



**MINISTRY OF TREASURY AND FINANCE
BOARD OF TREASURY CONTROLLERS**

PUBLIC and MUNICIPAL RENEWABLE ENERGY PROJECT

**Implemented by
ILLER BANKASI A.S.**

**Financed Under International Bank for Reconstruction and Development
(IBRD) Loan Agreement Numbered 9551-TR**

As of December 31, 2025 and For the Year Then Ended

Prepared by

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Report's Number

186/7 – 107/22 – 70/22 – 58/18

INDEPENDENT AUDITOR'S REPORT

June 16, 2026



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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

A. Project Summary

The Loan Agreement between İller Bankası A.Ş. (ILBANK) and the International Bank for Reconstruction and Development (IBRD) for the Public and Municipal Renewable Energy Project was signed on 20.09.2023. With the Loan Agreement, numbered 9551-TR, ILBANK received a loan of 250,000,000 Euro.

Project is implemented by Project Management Unit (PMU) under ILBANK International Relations Group.

The objective of the Project is to increase the use of renewable energy through self-generation in public facilities.

The Project consists of the following parts:

- **Part 1. Renewable Energy Investments in Central Government Facilities**

- (a) Renewable energy investments in central government facilities.**

Carrying out, through MoEUCC, of designs, design reviews, installation and civil works (including the supervision of said installation and works) for eligible renewable energy investments in Central Government Facilities (including central government affiliated facilities) used to offset the facilities' grid electricity consumption pursuant to the Unlicensed Renewable Energy Regulation Scheme ("RE Subprojects").

- (b) Pilot to combine renewable energy investments with heat pump installation in Central Government Facilities.**

Carrying out, through MoEUCC, of energy audits, designs, installation and civil works (including the supervision of said installation and works) for pilot subproject investments to combine solar photovoltaic ("PV") investments with electrification of heating (i.e., substituting fossil-fuel boiler capacity with heat pumps to support both heating and cooling), and investments in light-emitting diode (LED) to replace inefficient lighting technologies, to allow additional renewable energy capacity to be deployed and ultimately reduce the buildings' emissions.



- **Part 2. Renewable Energy Investments in Municipalities**

Establishment and operation of a financing mechanism for ILBANK to provide sub-loans ("Municipal Sub-loans") to eligible Project Municipalities and Project Enterprises (collectively "Municipal Sub-borrowers") to finance goods, civil works, consulting services and non-consulting services for the carrying out of designs, design reviews, installation and related works (including the supervision of said installation and works) for renewable energy technologies in provincial, district, and metropolitan municipalities across Türkiye ("Municipal Subprojects") to offset the relevant public facilities' overall grid electricity consumption in accordance with the Unlicensed Renewable Energy Regulation Scheme.

- **Part 3. Technical Assistance and Project Implementation Support**

- (a) Technical assistance and project implementation support for MoEUCC.**

Support of MoEUCC:

- (i) Under the ESMAP Grant: to certify greenhouse gas credits for activities under Part 1 of the Project;

- (ii) Under the ESMAP Grant and this Loan:

- (A) to prepare feasibility studies, and provide technical inputs for procurement packages, for RE Subprojects under Part 1 of the Project; and

- (B) to build the capacity of Project beneficiaries on the operations and maintenance ("O&M") of Project investments under Part 1 of the Project; and

- (iii) Under this Loan:

- (A) to carry out early Subproject development activities under Part 1 of the Project, including marketing and outreach (but excluding related activities financed under Part 3(a)(ii) of the Project);

- (B) to carry out day-to-day Project management activities, including contract management, supervision of installation and works, financial management, compliance with environmental and social framework requirements, Project monitoring and evaluation, and communications (but excluding related activities financed under Part 3(a)(ii) of the Project); and

- (C) to provide training, capacity building, and knowledge sharing for MoEUCC's Project Implementation Unit ("MoEUCC PIU") staff and for contractors, building



administrators, women in the renewable energy field, and other relevant project stakeholders (but excluding related activities financed under Part 3(a)(ii) of the Project).

(b) Technical assistance and Project implementation support for ILBANK.

Support of ILBANK:

(i) Under the ESMAP Grant:

(A) to install an online Supervisory Control and Data Acquisition (SCADA) database for Municipal Subproject monitoring; and

(B) to support pursuing certification of greenhouse gas credits for Project activities, including, inter alia, developing documentation required to register the Project, and developing a measurement, reporting and verification framework;

(ii) Under the ESMAP Grant and the Loan: to extend support to Municipal Sub-borrowers, through consulting services, for activities including (A) the selection of project management consultant(s) to support Municipal Sub-borrowers in carrying out procurement activities for Municipal Subprojects under Part 2 of the Project, and (B) the hiring of said project management consultant(s); and

(iii) Under the Loan:

(A) to support early Municipal Subproject development, including marketing and outreach, and preparation and/or technical review of feasibility studies;

(B) to carry out the management of ILBANK's Respective Parts of the Project, through consulting services, including hiring of project management consultant(s) to support Municipal Sub-borrowers, and consultants to support financial management, environmental and social framework compliance requirements, project monitoring and evaluation, and communications (but excluding related activities financed under Part 3(b)(ii) of the Project); and

(C) to provide training, capacity building, and knowledge sharing for Project Management Unit staff and for contractors, building administrators, Project Municipalities and Project Enterprises and other relevant Project stakeholders.



• **Part 4. Contingent Emergency Response Component**

- (a) Provision, through MoEUCC, of immediate response to an Eligible Crisis or Emergency, as needed.
- (b) Provision, through ILBANK, of immediate response to an Eligible Crisis or Emergency, as needed.

B. Objectives of Audit

The objective of the audit is to express an opinion on the Financial Statements of the Public and Municipal Renewable Energy Project for the period ended 31 December 2025. The audit includes but not limited to the following tasks.

In evidencing compliance with agreed project financing arrangements, we are expected to carry out tests to confirm that:

- (a) All funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. Relevant financing agreements include the Loan Agreement numbered 9551-TR.
- (b) Goods, works, and services financed have been procured in accordance with relevant financing agreements, including specific provisions of the World Bank Procurement Guidelines.
- (c) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) method of reporting.
- (d) Respective reports issued during the period were in agreement with the underlying books of account.

C. Scope of Audit

The audit was conducted in accordance with International Standards on Auditing. Those Standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.



There was no limitation in our scope for the Project's audit.

D. Audit Methodology

Financial Statements

Verified that the financial statements have been prepared in accordance with International Public Sector Accounting Standards.

Audited all SOE submitted to the World Bank in support of requests for periodic replenishment of the project-designated account.

Examined expenditures for eligibility based on criteria defined in the terms of the financing agreement and detailed in the Project Appraisal Document. In addition, we have examined whether;

- (a) the SOEs have been prepared in accordance with the provisions of the relevant financing agreement;
- (b) expenditures have been made wholly and necessarily for the realization of project objectives;
- (c) information and explanation necessary for the purpose of the audit have been obtained;
- (d) supporting records and documents necessary for the purpose of the audit have been retained, and
- (e) the SOEs can be relied upon to support the related withdrawal applications.

Review of Designated Accounts

During the audit of the project financial statements, we reviewed the activities of the project's designated account such as payments made and reconciliation of period-end balances.

Internal Controls

Evaluated significant internal controls to obtain a sufficient understanding of the design of relevant controls, policies and procedures and whether they have been in operation during the period under review.



Compliance with Agreement Terms and Applicable Laws and Regulations

Reviewed, assessed and reported on compliance with the terms and conditions of the Loan Agreement numbered 9551-TR.

Representations by Implementing Agency

Obtained specific written representations from management.

E. Audit Results

For the financial statements of the project; our audit resulted with an unmodified opinion. In addition, other reporting responsibilities about the project is included under the “Report on Other Legal and Regulatory Requirements” heading of the report.

F. Management Recommendation

Since we have not identified any findings during our audit, we have not issued a Management Letter.

**INDEPENDENT AUDITOR'S REPORT &
FINANCIAL STATEMENTS OF THE PROJECT**



INDEPENDENT AUDITOR'S REPORT

TO ILLER BANKASI A.S.

Opinion

We have audited the Statement of Sources and Uses of Funds, Statement of the Comparison of Budget and Actual Amount, Statement of Withdrawal Application Summary, and Statement of Designated Account of the Public and Municipal Renewable Energy Project as of December 31, 2025, and for the period then ended, and notes to the financial statements including a summary of significant accounting policies. The financial statements have been prepared by Iller Bankasi A.S. in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in Loan Agreement Numbered TR-9551.

In our opinion;

The accompanying financial statements present fairly, in all material respects, the financial position and cash flows of the Public and Municipal Renewable Energy Project as of December 31, 2025 and for the period then ended in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in Loan Agreement Numbered TR-9551.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report. We are independent of the Iller Bankasi A.S., the Project Management Unit, within the meaning of "IFAC Code of Ethics for Professional Accountants" and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter in the Financial Statement

Without modifying our opinion, we draw attention to Note “2” to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist Public and Municipal Renewable Energy Project Management Unit to comply with the financial reporting provisions of the Loan Agreement referred to above. As a result, the financial statements may not be suitable for another purpose.

Going Concern

The Projects financial statements have not been prepared using the going concern basis of accounting. The project will end December 31, 2028.

Responsibilities of Management and Those Charged with Governance or Other Appropriate Terms for the Financial Statements

İller Bankası A.Ş., the Project Management Unit is responsible for the preparation and fair presentation of these financial statements in accordance with Loan Agreement Numbered TR-9551, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the İller Bankası A.Ş. and the Project Management Unit’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those



REPUBLIC OF TÜRKİYE
MINISTRY OF TREASURY AND FINANCE
Board of Treasury Controllers

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

The conclusions drawn from the audits conducted within the scope of the other reporting requirements are as follows;

a) İller Bankası A.S., as of December 31, 2025 has complied with, in all material respects, the requirements of the Loan Agreement Numbered TR-9551.

b) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IBRD for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the Loan Agreement Numbered TR-9551.

Okan SÜLER
Chairman of
The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU
(Audit Partner)
Vice Chairman

Ali ÇALIŞKAN
Senior Treasury Controller

Ezel Malik ZENGİN
Treasury Controller

Ogulcan ÇOLAK
Treasury Controller

Rumeysa İZGİ
Treasury Controller

Date: 16.06.2026

Address: Ministry of Treasury and Finance

The Board of Treasury Controllers, 06420, Devlet Mh, ANKARA/TÜRKİYE

ANNEX I:
Financial Statements of the Project

ILLER BANKASI A.Ş.
PUBLIC AND MUNICIPAL RENEWABLE ENERGY PROJECT
LOAN NO: 9551-TR
Withdrawal Application Summary
For the Year Ended December 31, 2025

Withdrawal Application Number	Date	Category 1: Municipal Sub-Loans for Municipal Subprojects under Part 2 of the Project	Category 3: Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3 (b) (iii) of the Project	Total	Requested Advance Amount	Value Date	Rejected by WB	Net Reimbursed
In Designated Account Currency - Euro								
Section A: Payment method - Advance/Replenishment								
Approved Withdrawals				9.726.183,57	25.726.183,57			25.726.183,57
1 (Advance)	12.02.2025	0,00	0,00	0,00	1.000.000,00	25.02.2025	0,00	1.000.000,00
2 (Advance)	12.08.2025	0,00	0,00	0,00	2.000.000,00	15.08.2025	0,00	2.000.000,00
3 (Advance)	24.09.2025	0,00	0,00	0,00	13.000.000,00	30.09.2025	0,00	13.000.000,00
4 (Advance and Documentation)	20.11.2025	9.687.123,16	39.060,41	9.726.183,57	9.726.183,57	01.12.2025	0,00	9.726.183,57
Sub-Total (A)		9.687.123,16	39.060,41	9.726.183,57	25.726.183,57		0,00	25.726.183,57
Section B: Payment method - Reimbursement								
Approved Withdrawals								
Pending Submission								
Sub-Total (B)		0,00	0,00	0,00	0,00		0,00	0,00
Section C: Payment method - Direct Payment								
Approved Withdrawals								
Pending Submission								
Sub-Total (C)		0,00	0,00	0,00	0,00		0,00	0,00
TOTAL (A+B+C)		9.687.123,16	39.060,41	9.726.183,57	25.726.183,57		0,00	25.726.183,57

Prepared by
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Expert
10-06-2026

Controlled by
Funda ÇETİN
Acting Manager
10.06.2026

Approved by
Gamze ASLAN
Head of Department
10.06.2026



ILLER BANKASI A.S.
PUBLIC AND MUNICIPAL RENEWABLE ENERGY PROJECT
LOAN NO: 9551-TR
STATEMENT OF SOURCES and USES of FUNDS
For the Year Ended December 31, 2025
(In EURO)

	Notes	Current Period (2025)	Previous Period (2024)	Cumulative
I-SOURCES OF FUNDS				
A- IBRD Loan	2	25.726.183,57	0,00	26.351.183,57
1- Special Account		25.726.183,57	0,00	25.726.183,57
2- Front-end-Fee		0,00	0,00	625.000,00
TOTAL FUNDS RECIEVED		25.726.183,57	0,00	26.351.183,57

II-A USES OF FUNDS by COMPONENT

I-INVESTMENT COST

B- Municipal Investments		18.538.070,26	0,00	18.538.070,26
Total Investment Costs	2	18.538.070,26	0,00	18.538.070,26

II-RECURRING COST

Front-end-Fee		0,00	625.000,00	625.000,00
Total Recurring Costs		0,00	625.000,00	625.000,00

TOTAL USES OF FUNDS by COMPONENT

18.538.070,26	625.000,00	19.163.070,26
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II-B USES OF FUNDS by CATEGORY

Category 1- Municipal Sub-Loans for Municipal Subprojects under Part 2 of the Project		18.472.487,98	0,00	18.472.487,98
Category 3- Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3 (b) (iii) of the Project		65.582,28	0,00	65.582,28
Category 5- Front-end-Fee		0,00	625.000,00	625.000,00

TOTAL USES OF FUNDS by CATEGORY

18.538.070,26	625.000,00	19.163.070,26
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Cash at the Beginning of the Period	1.01.2025		0,00
Cash at the End of the Period	31.12.2025	5	7.188.113,31

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Head of Department
10.06.2026



ILLER BANKASI A.Ş.
STATEMENT OF COMPARISON BUDGET and ACTUAL AMOUNT
PUBLIC AND MUNICIPAL RENEWABLE ENERGY PROJECT
LOAN NO: 9551-TR
For the Year Ended December 31, 2025
(In EURO)

		Current Period					Cumulative		
		NOTES	Actual	Final Budget	Original Budget	Progress (%)	Actual	Planned	Progress (%)
Sources of Funds			1	2		3=1/2	4	5	6=4/5
	IBRD Loan		25.726.183,57	25.000.000,00	20.000.000,00	103%	25.726.183,57	247.261.000,00	10%
	Front-end-Fee		0,00	0,00	0,00	0%	625.000,00	625.000,00	100%
Total Sources of Funds			25.726.183,57	25.000.000,00	20.000.000,00	103%	26.351.183,57	247.886.000,00	11%
Uses of Funds									
1 By Component									
B- Municipal Investments		6	18.538.070,26	25.000.000,0	18.250.000,00	74%	18.538.070,3	247.261.000,00	7%
Total Uses Of Funds By Component			18.538.070,26	25.000.000,00	18.250.000,00	74%	18.538.070,26	247.261.000,00	7%
2 By Expenditure Category									
Category 1-Municipal Sub-Loans for Municipal Subprojects under Part 2 of the Project		6	18.472.487,98	25.000.000,0	18.250.000,00	74%	18.472.488,0	246.605.000,00	7%
Category 3-Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3 (b) (iii) of the Project		6	65.582,28	656.000,00	0,00	10%	65.582,3	656.000,00	10%
Total Uses Of Funds By Component			18.538.070,26	25.656.000,00	18.250.000,00	72%	18.538.070,26	247.261.000,00	7%

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Head of Department
10.06.2026



ILLER BANKASI A.S.
PUBLIC AND MUNICIPAL RENEWABLE ENERGY PROJECT
LOAN NO: 9551-TR
SPECIAL ACCOUNT STATEMENT
ACCOUNT NO: 00158048024396282
For the Year Ended December 31, 2025
(In EURO)

Opening Balance (01.01.2025)	Notes		0,00
Reimbursements to SA			25.726.183,57
Refunds to SA			0,00
Available Funds	5		25.726.183,57
Payments Made for Expenditures		18.538.070,26	
Service charges for the account		0,00	
Total Project Investments		18.538.070,26	
Closing Balance (31.12.2025)	5		7.188.113,31

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10.06.2026



ILLER BANKASI A.S.

Public and Municipal Renewable Energy Project - No: 9551-TR

NOTES TO THE PROJECT FINANCIAL TABLES

For The Year Ended December 31, 2025

1. THE OBJECTIVES AND STRUCTURE OF THE PROJECT

Loan Agreement (9551-TR) is signed between the International Bank for Reconstruction and Development (the World Bank) and Iller Bank A.S. (ILBANK) under the guarantorship of the Ministry of Treasury and Finance on 20 September 2023. The objective of Public and Municipal Renewable Energy Project (PUMREP); is to increase the use of renewable energy (RE) through self-generation in public facilities. The Project consists of RE Technology Investments such as; solar power plant (SPP), in pipe-micro hydropower, wind or battery storage investments in combination with RE, and Technical Assistance for Project Management, Supervision, Capacity Building, Communication and Stakeholder Engagement.

Bank extended sub-loans to the Municipalities and/or Administrations for their RE investments through Sub-Loan Agreements on the basis of an appraisal, carried out in accordance with the eligibility criteria and procedures set forth in the Operational Manual, the Environmental and Social Management System ("ESMS").

Bank is responsible from preparation of Environmental Assessment documents which are prepared within the scope of Environmental Framework and World Bank Environmental Policies.

ILBANK is responsible for the preparation and dissemination of the data related to the loan usage regularly and in a format to be agreed with the World Bank.

The project will be managed under the coordination of Project Management Unit (PMU) that has been established in ILBANK International Relations Group. The Operational


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Gamze ASILAN
Head Of Department


ILLER BANKASI A.Ş. İL BANK
INTERNATIONAL OPERATIONS
İL BANKASI A.Ş. İL BANK

Manual that guides PMU to carry out the activities properly was become effective with the ILBANK's approval of Director General, dated March 7, 2024 and 25139 numbered.

PMU is established with a Group Director and International Operations Department and Financial Institutions and Investor Relations Department. PMU is organized with combination of both departments as International Relations Group.

PMU is responsible for coordination between the team responsible for PUMREP in World Bank and ILBANK, execution of the preparatory work, cooperation with the assigned units of ILBANK, the selection of the Municipalities and/or Administrations, relations with the Presidency of Strategy and Budget and other public institutions. PMU executes the works related to procurement within the scope of projects, technical coordination of the sub-projects, and financial management of the loan.

2. ACCOUNTING POLICIES

PMU which is currently organized within the ILBANK International Relations Group and established as per the provisions of the Loan Agreement recorded the amounts withdrawn from the Loan and the amounts paid to the municipalities/administrations on "cash basis" in the ILBANK accounting system. On the other hand, PMU:

- The amount of World Bank loan,
- The amount withdrawn from the loan,
- The amount paid to the suppliers/contractors/consultants and to the Municipalities/Administrations to be paid to the tax offices on behalf of them as per the provisions of the Sub-Loan Agreements,
- Accrued amounts such as credit fees and interest.
- ILBANK Accounting and Financial Affairs Department maintains records in accounting software in order to monitor in terms of credit categories and expenditure items in Euro and contract currency.


Funda CETİN
Acting Manager


Gamze ASLAN
Head Of Department



PUMREP bookkeeping is done within ILBANK accounting system by Accounting and Financial Affairs Department. By the current software, the data of the progress payment are entered to the software by International Operations Group Staff and the system controls the calculations automatically. If the calculations are right, the staff enter the value dates and send the progress payment to the Accounting department for recognition.

The following policies shall be followed in accounting records of ILBANK:

- a) ILBANK will use cash-based accounting related to the Project. According to cash basis accounting the withdrawals from the Loan to the Special Account are recorded as a "loan liability" in Euro.
- b) The amount of payments to the suppliers/contractors/consultants upon the demand of the Municipalities/Administrations" as per the Sub-Loan Agreements will be debited to the loan account opened for each one of the Municipalities/Administrations, i.e. as a "receivable".
- c) The amount determined after the required deductions for tax, stamp duty, decision tax, VAT withholding, etc., as per the local regulations and the conditions of the contract will be transferred directly to the account of the supplier/consultant/contractor providing the services/goods/works from the Special Account by International Operations Department PMU. The total amount of the deductions will be paid to the related account of the Municipality/Administrations who are responsible to pay to the tax offices on behalf of the contractor.
- d) The payments by ILBANK PMU for the objectives of the Project will be recorded as "non-interest expenses" account in the ILBANK's accounts in local currency.
- e) The amount of exchange rate gain or loss arising from the revaluation of the Euro dominated receivables and payables revalued using the Euro/TL exchange rate prevailing at the date of the balance sheet will be recorded as foreign exchange gain or loss.
- f) The amount sub-loan used by the Municipalities/Administrations based on Sub-Loan Agreements will be recorded to the following account:


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Acting Manager


Gamze ASDAN
Head Of Department


INTERNATIONAL OPERATIONS DEPARTMENT
İTİBANK
İTİBANK

1 - Loans

143 – Mid-Term and Long -Term Special Area Loan (Foreign Currency)

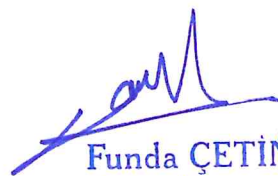
1430018- Public and Municipal Renewable Energy Project (PUMREP)

The total amount of expenses for the PUMREP is € 19.163.070,26 at the end of the year of 2025. (Front-end-fee included)

- g) The disbursements related to the sub projects will be recorded into the legal books of ILBANK and the Municipality/Administrations which are using the loan proceeds. A copy of the disbursement is received and reviewed by ILBANK upon submission by the Municipality/Administrations. Because the disbursements/expenses belong to the agency (ie., Municipality/Administrations) they will be recorded as “loan receivable” in ILBANK’s books by Municipality/Administrations.
- h) The Special Account with T. Vakıflar Bank Turkish Joint Stock Company. The prevailing selling exchange rate for Euro/TL of T. Vakıflar Bank Turkish Joint Stock Company will be applied for the above-mentioned payments from the Special Account.
- i) Accounting transactions will be recorded in Euro as the currency of Loan Agreement. The collection in local currency is converted into Euro at the rate of T. Vakıflar Bank Turkish Joint Stock Company prevailing at the date of collection for preparation of the source and use of the funds and cumulative investment table. The payments in Euro are recorded using the exchange rate of Euro/TL prevailing at the date of payment.

3. STATEMENT OF FINANCE

The use of the funds in Special Account is limited by only project objectives in conformity with the provisions of the Loan Agreement between the World Bank and ILBANK. The unused project funds at the end of the project may be cancelled in accordance with the provisions of the related Loan Agreement. The assets obtained by using the Project funds are belong to the Municipality/Administrations and the usage of the assets limited by the project objectives until the project completion. The loan-user


Funda ÇETİN
Acting Manager


İlhan ASLAN
Head of Department


İLBANK

agencies keep the necessary records in accordance with the requirements of the Law no. 5018 to monitor/control the assets during period of the project and Sub-Projects.

4. WORLD BANK LOAN

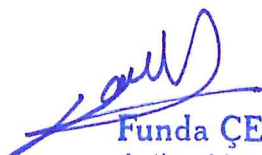
The debt service (principal, interest, front-end-fee) will be made by ILBANK in accordance with the provisions of the Loan Agreement that concluded on 20 September 2023 between World Bank and ILBANK.

ILBANK required from all the Municipality/Administrations to open an “Escrow Account” to fulfill the debt service liability according to the provisions of the Sub Loan Agreements. The Municipality/Administrations are required to deposit the amounts determined by applying the rates as indicated in the Sub-Loan Agreements to the amount of the water bills collected by both their own collection offices and/or via the banks. The balance of the Escrow Accounts cannot be withdrawn by the Municipality/Administrations without a written permission of ILBANK yet the Municipality/Administrations can use the account balances to earn revenues from the investment areas as specified in the Sub-Loan Agreement.

The required debt service shall be made by purchasing Euro with the amounts accumulated in the Escrow accounts and transferred to ILBANK before the due date of the debt service. In other words, in essence the revenues from the water bills of the Municipality/Administrations constitute the security of the loan. In the case in which the amount transferred to the Escrow Account is not sufficient to pay for the debt service ILBANK has the right to appeal to the Municipality/Administrations’ general budget tax shares, rent incomes, etc. respectively.

5. CASH POSITION AT THE END OF THE FISCAL YEAR

The cash position on 31st of December 2025 indicates the balance between the withdrawals from the loan to the Special Account and the amount of disbursement from Special Account and it is 7.188.113,31 Euro. Project funds are held only in the T. Vakıflar Bank Turkish Joint Stock Company’s Special Account, no other accounts or cash other than the Special Account is used.


Funda ÇETİN
Acting Manager


Caner ASLAN
Head Of Department



T. VAKIFBANK T.A.O. SPECIAL ACCOUNT	
31.12.2025 Balance	7.188.113,31 EURO

6. EXPLANATION on BUDGET REALIZATION

The original budget, final budget, and planned budget sections under the title "Sources of Funds" in the "Statement of Comparison of Budget and Actual Amounts" were developed using cash flow forecasts and feedback gathered from field activities concerning ongoing works and consultancy services, with fiscal year 2025 designated as the project's starting year.


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Acting Manager


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Head Of Department


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