of the Issuer or fractional rights to such share capital pursuant to the provisions of any outstanding securities of the Issuer or any subsidiary being converted or exchanged for such share capital in order to fulfil its obligations under such outstanding securities,

in each case until the earliest of the date on which (x) the interest scheduled to be paid in respect of the Notes on any two consecutive Interest Payment Dates following any such cancellation of interest has been paid in full; or (y) all outstanding Notes have been redeemed or purchased and cancelled in full; or (z) the Prevailing Principal Amount of the Notes has been Written Down to zero.

#### **5.12 Accrual of interest**

The Notes will cease to bear interest from (and including) the date for their redemption unless payment of principal is improperly withheld or refused. In such event, but subject to the cancellation provisions of this Condition 5, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and  
(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

#### **5.13 Interpretation**

In these Conditions:

“**30/360**” means the number of days in the Interest Period to (but excluding) the relevant payment date, divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months.

“**Applicable Banking Regulations**” means at any time the laws, regulations, communiqués, regulatory decisions, requirements, guidelines and policies relating to capital adequacy then in effect in Türkiye including, without limitation to the generality of the foregoing, the Banking Law (No. 5411), the Capital Adequacy Regulation, the Equity Regulation, the Capital Conservation and Countercyclical Buffer Regulation, the Regulation on Systemically Important Banks, the BRSA decision No. 6602 dated 18 December 2015 and those regulations, communiqués, decisions, requirements, guidelines and policies relating to capital adequacy of the BRSA to the extent then in effect in Türkiye (whether or not any such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group).

“**Applicable Distribution Regulations**” means at any time the laws, regulations, communiqués, regulatory decisions, requirements, guidelines and policies relating to the making of any distribution by the Issuer to its shareholders by way of dividend then in effect in Türkiye including, without limitation to the generality of the foregoing, the Turkish Commercial Code (No. 6102), the Capital Markets Law (No. 6362), the Banking Law (No. 5411), the Capital Adequacy Regulation, the Equity Regulation, the Capital Conservation and Countercyclical Buffer Regulation, the Regulation on Systemically Important

Banks, the BRSA decision No. 6602 dated 18 December 2015 and those regulations, communiqués, decisions, requirements, guidelines and policies relating to the making of any such distribution of the BRSA and the CMB to the extent then in effect in Türkiye (whether or not any such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer).

**“Bloomberg Screen”** means the display page on the Bloomberg L.P. information service designated as the “H15T5Y” page or such other page as may replace it on that information service or any successor information service for the purpose of displaying “treasury constant maturities” as reported in H.15(519).

**“Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Istanbul, London and New York City.

**“Capital Adequacy Regulation”** means the BRSA Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks (published in the Official Gazette dated 23 October 2015 (No. 29511)).

**“Capital Conservation and Countercyclical Buffer Regulation”** means the BRSA Regulation on Capital Conservation and the Countercyclical Buffer (published in the Official Gazette dated 5 November 2013 (No. 28812)).

**“CMT Rate”** means the rate determined by the Fiscal Agent and expressed as a percentage equal to:

- (a) the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on the Bloomberg Screen at the Relevant Time; or
- (b) if the yield referred to in paragraph (a) above is not published on the Bloomberg Screen by the Relevant Time, the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years as published in the H.15(519) under the caption “treasury constant maturities (nominal)” at the Relevant Time; or
- (c) if the yield referred to in paragraph (b) above is not published by the Relevant Time, the Reset Reference Bank Rate.

**“Distributable Items”** means those items eligible for distribution by the Issuer to its shareholders in any financial year of the Issuer by way of dividend in accordance with Applicable Distribution Regulations, including, without limitation, any retained earnings and other applicable reserves available for such distribution.

**“Distribution”** means any dividend or distribution to shareholders in respect of the Ordinary Shares or any other class of share capital of the Issuer, whether of cash, assets or other property (including a spin-off), and however described and whether payable out of a share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including any distribution or payment to any shareholders of the Issuer upon or in connection with a reduction of capital.

**“First Reset Date”** means 4 July 2029.

**“H.15(519)”** means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15> or any successor site or publication.

**“Initial Principal Amount”** means USD 1,000 for each USD 1,000 of the Specified Denomination of the Notes as of the Issue Date (or, with respect to any further notes issued pursuant to Condition 16, the issue date thereof).

**“Interest Period”** means the period from (and including) an Interest Payment Date (or, as the case may be, the Issue Date) to (but excluding) the next (or, as the case may be, first) Interest Payment Date or

the relevant date on which payment is made if the Notes become payable on a date other than an Interest Payment Date.

“**Issue Date**” means 4 April 2024.

“**Maximum Distributable Amount**” means, at any time, any maximum distributable amount required to be calculated in accordance with Applicable Distribution Regulations at such time.

“**Prevailing Principal Amount**” means, in respect of a Note at any time, the Initial Principal Amount of that Note as reduced (on one or more occasions) by any Write-Down (as defined in Condition 6.1 below) or increased (on one or more occasions) by any Write-Up (as defined in Condition 6.5 below), in each case at or prior to such time.

“**Regulation on Systemically Important Banks**” means the BRSA Regulation on the Regulation on Systemically Important Banks (published in the Official Gazette dated 23 February 2016 (No.29633)).

“**Relevant Time**” means at or around 4.30 p.m. (New York City time) on the Reset Determination Date.

“**Representative Amount**” means a principal amount of United States Treasury Securities that is representative of a single transaction in such United States Treasury Securities in the New York City market at the Relevant Time.

“**Reset Date**” means the First Reset Date and each date falling on the fifth anniversary of the previous Reset Date.

“**Reset Determination Date**” means, in relation to each Reset Date, the third Business Day immediately preceding such Reset Date.

“**Reset Margin**” means 5.499 per cent. per annum.

“**Reset Reference Bank Rate**” means the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset United States Treasury Securities determined by the Fiscal Agent on the basis of the arithmetic mean of the Reset Reference Bank Rate Quotations provided by the Reset Reference Banks to the Fiscal Agent at the Relevant Time. The Issuer will request the principal office of each of the Reset Reference Banks to provide such quotations to the Fiscal Agent. If three or more quotations are so provided, the Reset Reference Bank Rate will be determined by the Fiscal Agent on the basis of the arithmetic mean of those quotations, eliminating the highest such quotation (or, in the event of equality, one of the highest) and the lowest such quotation (or, in the event of equality, one of the lowest). If only two quotations are so provided, the Reset Reference Bank Rate will be determined by the Fiscal Agent on the basis of the arithmetic mean of the quotations provided. If only one quotation is so provided, the Reset Reference Bank Rate will be determined by the Fiscal Agent on the basis of such quotation. If no quotations are provided, the Reset Reference Bank Rate will be 4.251 per cent. per annum.

“**Reset Reference Bank Rate Quotation**” means, for each Reset Reference Bank, the secondary market bid prices of such Reset Reference Bank for Reset United States Treasury Securities at the Relevant Time.

“**Reset Reference Banks**” means five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. Dollars in New York City (excluding the Fiscal Agent or any of its affiliates), as selected by the Issuer.

“**Reset United States Treasury Securities**” means United States Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no less than four years and in a Representative Amount. If two United States Treasury Securities have remaining terms to maturity

equally close to five years, the Reset United States Treasury Securities will be the United States Treasury Security with the shorter remaining term to maturity.

**“United States Treasury Securities”** means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

## **6. LOSS ABSORPTION UPON THE OCCURRENCE OF A TRIGGER EVENT OR A NON-VIABILITY EVENT AND REINSTATEMENT**

### **6.1 Trigger Event Write-Down of the Notes**

If at any time the CET1 Ratio of the Issuer and/or the Group, in each case as determined by the Issuer, is less than 5.125 per cent. (a “**Trigger Event**”), then the Issuer shall:

- (a) first, cancel any interest in respect of the Notes pursuant to Condition 5.5 accrued and unpaid to (but excluding) the Trigger Event Write-Down Date (including if payable on the Trigger Event Write-Down Date), together with any interest or equivalent payments that may be similarly cancelled in respect of any other securities or instruments of the Issuer the terms of which provide for such cancellation;
- (b) to the extent such cancellation of interest and any such equivalent payments is not sufficient to restore the CET1 Ratio of the Issuer and/or the Group, as the case may be, to 5.125 per cent., on the Trigger Event Write-Down Date (without any requirement for the consent or approval of the Noteholders), reduce the then Prevailing Principal Amount of each Note by the relevant Trigger Event Write-Down Amount (any such reduction, a “**Trigger Event Write-Down**” and, together with a Non-Viability Event Write-Down (as defined in Condition 6.2 below), a “**Write-Down**”, and “**Written Down**” and “**Writing Down**” shall be construed accordingly); and
- (c) immediately notify the BRSA that a Trigger Event has occurred.

Promptly upon the occurrence of a Trigger Event, the Issuer shall give notice to Noteholders in accordance with Condition 14 and to the Fiscal Agent, which notice, in addition to specifying that a Trigger Event has occurred, shall specify (i) the date on which the Trigger Event Write-Down shall occur (the “**Write-Down Date**”), which shall be as soon as practicable and in any event by such date as Applicable Banking Regulations may require and (ii) if then determined, the Trigger Event Write-Down Amount (together, a “**Trigger Event Notice**”). If the Trigger Event Write-Down Amount has not been determined when the Trigger Event Notice is given, the Issuer shall, as soon as practicable following such determination, give notice to Noteholders in accordance with Condition 14 and to the Fiscal Agent of the Trigger Event Write-Down Amount.

Any failure by the Issuer to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, any Trigger Event Write-Down, or give Noteholders any rights as a result of such failure.

Any Trigger Event Write-Down of the Notes will be effected, save as may otherwise be required by Applicable Banking Regulations, (i) such that each Note will be Written-Down *pro rata* with the other Notes and (ii) taking into account the write-down or conversion into equity of each other Trigger Event Loss-Absorbing Instrument to the extent required to restore the CET1 Ratio of the Issuer and/or the Group to the lower of (A) the Specified Trigger Threshold of such other Trigger Event-Loss Absorbing Instrument and (B) 5.125 per cent.

To the extent such write-down or conversion of any other Trigger Event Loss-Absorbing Instrument is not possible for any reason, this shall not in any way impact on any Trigger Event Write-Down of the Notes. The only consequence shall be that the Notes will be Written-Down and the Trigger Event Write-Down Amount determined as provided below without taking into account any such write down or conversion of such other Trigger Event Loss-Absorbing Instrument.

Following the giving of a Trigger Event Notice which specifies a Trigger Event Write-Down of the Notes, the Issuer shall procure that:

- (I) a similar notice is, or has been, given in respect of each other Trigger Event Loss-Absorbing Instrument (in each case, in accordance with, and to the extent required by, its terms); and
- (II) to the extent possible, the prevailing principal amount outstanding of each such other Trigger Event Loss-Absorbing Instrument is written down or converted into equity in accordance with its terms prior to or, as appropriate, as soon as reasonably practicable following the giving of such Trigger Event Notice.

The Issuer shall calculate and publish the CET1 Ratios of the Issuer and the Group on at least a quarterly basis.

## 6.2 Non-Viability Event Write-Down of the Notes

*Under Article 7(2)(j) of the Equity Regulation, to be eligible for inclusion as Additional Tier 1 capital of the Issuer, it should, among other things, be possible pursuant to the terms of the Notes for the Notes to be written-down or converted into equity of the Issuer upon the decision of the BRSA in the event it is probable that (a) the operating licence of the Issuer may be revoked or (b) shareholder rights (except to dividends), and the management and supervision of the Issuer, may be transferred to the SDIF, in each case pursuant to Article 71 of the Banking Law (No. 5411) (as further defined below, a Non-Viability Event). For the purposes of the Notes, the Issuer has elected pursuant to Article 7(2)(j) of the Equity Regulation to provide for the permanent write-down of the Notes and not their conversion into equity on the occurrence of a Non-Viability Event as follows.*

If a Non-Viability Event occurs at any time, the Issuer shall cancel any interest in respect of the Notes pursuant to Condition 5.5 accrued and unpaid to (but excluding) the date of occurrence of that Non-Viability Event (including if payable on such date) and:

- (a) *pro rata* with the other Notes and (if any exist) all other Parity Loss-Absorbing Instruments; and
- (b) in conjunction with, and such that no Non-Viability Event Write-Down (as defined below) shall take place without there also being:
  - (i) the maximum possible reduction in the principal amount of, and/or corresponding conversion into equity being made in respect of, all Junior Loss-Absorbing Instruments in accordance with the provisions of such Junior Loss-Absorbing Instruments; and
  - (ii) the implementation of Statutory Loss-Absorption Measures, involving the absorption by all other Junior Obligations (including CET1 Capital (in Turkish: Çekirdek Sermaye)) to the maximum extent allowed by law of the relevant loss(es) giving rise to the Non-Viability of the Issuer within the framework of the procedures and other measures by which the relevant loss(es) of the Issuer giving rise to the Non-Viability Event may be absorbed by such Junior Obligations pursuant to Article 71 of Banking Law (No. 5411) and/or otherwise under Turkish law and regulations,

reduce the then Prevailing Principal Amount of each outstanding Note by the relevant Non-Viability Event Write-Down Amount (any such reduction, a “**Non-Viability Event Write-Down**”).

For these purposes, any determination of a Non-Viability Event Write-Down Amount shall take into account the absorption of the relevant loss(es) by all Junior Obligations to the maximum extent possible or otherwise allowed by law and the Writing Down of the Notes *pro rata* with (if any exist) all other Parity Loss-Absorbing Instruments, thereby maintaining the respective rankings described under Condition 3.1 above.

*In conjunction with any determination by the BRSA of the Issuer's Non-Viability, losses may be absorbed by shareholders of the Issuer pursuant to Article 71 of the Banking Law (No. 5411) upon: (a) the transfer of shareholders' rights (except to dividends) and the management and supervision of the Issuer to the SDIF, on the condition that such loss(es) are deducted from the capital of the shareholders or (b) the revocation of the Issuer's operating licence and its liquidation. However, the Non-Viability Event Write-Down of the Notes under the Equity Regulation may take place before any such transfer or liquidation.*

*Pursuant to the first paragraph of this Condition 6.2, while the Notes may be Written-Down before any transfer or liquidation as described in the preceding paragraph, the Non-Viability Event Write-Down must take place in conjunction with such transfer of shareholders' rights to the SDIF or revocation of the Issuer's operating licence and liquidation pursuant to Article 71 of the Banking Law (No. 5411) in order that the respective rankings described in Condition 3.1 are maintained and the relevant loss(es) are absorbed by Junior Obligations to the maximum extent possible. In this respect, such action will be taken as is decided by the Board of the BRSA. Where a Non-Viability Event Write-Down of the Notes does take place before the liquidation of the Issuer, Noteholders would only be able to claim and prove in such liquidation in respect of the Prevailing Principal Amount of the outstanding Notes following the Non-Viability Event Write-Down.*

*Prior to any such determination of Non-Viability by the BRSA, in those circumstances where the BRSA considers preventative action is warranted, there are a number of measures that may be taken by the BRSA under Articles 68 to 70 of the Banking Law (No. 5411) as a form of early intervention, including corrective, rehabilitative and restrictive measures. In addition to the measures referred to in those Articles, the BRSA may also request other measures. These may include the BRSA calling for an increase in the bank's own funds, which the BRSA may look for the bank to achieve through, among other things, the issue of further shares (whether to existing or new shareholders). The scope and manner of implementation of the measures described above that may be taken pursuant to Articles 68 to 70 of the Banking Law (No. 5411) will be decided solely by the Board of the BRSA. The transfer of shareholders' rights (except to dividends) and the management and supervision of the Issuer to the SDIF under Article 71 of the Banking Law (No. 5411) on the condition that losses are deducted from the capital of existing shareholders will also take place only upon the decision of the Board of the BRSA. See further "Risk Factors – Risks Relating to the Structure of the Notes —Potential Permanent Write-Down – The Prevailing Principal Amount outstanding of the Notes will be permanently Written-Down by the amount determined by the BRSA upon the occurrence of a Non-Viability Event with respect to the Issuer".*

The Issuer shall notify the Noteholders of any Non-Viability Event in accordance with Condition 14 as soon as practicable upon receiving notice thereof from the BRSA; *provided that* prior to the publication of such notice the Issuer shall deliver to the Fiscal Agent the statement(s) in writing received from (or published by) the BRSA of its determination of such Non-Viability Event. The Issuer shall further notify the Noteholders in accordance with Condition 14 and deliver to the Fiscal Agent the statement(s) in writing received from (or published by) the BRSA specifying the Non-Viability Event Write-Down Amount as soon as practicable upon receiving notice thereof from the BRSA.

Any failure by the Issuer to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, any Non-Viability Event Write-Down, or give Noteholders any rights as a result of such failure.

### **6.3 No Event of Default**

The occurrence of a Trigger Event, a Non-Viability Event or any Write-Down will not constitute an event of default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer.

## **6.4 Write-Down may occur on more than one occasion and Noteholders will have no further claim in respect of Written-Down Amount**

A Trigger Event or a Non-Viability Event may occur on more than one occasion and the Notes may be Written-Down on more than one occasion, with each such Write-Down to involve the reduction of the then Prevailing Principal Amount of each outstanding Note by the relevant Write-Down Amount.

Noteholders will have no further claim against the Issuer in respect of any Written-Down Amount of the Notes and if, at any time, the Notes are Written-Down in full, the Notes shall be cancelled and Noteholders will have no further claim against the Issuer in respect of any such Notes.

## **6.5 Reinstatement**

To the extent the Prevailing Principal Amount of the Notes is less than their Initial Principal Amount at any time as a result of a Trigger Event Write-Down, the Issuer may increase the Prevailing Principal Amount of each Note (a “**Write-Up**”) up to a maximum of its Initial Principal Amount. Any Write-up (including the amount of such Write-Up) shall be:

- (1) subject to compliance with Applicable Banking Regulations and, if required by Applicable Banking Regulations, to having obtained the prior approval of the BRSA;
- (2) in the sole and absolute discretion of the Issuer;
- (3) effected only to the extent that both a positive Solo Distributable Net Profit and a positive Consolidated Distributable Net Profit are recorded;
- (4) effected on a *pro rata* basis with the other Notes and any Written-Down Additional Tier 1 Instruments of the Issuer or the Group that have terms permitting a principal write-up to occur on a basis similar to that set out in these provisions in the circumstances existing on the date of the relevant Write-Up;
- (5) subject to the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group (when the amount of the Write-Up is aggregated together with any other Relevant Distributions) not being exceeded thereby; and
- (6) effected only if the sum of:
  - (i) the aggregate amount of the relevant Write-Up on all of the Notes;
  - (ii) the aggregate amount of any payments of interest in respect of the Notes that were paid on the basis of a Prevailing Principal Amount lower than the Initial Principal Amount at any time after the end of the previous financial year;
  - (iii) the aggregate amount of the increase in principal amount of each such Written-Down Additional Tier 1 Instrument at the time of the relevant Write-Up and the increase in principal amount of the Notes and any such Written-Down Additional Tier 1 Instrument as a result of any previous write-up since the end of the previous financial year; and
  - (iv) the aggregate amount of any payments of interest or distributions in respect of each such Written-Down Additional Tier 1 Instrument that were paid on the basis of a principal amount lower than the principal amount it was issued with at any time after the end of the previous financial year,

does not exceed the Maximum Write-Up Amount as of the date of the relevant Write-Up.

In addition, no Write-Up shall be effected:

- (a) if a Trigger Event has occurred in respect of which the Trigger Event Write-Down has not yet occurred;

- (b) if a Trigger Event has occurred in respect of which the Trigger Event Write-Down has occurred but the CET 1 Capital Ratio of the Issuer and/or the Group has not been restored to at least 5.125 per cent.;
- (c) if the Write-Up (together with any corresponding write-up of all other Written-Down Additional Tier 1 Instruments of the Issuer or the Group that have terms providing for such write-up) would cause a Trigger Event to occur;
- (d) if a Non-Viability Event has occurred at any time subsequent to a Trigger Event insofar as the amount of the Notes Written-Down pursuant to that Trigger Event is concerned; or
- (e) in respect of any Written-Down Amount (as defined below) of the Notes that has been Written-Down pursuant to a Non-Viability Event Write-Down.

The Issuer will further not write-up or otherwise reinstate the principal amount of any Written-Down Additional Tier 1 Instruments of the Issuer or the Group that have terms permitting a write-up of such principal amount to occur on a similar basis to that set out in these provisions unless it does so on a *pro rata* basis with a Write-Up of the Notes.

A Write-Up may be made on more than one occasion in accordance with these provisions until the Prevailing Principal Amount of the Notes has been reinstated to the Initial Principal Amount.

Any decision by the Issuer to effect or not to effect any Write-Up pursuant to these provisions on any occasion shall not preclude it from effecting or not effecting any Write-Up on any other occasion pursuant to these provisions.

If the Issuer decides to Write-Up the Notes pursuant to these provisions, notice (a “**Write-Up Notice**”) of such Write-Up shall be given to Noteholders in accordance with Condition 14 and the Fiscal Agent specifying the amount of such Write-Up (as a percentage of the Initial Principal Amount of a Note that results in a *pro rata* increase in the Prevailing Principal Amount of each Note) and the date on which such Write-Up shall take effect. Such Write-Up Notice shall be given at least ten Business Days prior to the date on which the relevant Write-Up is to become effective.

## **6.6 Interpretation**

For the purposes of this Condition 6:

**“Accounting Currency”** means Turkish Lira or such other primary currency used in the presentation of the Issuer’s consolidated financial statements from time to time.

**“CET1 Capital”** means, at any time, the common equity tier 1 Capital (in Turkish: *Cekirdek Sermaye*) of the Issuer or the Group, respectively, as calculated by the Issuer in accordance with Applicable Banking Regulations at such time, including any applicable transitional, phasing in or similar provisions.

**“CET1 Ratio”** means, at any time, with respect to the Issuer or the Group, as the case may be, the ratio (expressed as a percentage) of the aggregate amount (in the Accounting Currency) of the CET1 Capital of the Issuer or the Group, respectively, at such time divided by the Risk Weighted Assets Amount of the Issuer or the Group, respectively, at such time, all as calculated by the Issuer in accordance with Applicable Banking Regulations at such time.

**“Consolidated Distributable Net Profit”** means the consolidated net profit of the Group, as calculated and set out in the most recent published audited annual consolidated financial statements of the Group, less any items (i) required to be deducted prior to any distribution of such net profit by the Issuer to its shareholders or (ii) not otherwise eligible for such distribution, in each case in accordance with Applicable Distribution Regulations.

**“Junior Loss-Absorbing Instruments”** means any Non-Viability Event Loss-Absorbing Instrument that is or represents a Junior Obligation.

**“Maximum Write-Up Amount”** means the lower of:

- (i) the Solo Distributable Net Profit multiplied by the sum of the aggregate Initial Principal Amount of the Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the Issuer, and divided by the total Tier 1 capital of the Issuer as at the date of the relevant Write-Up; and
- (ii) the Consolidated Distributable Net Profit multiplied by the sum of the aggregate Initial Principal Amount of the Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the Group, and divided by the total Tier 1 capital of the Group as at the date of the relevant Write-Up,

or any higher amount permissible pursuant to Applicable Banking Regulations in force on the date of the relevant Write-Up.

**“Non-Viable”** means where the Issuer is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law (No. 5411) that: (i) its operating licence is to be revoked and the Issuer liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Issuer, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders, and “**Non-Viability**” shall be construed accordingly.

**“Non-Viability Event”** means the determination by the BRSA that, upon the incurrence of a loss by the Issuer (on a consolidated or non-consolidated basis), the Issuer has become, or it is probable that the Issuer will become, Non-Viable.

**“Non-Viability Event Loss Absorbing Instrument”** means any security or other instrument or payment obligation that has provision for all or some of its principal amount to be reduced and/or converted into equity (in accordance with its terms or otherwise) on the occurrence or as a result of a Non-Viability Event (which shall not include ordinary shares or any other instrument that does not have such provision in its terms or otherwise but which is subject to any Statutory Loss Absorption Measure).

**“Non-Viability Event Write-Down Amount”**, in respect of an outstanding Note, means the amount by which the Prevailing Principal Amount of such Note as of the date of the relevant Non-Viability Event Write-Down is to be Written-Down, which shall be determined as described in Condition 6.2 and may be all or part only of such Prevailing Principal Amount, in each case as specified in writing (including by way of publication) by the BRSA (together with a Trigger Event Write-Down Amount, a “**Write-Down Amount**”, and “**Written-Down Amount**” shall be construed accordingly).

*While a Non-Viability Event Write-Down of the Notes may take place before the absorption of the relevant loss(es) giving rise to the Non-Viability Event to the maximum extent possible by Junior Obligations, such loss absorption would need to be taken into account by the BRSA, where relevant, in the determination of the Non-Viability Event Write-Down Amount in order for the respective rankings described in Condition 3.1 to be maintained on any Non-Viability Event Write-Down as provided in Condition 6.2.*

**“Parity Loss-Absorbing Instruments”** means any Non-Viability Event Loss-Absorbing Instrument that is or represents a Parity Obligation.

**“Relevant Distributions”** means distributions of the Issuer or the Group, as applicable, of the kind the payment of which from the Distributable Items of the Issuer or the Group, respectively, is subject to the Maximum Distributable Amount not being exceeded by such payment.

**“Risk Weighted Assets Amount”** means at any time, with respect to the Issuer or the Group, as the case may be, the aggregate amount (in the Accounting Currency) of the risk weighted assets or equivalent of the Issuer or the Group, respectively, as calculated by the Issuer in accordance with Applicable Banking Regulations at such time.

**“SDIF”** means the Savings Deposit Insurance Fund (*Tasarruf Mevduati Sigorta Fonu*) of Türkiye,

**“Solo Distributable Net Profit”** means the non-consolidated net profit of the Issuer, as calculated and set out in the most recent published audited annual non-consolidated financial statements of the Issuer, less any items (i) required to be deducted prior to any distribution of such net profit by the Issuer to its shareholders or (ii) not otherwise eligible for such distribution, in each case in accordance with Applicable Distribution Regulations.

**“Statutory Loss Absorption Measure”** means the transfer of shareholders’ rights (except to dividends) and the management and supervision of the Issuer to the SDIF pursuant to Article 71 of the Banking Law (No. 5411) or any analogous procedure or other measure under the laws of Türkiye by which the relevant loss(es) of the Issuer giving rise to the Non-Viability Event may be absorbed by Junior Obligations.

**“Tier 1 capital”** means tier 1 capital (in Turkish: *ana sermaye*) as provided under Article 5 of the Equity Regulation.

**“Trigger Event Loss-Absorbing Instrument”** means, at any time, any instrument (other than the Notes) issued directly or indirectly by the Issuer or any other member of the Group which has terms pursuant to which all or some of its principal amount may be written down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its terms) on the occurrence, or as a result, of the CET1 Ratio of the Issuer and/or the Group, as applicable, falling below a specified threshold (the “**Specified Trigger Threshold**”).

**“Trigger Event Write-Down Amount”** means save as may otherwise be required by Applicable Banking Regulations, the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down *pro rata* with the other Notes pursuant to a Trigger Event Write-Down, which amount shall be determined by the Issuer as:

- (i) the amount of such Prevailing Principal Amount that (together with the *pro rata* write down or conversion to the extent possible of any other Trigger Event Loss-Absorbing Instruments) would be sufficient to restore the CET1 Ratio of the Issuer and/or the Group, as the case may be, to at least 5.125 per cent. (but without taking into account for these purposes any further write down or conversion of any other Trigger Event Loss-Absorbing Instruments in accordance with their terms by any amount greater than the *pro rata* amount necessary to so restore such CET1 Ratios); or
- (ii) if such Write-Down (together with the write down or conversion to the extent possible of any other Trigger Event Loss-Absorbing Instruments) would be insufficient to so restore such CET1 Ratio(s), the amount necessary to reduce the Prevailing Principal Amount of each Note to one cent.

**“Written-Down Additional Tier 1 Instruments”** means, at any time, any instrument (other than the Notes) issued directly or indirectly by the Issuer or the Group, which qualifies as Additional Tier 1 capital of the Issuer or the Group, respectively, and which, immediately prior to the relevant Write-Up, has a prevailing principal amount lower than the principal amount that it was issued with due to such principal amount having been written down (other than as a result of a Non-Viability Event).

## 7. PAYMENTS

### 7.1 Method of payment

Subject as provided below, payments will be made by credit or transfer to an account in U.S. dollars (or any account to which U.S. dollars may be credited or transferred) maintained by the payee or, at the option of the payee, by a cheque in U.S. dollars drawn on a bank that processes payments in U.S. dollars.

Payments in respect of principal and interest on the Notes will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, or other laws and regulations to which the Issuer or its Agents are subject but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to

Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA.

## 7.2 Payments in respect of Notes

Payments of principal in respect of each Note (whether or not in global form) will be made against surrender (or, in the case of part payment of any sum due, presentation and endorsement) of the Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the register of holders of the Notes maintained by the Registrar outside of the United Kingdom (the “**Register**”) at (i) where in global form, the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as the case may be, are open for business) before the relevant due date, and (ii) in all other cases, the close of business on the 15th day (or, if such 15th day is not a day on which banks are open for business in the city where the specified office of the Registrar is located, the first such day prior to such 15th day) before the relevant due date (the “**Record Date**”). Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than USD 250,000, payment will instead be made by a cheque in U.S. dollars drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means a bank which processes payments in U.S dollars.

Payments of interest in respect of each Note (whether or not in global form) will be made by a cheque in U.S. dollars drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Note appearing in the Register at the close of business on the relevant Record Date at the address of such holder shown in the Register on the Record Date and at that holder’s risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Note on redemption will be made in the same manner as payment of the principal amount of such Note.

Holders of Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Notes.

Neither the Issuer nor the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## 7.3 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

## **7.4 Payment Day**

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which is a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- (a) Istanbul, London and New York City; and
- (b) in the case of Notes in definitive form only, the relevant place of presentation.

## **7.5 Interpretation of principal and interest**

Any reference in the Conditions to principal or interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to such principal or interest under Condition 9.

# **8. REDEMPTION AND PURCHASE**

## **8.1 No fixed maturity**

The Notes are perpetual securities with no fixed maturity or date for redemption and are only redeemable in accordance with the following provisions of this Condition 8.

## **8.2 Redemption at the option of the Issuer**

Subject to Condition 8.9, the Issuer may, having given not less than 5 nor more than 60 days’ notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding, subject (if required by applicable law) to having obtained the prior approval of the BRSA, on (a) any date from (and including) 4 April 2029 to (and including) the First Reset Date or (b) any Interest Payment Date thereafter, at their respective then Prevailing Principal Amount together with interest accrued and unpaid to (but excluding) the date of redemption.

## **8.3 Redemption for tax reasons**

Subject to Condition 8.9, if as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 9.1) or any change or clarification in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change, amendment or clarification becomes effective after the Issue Date, on the next Interest Payment Date the Issuer would:

- (a) be required to (i) pay additional amounts as provided or referred to in Condition 9 and (ii) make any withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, where such requirement cannot be avoided by the Issuer taking reasonable measures available to it as determined in good faith by the Board of Directors of the Issuer; or
- (b) no longer be entitled to claim a deduction in calculating its tax liability in a Relevant Jurisdiction in respect of the payment of interest on the Notes to be made on the next Interest Payment Date, or the value of such deduction to the Issuer, as compared to what it would have been on the Issue Date, is reduced,

(each a “**Tax Event**”) then the Issuer may, at its option, having given not less than 5 nor more than 60 days’ notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then

outstanding, subject (if required by applicable law) to having obtained the prior approval of the BRSA, at any time at their respective then Prevailing Principal Amount together with interest accrued and unpaid to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 8.3, the Issuer shall deliver to the Fiscal Agent: (i) a certificate signed by two Directors of the Issuer stating that the requirements referred to in sub-paragraphs (a) and/or (b) above will apply on the next Interest Payment Date and, in the case of sub-paragraph (a), cannot be avoided by the Issuer taking reasonable measures available to it, (ii) if the BRSA's approval is required by applicable law, the BRSA's written approval for such redemption of the Notes and (iii) an opinion of independent legal advisers, in the case of sub-paragraph (a) above or independent tax advisers, in the case of sub-paragraph (b) above, in each case, of recognised standing to the effect that the Issuer (A) in the case of sub-paragraph (a) above, has or will become obliged to pay such additional amounts or (B) in the case of sub-paragraph (b) above, is or will no longer be entitled to claim such deduction or the value of such deduction has or will be so reduced, in each case as a result of the change, amendment or clarification.

#### **8.4 Redemption upon a Capital Disqualification Event**

Subject to Condition 8.9, if a Capital Disqualification Event occurs at any time after the Issue Date, the Issuer may, having given not less than 5 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption, which date shall not be earlier than the date falling three months prior to the date on which the Notes (or the applicable portion thereof) cease to be eligible for inclusion as Additional Tier 1 capital of the Issuer), redeem all, but not some only, of the Notes then outstanding, subject (if required by applicable law) to having obtained the prior approval of the BRSA, at any time at their respective then Prevailing Principal Amount together with interest accrued and unpaid to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 8.4, the Issuer shall deliver to the Fiscal Agent: (a) the required confirmation in writing by the BRSA, if applicable, of the occurrence of the relevant Capital Disqualification Event and (b) a certificate signed by two Directors of the Issuer stating that such Capital Disqualification Event has occurred.

For the purposes of this Condition 8.4, "**Capital Disqualification Event**" means if, as a result of any change in applicable law (including the Equity Regulation), or the application or official interpretation thereof, which change in application or official interpretation is confirmed in writing by the BRSA, all or any part of the aggregate Prevailing Principal Amount of the outstanding Notes is not (or will cease to be) eligible for inclusion as Additional Tier 1 capital of the Issuer.

#### **8.5 Substitution or Variation instead of Redemption**

Subject to Condition 8.9, if at any time a Tax Event or a Capital Disqualification Event occurs, the Issuer may, at its sole discretion, instead of giving notice to redeem the Notes pursuant to Condition 8.3 or 8.4, as the case may be, but subject to compliance with Applicable Banking Regulations and, to the extent required, the prior approval of the BRSA and having given not less than 5 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), at any time (without any requirement for the consent or approval of the Noteholders) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities.

For the purposes of this Condition 8.5, "**Qualifying Additional Tier 1 Securities**" means any securities or other instruments issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to a Noteholder, as reasonably determined by the Issuer following the advice of an independent financial institution of international standing, than the terms of the Notes, provided that they shall (i) have a ranking at least equal to that of the Notes, (ii) have the same interest rate and Interest Payment Dates as those from time to time applying to the Notes, (iii) have the same redemption rights as the Notes, (iv) comply with the then current requirements of Applicable Banking Regulations in relation to Additional Tier 1 capital, and (v) preserve any existing rights under the Notes to any accrued interest which has

not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation; and

- (b) are listed on a recognised stock exchange if the Notes were so listed immediately prior to such substitution or variation.

## **8.6 Purchases**

Except to the extent permitted by applicable law, the Notes shall not be purchased by, or otherwise assigned and/or transferred to, or for the benefit of, (a) any entity which is controlled by the Issuer or over which the Issuer has significant influence (as contemplated in the Banking Law (No. 5411) and the Equity Regulation) (a “**Related Entity**”) or (b) the Issuer. If so permitted and subject to having obtained the prior approval of the BRSA (if required by applicable law), the Issuer or any Related Entity may purchase or otherwise acquire Notes in any manner and at any price in the open market or otherwise. Subject to applicable law, such Notes may be held, reissued, resold or, at the option of the Issuer or any such Related Entity, surrendered to any Paying Agent and/or the Registrar for cancellation.

## **8.7 Cancellation**

All Notes which are redeemed pursuant to this Condition 8 will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.6 shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

## **8.8 No other redemption or purchase**

Neither the Issuer nor any Related Entity may redeem or purchase the Notes, as applicable, other than as provided in this Condition 8.

## **8.9 Revocation of notice of redemption, substitution or variation upon the occurrence of a Trigger Event or a Non-Viability Event**

If the Issuer has given a notice of redemption of the Notes pursuant to Condition 8.2, 8.3 or 8.4 or a notice of substitution or variation pursuant to Condition 8.5 and, after giving such notice but prior to the date of such redemption, substitution or variation, as applicable a Trigger Event or a Non-Viability Event occurs, the relevant notice of redemption, substitution or variation, as applicable shall be automatically rescinded and shall be of no force and effect, the Notes will not be redeemed, substituted or varied, as applicable on the scheduled redemption date and, instead, a Write-Down shall occur in respect of the Notes as described under Condition 6.

Following the occurrence of a Trigger Event or a Non-Viability Event and until such time as the relevant Write-Down has been effected, the Issuer shall not be entitled to give any notice of redemption pursuant to Condition 8.2, 8.3 or 8.4 or a notice of substitution or variation pursuant to Condition 8.5.

# **9. TAXATION**

## **9.1 Payment without Withholding**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

- (a) presented for payment by or on behalf of a holder who is liable for Taxes in respect of the Note by reason of the holder having some connection with any Relevant Jurisdiction other than the mere holding of such Note; or
- (b) where such withholding or deduction would not have been imposed but for the failure of the applicable holder or beneficial owner of such payment to comply with any certification, identification, information, documentation or other reporting requirement to the extent (a) such compliance is required by applicable law, administrative practice or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes and (b) such obligor shall have notified such recipient in writing that such recipient will be required to comply with such requirement; or
- (c) presented for payment in Türkiye; or
- (d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Payment Day (as defined in Condition 7.4).

Notwithstanding any other provision of these Conditions, in no event will the Issuer nor any other person be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof and any agreements (including any law implementing any such agreement or any intergovernmental agreements) entered into pursuant thereto.

For the purposes of these Conditions:

- (i) **“Relevant Date”** means with respect to any payment, the date on which such payment first becomes due, except that, if the full amount of the money payable has not been duly received by the Fiscal Agent, on or prior to the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.
- (ii) **“Relevant Jurisdiction”** means Türkiye or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

## **9.2 Additional Amounts**

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9.

## **10. PRESCRIPTION**

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 9) therefor.

## **11. ENFORCEMENT**

If:

- (a) a Subordination Event occurs; or
- (b) any order is made by any competent court, or resolution is passed for the winding-up, dissolution or liquidation of the Issuer,

the holder of any Note may claim or prove in the winding-up, dissolution or liquidation of the Issuer but may take no further or other action to enforce, claim or prove for any payment by the Issuer in respect of the Notes and may only claim such payment in the winding-up, dissolution or liquidation of the Issuer.

In any of the events or circumstances described in (a) or (b) above the holder of any outstanding Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its then Prevailing Principal Amount, together with interest accrued and unpaid to (but excluding) the date of repayment (if not cancelled pursuant to Condition 5), subject to the subordination provisions described under Condition 3.1 above.

The holder of any Note may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to the provisions above, any obligation for the payment of any principal or interest in respect of the Notes), provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any amount or amounts sooner than the same would otherwise have been payable by it, except with the prior approval of the BRSA.

No remedy against the Issuer other than as provided above shall be available to the holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations, covenants or undertakings under the Notes.

## **12. REPLACEMENT OF NOTES**

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to (a) evidence of such loss, theft, mutilation, defacement or destruction and (b) indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

## **13. AGENTS**

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, *provided that:*

- (a) there will at all times be a Fiscal Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Transfer Agent (which may be the Registrar) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction other than the jurisdiction in which the Issuer is incorporated.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## **14. NOTICES**

All notices regarding the Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective

addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

For so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, there may be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice to Euroclear and/or Clearstream, Luxembourg and/or DTC shall be deemed to have been given to the holders of the Notes on the second business day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC, as applicable.

## **15. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **15.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. of the then aggregate Prevailing Principal Amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. of the then aggregate Prevailing Principal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Prevailing Principal Amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Conditions (including (i) modifying any date for redemption of the Notes or reducing or cancelling the nominal amount payable on redemption, (ii) reducing or cancelling the amount payable or modifying the payment date in respect of any interest in respect of the Notes or varying the method of calculating the rate of interest in respect of the Notes or modifying the provisions of Conditions 5.6 or 5.11, (iii) modifying Condition 3 by way of any further subordination of the Notes or the imposition of any further restriction or limitation on the rights or claims of Noteholders, (iv) modifying the currency in which payments under the Notes are to be made or (v) modifying Conditions 6 or 18) (each a “**Reserved Matter**”), the quorum shall be one or more persons holding or representing not less than two-thirds of the then aggregate Prevailing Principal Amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third of the then aggregate Prevailing Principal Amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

For the purposes of these Conditions,

an “**Extraordinary Resolution**” means (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Agency Agreement by a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll or (b) a resolution in writing signed by or on behalf of all the Noteholders, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Noteholders.

## **15.2 Modification**

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders, to any modification of any of these Conditions, the Deed of Covenant or any of the provisions of the Agency Agreement which is, in the opinion of the Issuer, either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) following the advice of an independent financial institution of international standing, not materially prejudicial to the interests of the Noteholders.

Any such modification shall be binding on the Noteholders and, unless the Fiscal Agent agrees otherwise any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

## **16. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders, create and issue further notes having terms and conditions the same as the Notes, or the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue, the issue date and the issue price, so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **18. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **18.1 Governing law**

The Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes, are and shall be governed by, and construed in accordance with, English law, except for the provisions of Condition 3, which are and shall be governed by, and construed in accordance with, Turkish law.

### **18.2 Submission to jurisdiction**

The Issuer irrevocably agrees, for the benefit of the Noteholders, that the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) is to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes) and accordingly submits to the exclusive jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales).

The Issuer waives any objection to the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) on the grounds that they are an inconvenient or inappropriate forum. To the extent allowed by law, the Noteholders may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes (including any Proceeding relating to any non-contractual obligations arising out of or in connection with the Notes) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **18.3 Consent to Enforcement**

The Issuer agrees, without prejudice to the enforcement of a judgment obtained in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) according to the provisions of Article 54 of the International Private and Procedural Law of Türkiye (No. 5718), that in the event that any action is brought in relation to the Issuer in a court in Türkiye in connection with the Notes, in addition to other permissible legal evidence pursuant to the Civil Procedure Code of Türkiye (No. 6100), any judgment obtained in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) in connection with such action shall constitute conclusive evidence of the existence and amount of the claim against the Issuer, pursuant to the provisions of the first paragraph of Article 193 of the Civil Procedure Code of Türkiye (No. 6100) and Articles 58 and 59 of the International Private and Procedural Law of Türkiye (No. 5718).

### **18.4 Appointment of Process Agent**

Service of process may be made upon the Issuer at the offices of Beko plc located at Beko House, 1 Greenhill Crescent, Watford, WD18 8QU, United Kingdom, in respect of any Proceedings in England and undertakes that in the event of such process agent ceasing so to act it will appoint another person as its agent for that purpose.

### **18.5 Other documents**

The Issuer has in the Agency Agreement, the Deed of Covenant and the Deed Poll submitted to the jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) and appointed an agent for service of process, in terms substantially similar to those set out above.

## **USE OF PROCEEDS**

The Issuer will incur various expenses in connection with the issuance of the Notes, including underwriting fees, legal counsel fees, rating agency expenses and listing expenses.

The Issuer intends to use the proceeds from the issuance of the Notes for its general corporate purposes.

## **RECENT DEVELOPMENTS**

### **Interest Rates and Monetary Policy in Türkiye**

On 21 March 2024, the Monetary Policy Committee of the CBRT (“MPC”) decided to raise the policy rate (one-week repo auction rate) from 45% to 50%. The MPC cited higher than expected monthly inflation and a deterioration in inflation outlook. In addition, the MPC continues to implement macroprudential policies to tighten monetary policy. The MPC also adjusted the monetary policy operational framework by setting the Central Bank overnight borrowing and lending rates 300 basis points below and above the one-week repo auction rate, respectively. The MPC stated that tight monetary stance will be maintained until a significant and sustained decline in the underlying trend of monthly inflation is observed, and inflation expectations converge to the projected forecast range. The MPC also announced that it continues to target 5% inflation in the medium term.

### **Ratings Action**

On 8 March 2024, Fitch upgraded Türkiye’s Sovereign rating to “B+” from “B”, and the outlook to “Positive” from “Stable”. Following this upward revision, on 15 March 2024, the rating agency upgraded the Bank’s long-term foreign currency deposit rating to “B” from “B-” and the outlook upwards to “Positive” from “Stable”. Fitch has also upgraded the Bank’s long-term Senior Unsecured Debt rating to “B” from “B-”.

### **NPL Sales**

In March 2024, the Bank’s Board of Directors resolved to sell NPLs in the aggregate amount of TL 1,076 million for TL 459.8 million.

## TAXATION

*See the section in the Base Prospectus entitled “Taxation” for the other tax considerations applicable to the Notes.*

### Certain U.S. Federal Income Tax Considerations

The following summary describes certain U.S. federal income tax consequences of the acquisition, ownership and disposition of a Note. This summary deals only with a Note held by a U.S. Holder (as defined below) whose functional currency is the U.S. dollar that acquires the Note in this Offering from the Joint Bookrunners and holds it as a capital asset for U.S. federal income tax purposes. This summary does not address all aspects of U.S. federal income taxation that may be applicable to particular U.S. Holders subject to special U.S. federal income tax rules, including, among others, tax-exempt organisations, financial institutions, insurance companies, individual retirement accounts and other tax deferred accounts, dealers and brokers in securities or currencies, traders in securities who elect to apply a mark-to-market method of accounting, real estate investment trusts, regulated investment companies, U.S. Holders that will hold a Note as part of a “straddle,” “hedge,” “conversion transaction,” “constructive sale,” “wash sale” or other integrated transaction for U.S. federal income tax purposes, “S corporations,” U.S. Holders treated as holding 10% or more of the total voting power or value of all of the Issuer’s outstanding stock (including the Notes and any other securities treated as equity for U.S. federal income tax purposes), U.S. Holders liable for the alternative minimum tax, certain U.S. expatriates, persons that have ceased to be U.S. citizens, partnerships or other pass through-entities or arrangements for U.S. federal income tax purposes (and investors therein), investors holding the Notes in connection with a trade or business conducted outside of the United States, or to persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the Notes to their financial statements under section 451 of the Code (as defined below). In addition, this summary does not address consequences to U.S. Holders of the acquisition, ownership and disposition of a Note under any other U.S. federal tax laws (including the Medicare tax on net investment income, estate tax, or gift tax) or under the tax laws of any state, locality or other political subdivision of the United States or other countries or jurisdictions. Further, this summary does not discuss the tax consequences to U.S. Holders of a partial or total Write-Down or Write-Up of Notes. U.S. Holders should also consult their own tax advisors regarding potential tax consequences to them of a partial or total Write-Down or Write-Up of Notes.

As used herein, the term “**U.S. Holder**” means a beneficial owner of a Note that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (B) the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds a Note, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Therefore, prospective purchasers that are entities or arrangements treated as partnership and the partners in such partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of a Note by the partnership.

The discussion below is based upon the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, existing and proposed Treasury Regulations thereunder, judicial and administrative interpretations thereof, all as in effect as of the date of this Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the income tax treaty between the United States and the government of the Republic of Türkiye (the “**Treaty**”). All of the foregoing authorities may at any time be repealed, revoked or modified or subject to differing interpretations, potentially retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. No ruling will be sought from the IRS with respect to any statement or conclusion in this summary, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following summary or, if challenged, that a court will uphold such statement or conclusion.

Except as otherwise noted, the summary assumes that the Issuer is not a PFIC for U.S. federal income tax purposes. If the Issuer were to be a PFIC for any year, materially adverse consequences could result for U.S. Holders.

THE SUMMARY OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

#### ***U.S. Federal Income Tax Characterization of the Notes***

The determination of whether an obligation represents debt, equity, or some other instrument or interest for U.S. federal income tax purposes is based on all the relevant facts and circumstances. Despite the fact that the Notes are denominated as debt, the Issuer intends to treat the Notes as equity interests in the Issuer for U.S. federal income tax purposes. The Notes have several equity-like features, including (1) the absence of a fixed maturity date, (2) provisions for the cancellation of interest payments and the Write-Down of principal, (3) the deep subordination of the Notes to other debt of the Issuer, and (4) the lack of default provisions. By purchasing a Note, each holder agrees to treat the Note as an equity interest in the Issuer for U.S. federal income tax purposes. Accordingly, each “interest” payment should be treated as a distribution by the Issuer with respect to such equity interest, and any reference in this discussion to “dividends” or “distributions” refers to the “interest” payments on the Notes. However, the Issuer’s characterization of the Notes is not binding on the IRS, and no assurance can be given that the IRS will not assert, or a court would not sustain, a contrary position regarding the characterization of the Notes. Each prospective investor should consult its own tax advisor about the proper characterization of the Notes for U.S. federal income tax purposes. The remainder of this discussion assumes that the Notes will be characterized as equity in the Issuer for U.S. federal income tax purposes.

#### ***Payments of Interest***

Payments of stated interest on the Notes will be treated as distributions on the Issuer’s stock and such distributions paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally will be taxable to a U.S. Holder as dividend income on the date actually or constructively received, and will not be eligible for the dividends received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in the Notes and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Notes will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

Dividends received by an individual generally will be subject to taxation at the maximum rate applicable to long-term capital gains if the dividends give rise to “qualified dividend income.” Generally, dividends will be treated as giving rise to qualified dividend incomes if: (i) the Issuer is eligible for the benefits of the Treaty; (ii) the Issuer was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC; and (iii) certain holding period and other requirements are met. The Issuer expects that dividends received or accrued on the Notes will be of the type of dividend that is eligible to give rise to qualified dividend income, although there is some uncertainty as to the application of the qualified dividend rules to instruments that are treated as equity for U.S. federal income tax purposes but have the legal form of debt. U.S. Holders should consult their own tax advisors regarding the availability of this reduced dividend tax rate for interest payments on the Notes.

A U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable non-U.S. income taxes withheld from distributions on the Notes, if any, at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Issuer generally will constitute foreign source income in the “passive category income” basket. However, there are significant complex limitations on a U.S.

Holder's ability to claim such a credit or deduction. U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

### ***Sale or Other Disposition***

Upon a sale or other disposition of Notes, a U.S. Holder generally will recognize capital gain or loss (assuming, in the case of a redemption, the U.S. Holder does not own, and is not deemed to own, any of our ordinary shares or any other instruments issued by us that are treated as equity for U.S. federal income tax purposes) for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Notes. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year and will generally be U.S.-source. Certain non-corporate U.S. Holders may be eligible for reduced rates of taxation on long-term capital gains. The deductibility of capital losses is subject to limitations.

U.S. Holders should consult their own tax advisors regarding the creditability or deductibility, or any other consequences, of any non-U.S. income tax imposed on the disposition of the Notes in their particular circumstances. Further, U.S. Holders that own and/or are deemed to own our ordinary shares or any other instruments issued by us that are treated as equity for U.S. federal income tax purposes should consult with their own tax advisors as to the tax consequences of a redemption in their particular circumstances.

### ***Passive Foreign Investment Company Considerations***

A foreign corporation will be a PFIC for any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets (generally determined on the basis of a quarterly average and generally measured at fair market value) is attributable to assets which produce passive income or are held for the production of passive income. Passive income generally includes interest, dividends, rents, royalties and certain gains, subject to certain active business exceptions, including exceptions for certain active banking income and for certain dealer income.

The application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS recently issued proposed U.S. Treasury Regulations (the "**2021 Proposed Regulations**"), and previously issued a notice in 1989 (Notice 89-81, the "**Notice**") and proposed regulations in 1996 (as amended in 1998, the "**1998 Proposed Regulations**"), that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the "**active bank exception**"). The 2021 Proposed Regulations are proposed to be effective for taxable years of shareholders beginning on or after January 14, 2021, while the 1998 Proposed Regulations are proposed to be effective for taxable years beginning after December 31, 1994 and provide that taxpayers may apply the 1998 Proposed Regulations to a taxable year beginning after December 31, 1986, provided the 1998 Proposed Regulations are consistently applied to that taxable year and all subsequent taxable years.

The 2021 Proposed Regulations, the Notice, and the 1998 Proposed Regulations each have different requirements for qualifying as a foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception, but the preamble to the 2021 Proposed Regulations authorizes taxpayers to rely upon the Notice or the 1998 Proposed Regulations to determine whether income of a foreign bank may be treated as non-passive. Under the Notice, a non-U.S. bank must, among other things, derive at least 60% of its gross income from "bona fide" banking activities, which include the acceptance of deposits from unrelated persons which represent at least 50% of its total liabilities for the taxable year, and making loans to unrelated persons which represent at least 50% of the average principal of all loans outstanding during the taxable year. Under both the 2021 Proposed Regulations and the 1998 Proposed Regulations, a qualifying foreign bank must be licensed in the country of its incorporation to do business as a bank and must also carry on one or more specified activities, including regularly receiving bank deposits from unrelated customers in the course of its banking business. Under the 2021 Proposed Regulations, income earned by an entity that is "predominantly engaged" in the active conduct of a banking, financing or similar business from making loans is generally treated as non-passive income provided that certain requirements are met. Under both the Notice and 1998 Proposed Regulations, loans made in the ordinary course of a banking business are not treated as passive assets, and income from such loans is treated as non-passive income. Under the Notice, however, interbank deposits are not treated as loans made in the ordinary course of a banking business. Under

the 1998 Proposed Regulations, however, such loans are treated as loans made in the ordinary course of a banking business, and, therefore, would not be treated as passive assets.

Based upon the Issuer's regulatory status under Turkish law, its banking activities performed in the ordinary course of business (including lending, accepting deposits and depositing money in other banks), and the proportion of its income derived from activities that are "bona fide" banking activities for U.S. federal income tax purposes, the Issuer believes that it should not be a PFIC for its most recently ended taxable year, and does not expect to be a PFIC for the current taxable year or for any foreseeable future taxable year.

Because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the composition of a foreign bank's assets and income, and because neither the 2021 Proposed Regulations nor the 1998 Proposed Regulations (although retroactive in application) have been finalized in their current form, there can be no assurance that the Issuer will not be considered a PFIC for its most recently ended taxable year, the current taxable year or any subsequent taxable year.

If the Issuer is treated as a PFIC for any taxable year during a U.S. Holder's holding period, unless a U.S. Holder is eligible to, and elects to be taxed annually on a mark to market basis with respect to the Notes, as described below, any gain realized on a sale or other taxable disposition of the Notes and certain "excess distributions" will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over the U.S. Holder's holding period for the Notes, (b) the amount deemed realized in each year had been subject to tax in each such year at the highest marginal rate for such year (other than income allocated to the current taxable year or any taxable year before the Issuer became a PFIC, which would be subject to tax at the U.S. Holder's regular ordinary income rate for the current year and would not be subject to the interest charge discussed below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, payments on the Notes would not be eligible for treatment as "qualified dividend income." If the Issuer is treated as a PFIC and, at any time, it invests in non-U.S. corporations that are classified as PFICs (a "**Subsidiary PFIC**"), U.S. Holders generally will be deemed to own, and also would be subject to the PFIC rules with respect to, their indirect ownership interest in that Subsidiary PFIC. If the Issuer is treated as a PFIC, a U.S. Holder could incur liability for the deferred tax and interest charge described above if either (1) the Issuer receives a distribution from, or disposes of all or part of its interest in, the Subsidiary PFIC or (2) the U.S. Holder disposes of all or part of the Notes. Further, a U.S. Holder of the Notes would be subject to additional U.S. tax form filing requirements, including reporting on IRS Form 8621 any payments received and gains realized with respect to each PFIC in which the U.S. Holder holds a direct or indirect interest, and the statute of limitations for collections may be suspended for a U.S. Holder that does not file the appropriate form.

In some cases, a U.S. Holder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by making a "qualified electing fund" ("QEF") election to be taxed currently on its share of the PFIC's undistributed income. The Issuer, however, does not intend to provide information that would allow U.S. Holders to avoid the foregoing consequences by making a QEF election.

A U.S. Holder of stock in a PFIC (but not a Subsidiary PFIC, as discussed below) may make a "mark to market" election, provided the PFIC stock is "marketable stock" as defined under applicable U.S. Treasury Regulations (i.e., "regularly traded" on a "qualified exchange" or "other market"). It is unclear whether instruments such as the Notes, which the Issuer is treating as equity for U.S. federal income tax purposes but are denominated as debt instruments, will be treated as stock for purposes of the mark-to-market election. Under applicable U.S. Treasury Regulations, a "qualified exchange" includes a national securities exchange that is registered with the SEC or the national market system established under the Exchange Act, or a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located and meets certain trading, volume, listing, financial disclosure and other requirements. Under applicable U.S. Treasury Regulations, PFIC stock traded on a qualified exchange is regularly traded on such exchange for any calendar year during which such stock is traded, other than in de minimis quantities, on at least fifteen (15) days during each calendar quarter. The Issuer cannot assure U.S. Holders that the Notes will be treated as "marketable stock" for any taxable year.

If an effective mark to market election is made with respect to the Notes from the first taxable year in which the Issuer is a PFIC, an electing U.S. Holder generally would (i) include in gross income, entirely as ordinary income, an amount equal to the excess, if any, of the fair market value of the Notes as of the close of such taxable year and such holder's adjusted tax basis in the Notes, (ii) deduct as an ordinary loss the excess, if any,

of such holder's adjusted tax basis of the Notes over the fair market value of the Notes at the end of the taxable year, but only to the extent of the net amount previously included in gross income as a result of the mark to market election and (iii) upon the sale or other taxable disposition of a U.S. Holder's Notes, include any gain recognized as ordinary gain and any loss as ordinary loss, but only to the extent of the net amount previously included in gross income as a result of the mark to market election. A U.S. Holder's adjusted tax basis in the Notes would increase or decrease by the amount of the gain or loss taken into account under the mark to market regime. Although a U.S. Holder may be eligible to make a mark to market election with respect to the Notes, no such election may be made with respect to the stock of any Subsidiary PFIC that such U.S. Holder is treated as owning, because such Subsidiary PFIC stock is not marketable. The mark to market election is made with respect to marketable stock in a PFIC on a shareholder-by-shareholder basis and, once made, is effective for all subsequent tax years unless the Notes are no longer regularly traded on a qualified exchange or other market or the election is revoked with the consent of the IRS. Special rules would apply if the mark to market election is not made for the first taxable year in which a U.S. person owns stock of a PFIC.

U.S. Holders should consult with their own independent tax advisors regarding the application of the PFIC rules to the Notes and the availability and advisability of making an election with respect to the Notes to avoid the adverse tax consequences of the PFIC rules should the Issuer be considered a PFIC for any taxable year.

#### ***Information Reporting and Backup Withholding***

Information returns may be filed with the IRS (unless the U.S. Holder establishes, if requested to do so, that it is an exempt recipient) in connection with payments on the Notes, and the proceeds from the sale, exchange or other disposition of Notes. If information reports are required to be made, a U.S. Holder may be subject to U.S. backup withholding if it fails to provide its taxpayer identification number, or to establish that it is exempt from backup withholding. The amount of any backup withholding imposed on a payment will be allowed as a credit against any U.S. federal income tax liability of a U.S. Holder and may entitle the U.S. Holder to a refund, provided the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisors regarding any filing and reporting obligations they may have as a result of their acquisition, ownership or disposition of Notes.

#### ***Foreign Asset Reporting***

Certain U.S. Holders who are individuals (and some specified entities) are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the Notes.

**THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE INVESTMENT IN THE NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS. THIS DISCUSSION IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS PROSPECTUS.**

## SUBSCRIPTION AND SALE

None of the Issuer and the Joint Bookrunners represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The Issuer intends to offer the Notes through the Joint Bookrunners and their broker-dealer affiliates, as applicable, named below. Subject to the terms and conditions stated in a subscription agreement dated 2 April 2024 (the “**Subscription Agreement**”), among the Joint Bookrunners and the Issuer, each of the Joint Bookrunners has severally agreed to purchase, and the Issuer has agreed to sell to each of the Joint Bookrunners, the principal amount of the Notes set forth opposite each Bookrunner’s name below.

<b>Joint Bookrunners</b>	<b>Principal Amount of Notes</b> <i>(U.S. dollars)</i>
Abu Dhabi Commercial Bank P.J.S.C.....	83,333,000
Citigroup Global Markets Limited .....	83,333,000
Emirates NBD Bank PJSC .....	83,333,000
Merrill Lynch International.....	83,334,000
Morgan Stanley & Co. International plc .....	83,334,000
Standard Chartered Bank .....	83,333,000
<b>Total</b> .....	<b>500,000,000</b>

The Subscription Agreement provides that the obligations of the Joint Bookrunners to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Joint Bookrunners must purchase all the Notes if they purchase any of the Notes. The offering of the Notes by the Joint Bookrunners is subject to receipt and acceptance and subject to the Joint Bookrunners’ right to reject any order in whole or in part.

The Issuer has been informed that the Joint Bookrunners propose to resell the Notes at the offering prices set forth on the cover page of this Prospectus within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A) in reliance upon Rule 144A, and to non-U.S. persons outside the United States in reliance upon Regulation S. See “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus. The prices at which the Notes are offered may be changed at any time without notice.

### *Broker commissions*

To the extent permitted by local law, the Joint Bookrunners and Issuer have agreed that commissions may be offered to certain brokers, financial advisors and other intermediaries based upon the amount of investment in the Notes purchased by such intermediary and/or its customers. Each such intermediary is required by law to comply with any disclosure and other obligations related thereto, and each customer of any such intermediary is responsible for determining for itself whether an investment in the Notes is consistent with its investment objectives.

## **GENERAL INFORMATION**

The Issuer is registered at the Istanbul Trade Registry under number 32736. It has its principal office at Yapı Kredi Plaza, D Blok, Levent 34330 Istanbul, Republic of Türkiye. Its telephone number is +90 212 339 7011 and its website is <https://www.yapikredi.com.tr/>. The Legal Entity Identifier of the Issuer is B85ZYWEZ5IZCZ2WNIO12.

### **Authorisation**

The establishment of the Programme and the issuance and sale of the Notes by the Issuer and the execution and delivery by the Issuer of the documents in relation thereto have been authorised pursuant to the authority of the officers of the Issuer under resolutions of its Board of Directors dated 25 July 2013, 4 September 2013, 27 November 2013, 10 February 2014, 26 February 2015, 25 February 2016, 22 February 2017, 26 February 2018, 20 February 2019, 20 February 2020, 24 February 2021, 19 January 2022, 21 December 2022 and 27 December 2023.

### **Listing**

Application has been made to list the Notes on Euronext Dublin, through the Listing Agent, Arthur Cox Listing Services Limited (“ACSL”). ACSL is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission to the Official List or to trading on the Euronext Dublin Regulated Market. It is expected that admission of the Notes to listing on the Official List and to trading on the Euronext Dublin Regulated Market will be granted on or about 4 April 2024, subject only to the issue of the Notes. The total expenses related to the admission to trading of the Notes are expected to be approximately EUR 7,240.

### **Clearing Systems**

The Unrestricted Global Note has been accepted for clearance through Euroclear and Clearstream, Luxembourg (ISIN XS2796491681 and Common Code 279649168). Application has been made for acceptance of the Restricted Global Note into DTC’s book-entry settlement system (ISIN US US984848AS09, Common Code 279742419 and CUSIP 984848 AS0).

### **Significant or Material Adverse Change**

There has been no significant change in the financial performance or position of either the Issuer or the Group since 31 December 2023, and there has been no material adverse change in the financial position or prospects of either the Issuer or the Group since 31 December 2023.

### **Financial Statements and Auditor**

The Annual BRSA Financial Statements incorporated by reference into this Prospectus have been audited, without qualification (i) as of and for the year ended 31 December 2023, in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and with the Standards on Independent Auditing (“SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”), by PwC, located at Galataport İstanbul, Kılıçalı Paşa, Meclis-i Mebusan Caddesi, No: 8 34433, Beyoğlu/Istanbul, Republic of Türkiye, as stated in the convenience translations into English of the relevant PwC independent auditor’s report incorporated by reference into this Prospectus, (ii) as of and for the year ended 31 December 2022, in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and with the SIA that are part of Turkish Standards on Auditing issued by the POA, by PwC, located at Galataport İstanbul, Kılıçalı Paşa, Meclis-i Mebusan Caddesi, No: 8 34433, Beyoğlu/Istanbul, Republic of Türkiye, as stated in the convenience translations into English of the relevant PwC independent auditor’s report incorporated by reference into this Prospectus, and (iii) as of and for the year ended 31 December 2021, in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and with the SIA that are part of Turkish Standards on Auditing issued by the POA, by PwC, located at Galataport İstanbul, Kılıçalı Paşa, Meclis-i Mebusan Caddesi, No: 8 34433, Beyoğlu/Istanbul, Republic of Türkiye, as stated in the convenience translations into English of the relevant PwC independent auditor’s report incorporated by reference into this Prospectus.

The unaudited interim BRSA consolidated financial statements of the Group and the unaudited interim BRSA unconsolidated financial statements of the Issuer, as at and for the nine months ended 30 September 2023 (with 30 September 2022 comparatives for the statement of income) and including PwC's independent auditor's review report and notes thereto (the "**Interim BRSA Financial Statements**"), as incorporated by reference into this Prospectus have been reviewed in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". With respect to the Interim BRSA Financial Statements, PwC has reported that it applied limited procedures in accordance with professional standards for a review of such information; however, its reports state that it did not audit and does not express an opinion on such interim financial information.

The Issuer appointed PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of PricewaterhouseCoopers International Limited) ("PwC") as its independent auditor effective as of 1 January 2017 and for a term of three years. The Issuer renewed PwC's appointment as independent auditor for additional terms of one year each, effective 1 January 2020, 2021, 2022 and 2023.

Pursuant to the rotation practice set out in Article 400(2) of the Turkish Commercial Code as well as all other obligations required for the auditors under the Capital Markets Law, relevant regulation of the BRSA and other applicable regulations; the Issuer is required to rotate its external auditors every seven years. In compliance with this requirement, PwC, which serves as the Issuer's independent auditor through 31 December 2023, will be replaced by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) as the independent auditor for the financial year ending 31 December 2024 after the approval of the first ordinary General Assembly.

The Issuer's financial statements are prepared on a quarterly basis, semi-annual and annual basis in accordance with BRSA Principles.

## Litigation

Save as disclosed on page 224 under the title "*Legal Proceedings*" of the Base Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had, during the 12 months prior to the date of this Prospectus, a significant effect on the Group's consolidated financial position or profitability.

## Documents Available

The following documents will be available in electronic form for inspection (in English except as specified) for so long as the Notes are outstanding on the Issuer's website at <https://www.yapikrediiinvestorrelations.com/en/debt-capital-markets/detail/MTN-Programme/34/1720/0>:

- the Issuer's articles of association (as amended from time to time) (English translations);
- the Deed of Covenant; and
- a copy of this Prospectus and the Base Prospectus.

The convenience translations into English of copies of the latest audited annual and unaudited half-yearly interim reports of the Issuer delivered pursuant to Condition 4 may be obtained from the registered office of the Issuer.

The translations from Turkish into English of the Issuer's articles of association and financial statements referred to above are direct and accurate. In the event of a discrepancy, the original version prevails.

## Material Contracts

The Issuer has not entered into any material contract outside the ordinary course of its business, which could result in the Issuer being under an obligation or entitlement that is material to its ability to meet its obligations in respect of the Notes.

## **Interests in the Offer**

Save as described in “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus and except for the fees payable to the Joint Bookrunners, the Fiscal Agent and the other Agents, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest that is material to the issue of the Notes.

## **Joint Bookrunners transacting with the Issuer**

The Joint Bookrunners and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Bookrunners or their respective affiliates may have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Joint Bookrunners or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business. Certain of the Joint Bookrunners and/or their respective affiliates may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates, including in relation to the hedging of the Notes. Certain of the Joint Bookrunners and/or their respective affiliates have acted and expect in the future to act as a lender to the Issuer and/or other members of the Group and/or otherwise participate in transactions with the Group.

In addition, in the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. In addition, certain of the Joint Bookrunners and/or their respective affiliates that have a lending relationship with the Issuer hedge their credit exposure to the Issuer consistent with their customary risk management policies. These hedging activities could have an adverse effect on the future trading prices of the Notes offered hereby. The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Foreign Text**

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**ISSUER**

**Yapı ve Kredi Bankası A.Ş.**  
Yapı Kredi Plaza D Blok  
Lèvent 34330 İstanbul,  
Republic of Türkiye

**FISCAL AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg**

**Branch**  
Vertigo Building – Polaris  
2 4 rue Eugène Ruppert  
L 2453 Luxembourg

**LEGAL COUNSEL**

(to the Joint Bookrunners as to English and U.S. law)

**Allen & Overy LLP**

One Bishops Square  
London El 6AD  
United Kingdom

(to the Joint Bookrunners as to Turkish law)

**Gedik Eraksoy Avukatlık OrtaklıĞı**

River Plaza, Kat:  
17 Büyükdere Cad.  
Bahar Sok. No. 13  
Levent, TR-34394 İstanbul  
Republic of Türkiye

(to the Issuer as to Turkish law)

**GKC Partners**

Ferko Signature  
Büyükdere Caddesi No: 175 Kat: 10  
34394 Levent, İstanbul  
Republic of Türkiye

**AUDITORS TO THE ISSUER**

**PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.**

Galataport İstanbul  
Kılıçali Paşa, Meclis-i Mebusan Caddesi  
No: 8 34433  
Beyoğlu/Istanbul  
Republic of Türkiye

**LISTING AGENT**

**Arthur Cox Listing Services Limited**

Ten Earlsfort Terrace  
Dublin 2  
Ireland

**JOINT BOOKRUNNERS**

**Abu Dhabi Commercial Bank P.J.S.C.**

ADCB Head Office Tower  
Sheikh Zayed the First Street  
P.O. Box 939  
Abu Dhabi  
United Arab Emirates

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

**Emirates NBD Bank PJSC**  
c/o Emirates NBD Capital Limited  
L07-04 Level 7, ICD Brookfield Place  
Dubai International Financial Centre  
Dubai

**Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**Standard Chartered Bank**

One Basinghall Street  
London EC2V 5DD  
United Kingdom