KUVEYT TÜRK KATILIM BANKASI A.Ş.
INDEPENDENT AUDITOR'S REVIEW REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2026

(CONVENIENCE TRANSLATION OF UNCONSOLIDATED FINANCIAL STATEMENTS, RELATED DISCLOSURES AND INDEPENDENT AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH)

(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)

REPORT ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

To the General Assembly of Kuveyt Türk Katılım Bankası A.Ş.

Introduction

We have reviewed the accompanying unconsolidated statement of financial position of Kuveyt Türk Katılım Bankası A.Ş. ("the Bank") as at 30 June 2026, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Regulations" including the regulation on "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information do not present fairly in all material respects the financial position as of 30 June 2026, and its financial performance and cash flows for the six-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on Other Legal and Regulatory Requirements

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information provided in the Management's interim report included in section eight of the accompanying financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed interim financial statements and the explanatory notes.

Additional paragraph for convenience translation to English

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Company in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Sunay Anıktar
Partner

İstanbul, 13 August 2026

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CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS, RELATED DISCLOSURES AND AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH

THE UNCONSOLIDATED FINANCIAL REPORT OF KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ FOR THE SIX MONTH PERIOD THEN ENDED AS OF 30 JUNE 2026

Address of the Head Office		Büyükdere Cad. No:129/1 34394 Esentepe-Şişli / İSTANBUL
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The unconsolidated financial report for the six-months period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced as regulated by the Banking Regulation and Supervision Agency", is consist of the sections listed below.

- General Information About the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on the Financial Structure and Risk Management of the Bank
- Explanations and Disclosures Related to Unconsolidated Financial Statements
- Other Explanations
- Independent Auditors' Limited Review Report
- Interim Activity Report

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **millions of Turkish Lira** have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations on these, and have been independently reviewed.

Hamad Abdulmohsen AL-MARZOUQ	Dr. Shadi Ahmed Yacoub ZAHRAN	Nadir ALPASLAN
Chairman of the Board of Directors	Chairman of the Audit Committee	Member of the Audit Committee

Boualem HAMMOUNI	Ufuk UYAN	Ahmet KARACA	Cemil AKBEBEK
Member of the Audit Committee	General Manager	Vice General Manager of Financial Affairs	Budget and Reporting Manager

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

Name-Surname / Title	:	Samet ÖZCAN / Consolidation of Subsidiaries Manager
Tel No	:	0212 354 10 86
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(Amounts are expressed in Millions of Turkish Lira ("TL") unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

1. History of the Bank including its incorporation date, initial legal status and amendments to legal status

Kuveyt Türk Katılım Bankası A.Ş. ("the Bank") was incorporated with the approval of the Central Bank of the Republic of Türkiye (CBRT) on 28 February 1989 and commenced its operations on 31 March 1989, with the name of Kuveyt Türk Evkaf Finans Kurumu A.Ş. To comply with the Banking Act 5411, the title of the Bank has been changed to Kuveyt Türk Katılım Bankası A.Ş. with a change in the Articles of Association which was approved in the annual general meeting dated 26 April 2006. Main field of operation is, in addition to the Bank's equity, to collect funds from domestic and foreign customers through "Current Accounts" and "Profit/ Loss Sharing Accounts" and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

2. Shareholding structure, shareholders jointly or individually having direct or indirect control over the management and supervision of the Bank and the disclosures on any related changes in the current period, if any, and information about the Group that the Bank belongs to

As of 30 June 2026, 57.81% of the Bank's shares are owned by Kuwait Finance House located in Kuwait, 24.49% by Vakıflar Genel Müdürlüğü Mazbut Vakıfları, 8.36% by Wafra International Investment Company in Kuwait and 8.36% by Islamic Development Bank whereas the remaining 0.98% of the shares are owned by other real persons and legal entities.

3. Explanations regarding the chairman and the members of board of directors, audit committee members, general manager and assistant general managers and their shares in the bank

Name	**Title**	**Educational Degree**
Hamad A H D MARZOUQ	Head of the BOD	Master
Nadir ALPASLAN	Vice Chairman of BOD and Member of the Audit Committee	Bachelor
Dr. Shadi Ahmed YACOUB ZAHRAN	Member of BOD and chairman of the Audit Committee	Doctorate
Boualem HAMMOUNI	Member of BOD and Audit Committee	Master
Khaled Y E S ALSHAMLAN	Member of BOD	Bachelor
Jabr Shahein AL-JALAHMAH	Member of BOD	Bachelor
Gehad Mohamed ELBENDARY ANANY	Member of BOD	Bachelor
Sinan AKSU	Member of BOD	Bachelor
Ufuk UYAN	Member of BOD and General Manager	Master
Ahmet KARACA	Assistant General Manager, Financial Control	Master
Bilal SAYIN	Assistant General Manager, Lending	Bachelor
İrfan YILMAZ	Assistant General Manager, Banking Services	Bachelor
Dr. Ruşen Ahmet ALBAYRAK	Assistant General Manager, Corporate and Commercial Banking	Doctorate
Nurettin KOLAÇ	Assistant General Manager, Legal and Risk Follow Up	Bachelor
Aslan DEMİR	Assistant General Manager, Treasury and International Banking	Bachelor
Mehmet ORAL	Assistant General Manager, Retail Banking	Bachelor
Abdurrahman DELİPOYRAZ	Assistant General Manager, SME Banking	Bachelor
Hüseyin Cevdet YILMAZ	Head of the Risk, Control and Compliance Group	Bachelor
Dr. Okan ACAR	Assistant General Manager, Digital Banking and Payment Systems	Doctorate
Bahattin AKCA	Chairman of the Inspection Board	Bachelor
Semih SEL	Assistant General Manager, Human Resources and Strategy	Bachelor

The shares held by the persons mentioned above in the Bank are of a negligible amount.

(Amounts are expressed in Millions of Turkish Lira ("TL") unless otherwise stated.)

4. Information about the persons and institutions that have qualified shares attributable to the Bank

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	6,417,422	%57.81	6,417,422	-
T.C. Vakıflar Genel Müdürlüğü	2,717,971	%24.49	2,717,971	-
Total	**9,135,393**	**%82.30**	**9,135,393**	**-**

As of 30 June 2026, the shareholding structure of Kuwait Finance House, the main shareholder of the Bank, is as follows.

Name / Commercial Name	Share rates
Kuwait Investment Authority	15.67%
The Public Institution for Social Security & Group	9.05%
The Public Authority for Minors Affairs	11.57%
Public Shares	63.71%
Total	**100.00%**

5. Summary information on the Bank's activities and services

The Bank's field of operations includes corporate banking, international banking services, and retail banking and credit card services. The Bank's core business is operating in accordance with the principles of interest-free banking as a participation bank by collecting funds through current and profit/loss sharing accounts and lending such funds to its customers.

As of 30 June 2026, the Bank is operating through 452 domestic branches (31 December 2025 – 454) with 6,432 employees (31 December 2025 – 6,379). Summary of some of the Bank's operations described in the Articles of Association are as follows;

- To collect funds through "Current Accounts" and "Profit/Loss Sharing Accounts" and special fund pools in line with the regulations,
- To allocate funds to the economy and provide all kinds of cash, non-cash loans within the principles of non-interest banking,
- To offer financial and operational leasing,
- To handle all kinds of deposits and payments, including travelers' checks, credit cards and other payment instruments, provide member business services (POS), consulting, advisory, and safe deposit box services,
- To purchase financial instruments on money and capital markets in cash or installments, sell and mediate the sale and trade on the stock exchange in accordance with legislation and principles of non-interest banking,
- To purchase, acquire and construct any kind of real estate and if necessary, lease or transfer ownership to other persons,
- To act as a representative, deputy or agent for corporations and enterprises (including insurance companies),
- To provide socially purposed assistance within the scope of the legislation within the principles of the Bank for the order and benefit of the society.

The Bank's activities are not limited to the list above. If another transaction is decided to be beneficial to the Bank, the transaction must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities after whom it also needs to be approved by the Ministry of Trade since it constitutes an amendment of the Article of Association. Decisions that have been approved through all these channels will be included to the Article of Association.

6. Current or likely actual legal barriers to immediate transfer of equity or repayment of debts between Bank and its subsidiaries:

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

1. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

					Reviewed Current Period 30.06.2026			Audited Prior Period 31.12.2025
	ASSETS	Notes	TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**193,453**	**428,117**	**621,570**	**185,041**	**418,082**	**603,123**
1.1.	**Cash and Cash Equivalents**		**70,183**	**352,463**	**422,646**	**95,166**	**336,939**	**432,105**
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	70,146	256,947	327,093	91,446	258,556	350,002
1.1.2.	Banks	(5.1.3.)	38	95,519	95,557	22	78,386	78,408
1.1.3.	Money Markets Placements		-	-	-	3,700	-	3,700
1.1.4.	Expected Credit Loss (-)		1	3	4	2	3	5
1.2.	**Financial Assets at Fair Value Through Profit or Loss**		**44,837**	**22,367**	**67,204**	**24,811**	**11,891**	**36,702**
1.2.1.	Government Debt Securities		15,401	13,493	28,894	3,979	4,670	8,649
1.2.2.	Equity Instruments		-	4	4	-	3	3
1.2.3.	Other Financial Assets		29,436	8,870	38,306	20,832	7,218	28,050
1.3.	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(5.1.4.)**	**78,164**	**51,742**	**129,906**	**64,844**	**50,817**	**115,661**
1.3.1.	Government Debt Securities		78,010	45,716	123,726	64,716	48,262	112,978
1.3.2.	Equity Instruments		128	577	705	128	542	670
1.3.3.	Other Financial Assets		26	5,449	5,475	-	2,013	2,013
1.4.	**Derivative Financial Assets**		**269**	**1,545**	**1,814**	**220**	**18,435**	**18,655**
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	269	1,545	1,814	220	18,435	18,655
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.11.)	-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED WITH AMORTISED COSTS (Net)**	**(5.1.5.)**	**457,692**	**335,353**	**793,045**	**389,648**	**304,807**	**694,455**
2.1.	**Loans**		**428,679**	**252,994**	**681,673**	**355,888**	**227,860**	**583,748**
2.2.	**Leasing Receivables**	**(5.1.10.)**	**16,591**	**59,763**	**76,354**	**15,039**	**55,549**	**70,588**
2.3.	**Financial Assets Measured at Amortized Cost**	**(5.1.6.)**	**32,434**	**27,533**	**59,967**	**32,362**	**25,372**	**57,734**
2.3.1.	Government Debt Securities		32,434	27,533	59,967	32,362	25,372	57,734
2.3.2.	Other Financial Assets		-	-	-	-	-	-
2.4.	**Expected Credit Loss (-)**		**20,012**	**4,937**	**24,949**	**13,641**	**3,974**	**17,615**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)**	**(5.1.16.)**	**3,161**	**-**	**3,161**	**2,011**	**-**	**2,011**
3.1.	Held for Sale		3,161	-	3,161	2,011	-	2,011
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES**		**15,271**	**-**	**15,271**	**13,381**	**-**	**13,381**
4.1.	**Investments in Associates (Net)**	**(5.1.7.)**	**-**	**-**	**-**	**-**	**-**	**-**
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
4.2.	**Investment in Subsidiaries (Net)**	**(5.1.8.)**	**15,251**	**-**	**15,251**	**13,361**	**-**	**13,361**
4.2.1.	Unconsolidated Financial Subsidiaries		7,037	-	7,037	5,237	-	5,237
4.2.2.	Unconsolidated Non-Financial Subsidiaries		8,214	-	8,214	8,124	-	8,124
4.3.	**Investment in Joint Ventures (Net)**	**(5.1.9.)**	**20**	**-**	**20**	**20**	**-**	**20**
4.3.1.	Joint Ventures Valued Based on Equity Method		20	-	20	20	-	20
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(5.1.12.)**	**8,524**	**3**	**8,527**	**7,971**	**4**	**7,975**
VI.	**INTANGIBLE ASSETS (Net)**	**(5.1.13.)**	**5,352**	**-**	**5,352**	**4,025**	**-**	**4,025**
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		5,352	-	5,352	4,025	-	4,025
VII.	**INVESTMENT PROPERTIES (Net)**	**(5.1.14.)**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSETS**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**DEFERRED TAX ASSETS**	**(5.1.15.)**	**5,647**	**-**	**5,647**	**1,553**	**-**	**1,553**
X.	**OTHER ASSETS**	**(5.1.17.)**	**18,380**	**1,361**	**19,741**	**25,414**	**129**	**25,543**
	TOTAL ASSETS		**707,480**	**764,834**	**1,472,314**	**629,044**	**723,022**	**1,352,066**

The accompanying explanations and notes are an integral part of these financial statements.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

1. BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

				Reviewed Current Period 30.06.2026			Audited Current Period 31.12.2025	
	LIABILITIES	**Notes**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**PARTICIPATION FUND**	**(5.2.1.)**	**407,662**	**576,205**	**983,867**	**365,623**	**534,378**	**900,001**
II.	**FUNDS BORROWED**	**(5.2.3.)**	**16,056**	**200,275**	**216,331**	**13,517**	**182,075**	**195,592**
III.	**MONEY MARKETS**		**43,513**	**1,333**	**44,846**	**47,004**	**-**	**47,004**
IV.	**SECURITIES ISSUED (Net)**		**-**	**-**	**-**	**-**	**-**	**-**
V.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
5.1	Credit Customers' Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**		**851**	**27,139**	**27,990**	**1,377**	**1,407**	**2,784**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	851	27,139	27,990	1,377	1,407	2,784
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.6.)	-	-	-	-	-	-
VIII.	**LEASE PAYABLES (Net)**	**(5.2.5.)**	**2,939**	**32**	**2,971**	**2,384**	**26**	**2,410**
IX.	**PROVISIONS**	**(5.2.7.)**	**7,692**	**1,170**	**8,862**	**7,159**	**1,392**	**8,551**
9.1	Restructuring Provision		-	-	-	-	-	-
9.2	Reserves for Employee Benefits		4,864	444	5,308	4,614	448	5,062
9.3	Insurance for Technical Provision (Net)		-	-	-	-	-	-
9.4	Other Provisions		2,828	726	3,554	2,545	944	3,489
X.	**CURRENT TAX LIABILITIES**	**(5.2.8.1.)**	**4,403**	**-**	**4,403**	**799**	**-**	**799**
XI.	**DEFERRED TAX LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
XII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**(5.2.9.)**	**-**	**-**	**-**	**-**	**-**	**-**
12.1	Held for Sale		-	-	-	-	-	-
12.2	Related to Discontinued Operations		-	-	-	-	-	-
XIII.	**SUBORDINATED DEBT INSTRUMENTS**	**(5.2.10.)**	**-**	**16,355**	**16,355**	**-**	**15,049**	**15,049**
13.1	Loans		-	-	-	-	-	-
13.2	Other Debt Instruments		-	16,355	16,355	-	15,049	15,049
XIV.	**OTHER LIABILITIES**	**(5.2.4.)**	**22,414**	**5,543**	**27,957**	**38,493**	**20,038**	**58,531**
XV.	**SHAREHOLDERS` EQUITY**	**(5.2.11.)**	**138,224**	**508**	**138,732**	**119,956**	**1,389**	**121,345**
15.1	Paid-in Capital		11,089	-	11,089	7,995	-	7,995
15.2	Capital Reserves		6,380	-	6,380	6,374	-	6,374
15.2.1	Share Premiums		6,374	-	6,374	6,374	-	6,374
15.2.2	Share Cancellation Profit		6	-	6	-	-	-
15.2.3	Other Capital Reserves		-	-	-	-	-	-
15.3	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(403)	-	(403)	(403)	-	(403)
15.4	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(6,255)	508	(5,747)	(4,781)	1,389	(3,392)
15.5	Profit Reserves		103,577	-	103,577	70,348	-	70,348
15.5.1	Legal Reserves		7,446	-	7,446	5,024	-	5,024
15.5.2	Statutory Reserves		-	-	-	-	-	-
15.5.3	Extraordinary Reserves		95,628	-	95,628	65,020	-	65,020
15.5.4	Other Profit Reserves		503	-	503	304	-	304
15.6	Profit or Loss		23,836	-	23,836	40,423	-	40,423
15.6.1	Prior Years' Profit or Loss		61	-	61	61	-	61
15.6.2	Net Profit or Loss for the Period		23,775	-	23,775	40,362	-	40,362
15.7	Minority Shares	(5.2.12.)	-	-	-	-	-	-
	TOTAL LIABILITIES		**643,754**	**828,560**	**1,472,314**	**596,312**	**755,754**	**1,352,066**

The accompanying explanations and notes are an integral part of these financial statements.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

2. STATEMENT OF OFF-BALANCE SHEET ITEMS

					Reviewed Current Period 30.06.2026			Audited Prior Period 31.12.2025
		Notes	TL	FC	Total	TL	FC	Total
A.	**COMMITMENTS AND CONTINGENCIES (I+II+III)**		**539,695**	**722,417**	**1,262,112**	**405,688**	**594,190**	**999,878**
I.	**GUARANTEES AND WARRANTIES**	**(5.3.1.)**	**138,299**	**83,298**	**221,597**	**112,113**	**60,662**	**172,775**
1.1.	Letters of Guarantee		127,551	40,858	168,409	103,228	33,631	136,859
1.1.1.	Guarantees Subject to State Tender Law		1,404	46	1,450	1,189	40	1,229
1.1.2.	Guarantees Given for Foreign Trade Operations		6,003	459	6,462	4,569	383	4,952
1.1.3.	Other Letters of Guarantee		120,144	40,353	160,497	97,470	33,208	130,678
1.2.	Bank Loans		485	936	1,421	359	1,024	1,383
1.2.1.	Import Letter of Acceptances		485	936	1,421	359	1,024	1,383
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		13	41,222	41,235	22	25,783	25,805
1.3.1.	Documentary Letters of Credit		-	3,127	3,127	-	2,788	2,788
1.3.2.	Other Letters of Credit		13	38,095	38,108	22	22,995	23,017
1.4.	Guaranteed Refinancing		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		10,250	282	10,532	8,504	224	8,728
1.7.	Other Warrantees		-	-	-	-	-	-
II.	**COMMITMENTS**	**(5.3.1.)**	**317,933**	**54,592**	**372,525**	**215,439**	**47,676**	**263,115**
2.1.	Irrevocable Commitments		317,933	54,592	372,525	215,439	47,676	263,115
2.1.1.	Forward Asset Purchase and Sales Commitments		16,686	52,003	68,689	11,705	47,675	59,380
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3.	Loan Granting Commitments		10,198	-	10,198	7,941	-	7,941
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments For Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks		10,186	-	10,186	8,114	-	8,114
2.1.7.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments For Credit Card Expenditure Limits		279,529	-	279,529	186,634	-	186,634
2.1.9.	Commitments For Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.10.	Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11.	Payables For Short Sale Commitments		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		1,334	2,589	3,923	1,045	1	1,046
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(5.3.2.)**	**83,463**	**584,527**	**667,990**	**78,136**	**485,852**	**563,988**
3.1.	Derivative Financial Instruments Held for Risk Management		-	-	-	-	-	-
3.1.1.	Fair Value Hedges		-	-	-	-	-	-
3.1.2.	Cash Flow Hedges		-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held For Trading Transactions		83,463	584,527	667,990	78,136	485,852	563,988
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		13,544	19,448	32,992	6,983	19,598	26,581
3.2.1.1.	Forward Foreign Currency Buy Transactions		4,484	12,094	16,578	3,291	10,111	13,402
3.2.1.2.	Forward Foreign Currency Sell Transactions		9,060	7,354	16,414	3,692	9,487	13,179
3.2.2.	Currency Swap Transactions		69,249	564,498	633,747	70,991	464,114	535,105
3.2.2.1.	Swap Currency Buy Transactions		9,109	293,746	302,855	24,826	249,887	274,713
3.2.2.2.	Swap Currency Sell Transactions		60,140	270,752	330,892	46,165	214,227	260,392
3.2.3.	Other Forward Buy and Sell Transactions		670	581	1,251	162	2,140	2,302
3.3	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES SECURITIES (IV+V+VI)**		**7,702,908**	**18,800,598**	**26,503,506**	**6,439,849**	**15,488,184**	**21,928,033**
IV.	**ITEMS HELD IN CUSTODY**		**419,536**	**17,316,881**	**17,736,417**	**357,114**	**13,875,334**	**14,232,448**
4.1.	Customers' Securities Held		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		159,612	17,214,086	17,373,698	136,740	13,788,077	13,924,817
4.3.	Checks Received for Collection		117,586	7,857	125,443	107,626	6,319	113,945
4.4.	Commercial Notes Received for Collection		13,018	4,149	17,167	11,176	3,526	14,702
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		129,320	90,789	220,109	101,572	77,412	178,984
V.	**PLEDGED ITEMS**		**7,269,319**	**1,478,890**	**8,748,209**	**6,078,887**	**1,612,199**	**7,691,086**
5.1.	Marketable Securities		8,661	7,869	16,530	9,174	7,661	16,835
5.2.	Guarantee Notes		101	19,850	19,951	101	18,266	18,367
5.3.	Commodity		211,946	465,325	677,271	187,139	658,877	846,016
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		1,549,982	35,221	1,585,203	1,342,523	39,446	1,381,969
5.6.	Other Pledged Items		5,498,629	950,625	6,449,254	4,539,950	887,949	5,427,899
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED GUARANTEES AND WARRANTEES**		**14,053**	**4,827**	**18,880**	**3,848**	**651**	**4,499**
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		**8,242,603**	**19,523,015**	**27,765,618**	**6,845,537**	**16,082,374**	**22,927,911**

The accompanying explanations and notes are an integral part of these financial statements.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

3. STATEMENT OF PROFIT OR LOSS (STATEMENT OF INCOME)

			Current Period Reviewed 01.01.2026-30.06.2026	Current Period Reviewed 01.04.2026-30.06.2026	Prior Period Reviewed 01.01.2025-30.06.2025	Prior Period Reviewed 01.04.2025-30.06.2025
	INCOME AND EXPENSE ITEMS	**Notes**				
I.	**PROFIT SHARE INCOME**	**(5.4.1.)**	**101,801**	**53,532**	**74,914**	**39,387**
1.1.	Profit Share on Loans		66,086	34,349	49,252	25,920
1.2.	Profit Share on Reserve Deposits		9,325	4,902	7,633	3,937
1.3.	Profit Share on Banks		243	117	90	54
1.4.	Profit Share on Money Market Placements		-	-	-	-
1.5.	Profit Share on Marketable Securities Portfolio		19,692	10,870	12,154	6,471
1.5.1.	Fair Value Through Profit or Loss		2,443	1,446	524	255
1.5.2.	Fair Value Through Other Comprehensive Income		12,842	7,224	7,330	3,978
1.5.3.	Measured at Amortized Cost		4,407	2,200	4,300	2,238
1.6.	Finance Lease Income		5,384	2,691	5,245	2,784
1.7.	Other Profit Share Income		1,071	603	540	221
II.	**PROFIT SHARE EXPENSES (-)**		**56,357**	**28,771**	**47,597**	**24,049**
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	37,386	18,570	33,748	16,831
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	6,755	3,716	5,775	3,146
2.3.	Profit Share Expense on Money Market Borrowings		11,896	6,313	7,867	3,957
2.4.	Expense on Securities Issued		-	-	-	-
2.5.	Profit Share Expense on Lease		320	172	207	115
2.6.	Other Profit Share Expense		-	-	-	-
III.	**NET PROFIT SHARE INCOME (I - II)**		**45,444**	**24,761**	**27,317**	**15,338**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**12,305**	**6,667**	**6,862**	**3,749**
4.1.	Fees and Commissions Received		25,569	13,815	15,124	8,321
4.1.1.	Non-Cash Loans		782	407	546	290
4.1.2.	Other	(5.4.13.)	24,787	13,408	14,578	8,031
4.2.	Fees and Commissions Paid (-)		13,264	7,148	8,262	4,572
4.2.1.	Non-Cash Loans		27	13	12	8
4.2.2.	Other	(5.4.13.)	13,237	7,135	8,250	4,564
V.	**DIVIDEND INCOME**	**(5.4.3.)**	**32**	**31**	**3**	**2**
VI.	**TRADE PROFIT / LOSS (Net)**	**(5.4.5.)**	**5,295**	**(1,569)**	**9,561**	**2,885**
6.1.	Capital Market Transaction Gains/Losses		4,451	2,347	3,454	1,952
6.2.	Gains/Losses from Derivative Financial Instruments		(47,846)	(5,222)	(1,113)	(6,089)
6.3.	Foreign Exchange Gains/Losses		48,690	1,306	7,220	7,022
VII.	**OTHER OPERATING INCOME**	**(5.4.6.)**	**3,043**	**1,865**	**3,335**	**394**
VIII.	**GROSS OPERATING PROFIT (III+IV+V+VI+VII)**		**66,119**	**31,755**	**47,078**	**22,368**
IX.	**EXPECTED LOSS PROVISIONS (-)**	**(5.4.7.)**	**10,556**	**4,418**	**5,997**	**3,381**
X.	**OTHER PROVISIONS (-)**	**(5.4.7.)**	**477**	**211**	**407**	**90**
XI.	**PERSONNEL EXPENSES (-)**		**12,426**	**6,006**	**8,776**	**4,214**
XII.	**OTHER OPERATING EXPENSES (-)**	**(5.4.8.)**	**11,322**	**5,639**	**7,103**	**3,654**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**31,338**	**15,481**	**24,795**	**11,029**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		-	-	-	-
XV.	**PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		-	-	-	-
XVI.	**PROFIT/LOSS ON NET MONETARY POSITION**		-	-	-	-
XVII.	**PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAXES (XII+...+XV)**	**(5.4.9.)**	**31,338**	**15,481**	**24,795**	**11,029**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(5.4.10)**	**(7,563)**	**(3,841)**	**(5,878)**	**(2,603)**
18.1.	Current Tax Provision		10,649	4,402	7,063	4,834
18.2.	Deferred Tax Expense Effect (+)		4,380	(27)	-	(1,197)
18.3.	Deferred Tax Income Effect (-)		7,466	534	1,185	1,034
XIX.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)**	**(5.4.11.)**	**23,775**	**11,640**	**18,917**	**8,426**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-	-	-
20.1.	Income on Non-Current Assets Held for Sale		-	-	-	-
20.2.	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
20.3.	Income on Other Discontinued Operations		-	-	-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-	-	-
21.1.	Expenses from Non-Current Assets Held for Sale		-	-	-	-
21.2.	Expenses from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
21.3.	Expenses From Other Discontinued Operations		-	-	-	-
XXII.	**PROFIT / LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)**		-	-	-	-
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-	-	-
23.1.	Current Tax Provision		-	-	-	-
23.2.	Deferred Tax Expense Effect (+)		-	-	-	-
23.3.	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	**CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		-	-	-	-
XXV.	**NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)**	**(5.4.12.)**	**23,775**	**11,640**	**18,917**	**8,426**
25.1.	Group's Profit/Loss		23,775	11,640	18,917	8,426
25.2.	Minority Interest Profit/Loss (-)		-	-	-	-
	Earnings Per Share Profit/Loss (Full TL)		2.3209	-	3.0856	-

The accompanying explanations and notes are an integral part of these financial statements.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed Current Period 01.01.2026-30.06.2026	Reviewed Prior Period 01.01.2025-30.06.2025
I.	**CURRENT PERIOD PROFIT/LOSS**	**23,775**	**18,917**
II.	**OTHER COMPREHENSIVE INCOME**	**(2,355)**	**(370)**
2.1	**Not Reclassified Through Profit or Loss**	**-**	-
2.1.1	Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2	**Reclassified Through Profit or Loss**	**(2,355)**	**(370)**
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(3,363)	(529)
2.2.3	Cash Flow Hedge Income/Expenses	-	-
2.2.4	Foreign Net Investment Hedge Income/Expenses	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	1,008	159
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**21,420**	**18,547**

The accompanying explanations and notes are an integral part of these financial statements.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

5. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

							Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss								
		Notes	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit / (Loss)	Net Profit/Loss for the Period	Total Shareholders Equity Less Minority Shares	Minority Shares	Total Shareholders' Equity
	Prior Period (01/01/2025 – 30/06/2025)																	
I.	**Prior Period Ending Balance**		**4,947**	**6,374**	**2**	**-**	**-**	**(554)**	**-**	**-**	**(5,460)**	**-**	**42,204**	**61**	**34,653**	**82,227**	**-**	**82,227**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New Balance (I+II)**		**4,947**	**6,374**	**2**	**-**	**-**	**(554)**	**-**	**-**	**(5,460)**	**-**	**42,204**	**61**	**34,653**	**82,227**	**-**	**82,227**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(370)**	**-**	**-**	**-**	**18,917**	**18,547**	**-**	**18,547**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase by Internal Reserves**		**3,048**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,048)**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid in Capital Inflation Adjustment Difference**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase / Decrease by Other Changes**		**-**	**-**	**(2)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**-**	**(3)**	**-**	**(3)**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,194**	**-**	**(34,653)**	**(3,459)**	**-**	**(3,459)**
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(3,465)	-	(3,465)	-	(3,465)
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	31,194	(31,188)	-	6	-	6
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	34,653	(34,653)	-	-	-
	Balances at End of the Period (III+IV+…...+X+XI)	**(5.2.11.)**	**7,995**	**6,374**	**-**	**-**	**-**	**(554)**	**-**	**-**	**(5,830)**	**-**	**70,349**	**61**	**18,917**	**97,312**	**-**	**97,312**
	Current Period (01/01/2026 – 30/06/2026)																	
I.	**Prior Period Ending Balance**		**7,995**	**6,374**	**-**	**-**	**-**	**(403)**	**-**	**-**	**(3,392)**	**-**	**70,348**	**61**	**40,362**	**121,345**	**-**	**121,345**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New Balance (I+II)**		**7,995**	**6,374**	**-**	**-**	**-**	**(403)**	**-**	**-**	**(3,392)**	**-**	**70,348**	**61**	**40,362**	**121,345**	**-**	**121,345**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,355)**	**-**	**-**	**-**	**23,775**	**21,420**	**-**	**21,420**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase by Internal Reserves**		**3,100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,100)**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid in Capital Inflation Adjustment Difference**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase / Decrease by Other Changes**		**(6)**	**-**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**3**	**-**	**3**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,326**	**-**	**(40,362)**	**(4,036)**	**-**	**(4,036)**
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(4,036)	-	(4,036)	-	(4,036)
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	36,326	(36,326)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	40,362	(40,362)	-	-	-
	Balances at End of the Period (III+IV+…...+X+XI)	**(5.2.11.)**	**11,089**	**6,374**	**6**	**-**	**-**	**(403)**	**-**	**-**	**(5,747)**	**-**	**103,577**	**61**	**23,775**	**138,732**	**-**	**138,732**

1. Accumulated revaluation increase / decrease of fixed assets,
2. Accumulated remeasurement gain / loss of defined benefit pension plan,
3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)
4. Foreign currency translation differences
5. Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income
6. Other (cash flow hedge gains/losses, shares of other comprehensive income of investments accounted through equity method that will be reclassified to profit or loss and accumulated amounts of other comprehensive income items that will be reclassified to other profit or loss)

The accompanying explanations and notes are an integral part of these financial statements.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

6. STATEMENT OF CASH FLOWS

		Notes	Reviewed Current Period 01.01.2026-30.06.2026	Reviewed Prior Period 01.01.2025-30.06.2025
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Assets and Liabilities from Banking Operations**		**47,874**	**41,019**
1.1.1	Profit Share Income Received		94,578	75,123
1.1.2	Profit Share Expense Paid		(57,865)	(50,220)
1.1.3	Dividends Received		32	3
1.1.4	Fees and Commissions Received		25,569	15,124
1.1.5	Other Income		3,044	3,335
1.1.6	Collections from Previously Written Off Loans		9,871	5,383
1.1.7	Payments to Personnel and Service Suppliers		(12,181)	(8,581)
1.1.8	Taxes Paid		(8,664)	(3,882)
1.1.9	Others		(6,510)	4,734
1.2	**Changes in Assets and Liabilities from Banking Operations**		**(21,939)**	**(43,128)**
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(30,970)	3,477
1.2.2	Net (Increase) Decrease in Due from Banks and Other Financial Institutions		(18,635)	(41,344)
1.2.3	Net (Increase) Decrease in Loans		(132,714)	(76,025)
1.2.4	Net (Increase) Decrease in Other Assets		31,385	17
1.2.5	Net Increase (Decrease) in Bank Participation Fund		833	810
1.2.6	Net Increase (Decrease) in Other Participation Fund		120,761	29,052
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed		34,232	6,831
1.2.9	Net Increase (Decrease) in Due Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities		(26,831)	34,054
I.	**Net Cash Provided From Banking Operations**		**25,935**	**(2,109)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(58,205)**	**(31,589)**
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(1,890)	(8,773)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3	Fixed Assets Purchases		(646)	(1,864)
2.4	Fixed Assets Sales		615	390
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(56,253)	(22,396)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		1,547	1,912
2.7	Purchased Financial Assets Measured at Amortized Cost		-	-
2.8	Financial Assets Measured at Amortized Cost		47	-
2.9	Other		(1,625)	(858)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities**		**(4,357)**	**(3,672)**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayments of Funds Borrowed and Securities Issued		-	-
3.3	Equity Instruments Issued		-	-
3.4	Dividends Paid		(4,036)	(3,465)
3.5	Payments for Finance Leases		(321)	(207)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**4,881**	**31,404**
V.	**Net Increase in Cash and Cash Equivalents**		**(31,747)**	**(5,966)**
VI.	**Cash and Cash Equivalents at the Beginning of the Period**		**224,859**	**125,488**
VII.	**Cash and Cash Equivalents at the End of the Period**		**193,112**	**119,522**

The accompanying explanations and notes are an integral part of these financial statements.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

1. Explanations on basis of presentation

1.1 The preparation of the financial statements and related notes and explanations in accordance with the Turkish accounting standards and regulation on accounting applications for banks and safeguarding of documents

The Bank prepares its financial statements in accordance with the “Regulation on The Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette dated 1 November 2006 with numbered 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency (“BRSA”) as well as the circulars and pronouncements published by the BRSA. For matters not regulated by the aforementioned legislations, the Bank prepares its financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, which comprises the terms of the Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority.

1.2 Accounting policies and valuation principles applied in the preparation of financial statements

The financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss, and the financial assets and liabilities at fair value through other comprehensive income that are measured at fair values.

The preparation of financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the Bank management to make assumptions and estimates with respect to the assets and liabilities on the balance sheet and contingent issues outstanding as of the balance sheet date. These assumptions and estimates mainly consist of calculations of the fair values of financial instruments and the impairment on assets. The assumptions and estimates are reviewed regularly and, when necessary, appropriate corrections are made and the effects of such corrections are reflected on the income statement.

POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation”, adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA's decision dated 11 January 2024 and numbered 10825, it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will apply inflation accounting as of 1 January 2025; however, it was announced that it was decided not to apply inflation accounting in 2025 in accordance with the BRSA's decision dated 5 December 2024 and numbered 11021. In accordance with the BRSA’s decision dated 18 December 2025 and numbered 11340, it was decided to repeal the BRSA’s decision dated 11 January 2024 and numbered 10825 and not to apply inflation accounting by banks and financial leasing, factoring, financing, savings financing and asset management companies. Therefore, no inflation adjustment has been made in accordance with TAS 29 in the preparation of the financial statements as at 30 June 2026. Within the scope of the temporary article added to the Tax Procedure Law (“TPL”) with the Omnibus Law numbered 7571 published in the Official Gazette dated 24 December 2025, it has been ruled that PPI-based inflation adjustment will not be applied in the 2025, 2026 and 2027 accounting periods, even if the conditions are met. Accordingly, inflation adjustment have not been applied to the TPL financial statements that will be used as a basis for corporate tax returns for these periods.

Under the "Communiqué Amending the Communiqué on Financial Statements and Related Disclosures and Notes to be Disclosed to the Public by Banks", published in the Official Gazette dated 30 April 2026 and numbered 33239, amounts in the financial statements and the related disclosures and footnotes have been presented in millions of TL starting from the reporting period ended 30 June 2026. Comparative amounts for prior periods have also been presented in millions of TL on the same basis.

1.3 Changes in accounting estimates, errors and classifications

If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated. There were no significant changes in the accounting estimates of the Bank in the current year. Comparative information is restated when deemed necessary in order to comply with the presentation of the current period financial statements.

1.4 Preparation of the financial statements as regards to the current purchasing power of money

The financial statements of the Bank have been subject to inflation adjustment in accordance with TAS 29 "Turkish Accounting Standard for Financial Reporting in Hyperinflationary Economies" until 31 December 2004.

In accordance with the BRSA Board decisions issued in 2023, 2024 and 2025 regarding the implementation of the provisions of TAS 29, the "TAS 29 Financial Reporting in Hyperinflationary Economies Standard" has not been applied in the Bank's financial statements for the interim accounting period ended 30 June 2026.

1.5 Disclosures regarding TFRS 9 financial instruments

TFRS 9 "Financial Instruments", which is effective as of 1 January 2018 is published by the Public Oversight Accounting and Auditing Standards Authority ("POA") in the Official Gazette numbered 29953 dated 19 January 2017. As of 1 January 2018, the application of TFRS 9 replaced "TAS 39: Financial Instruments: Recognition and Measurement." standard.

TFRS 9 also includes new principles for general hedge accounting which aims to harmonize hedge accounting with risk management applications. In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply the hedge accounting provisions of TAS 39.

All recognized financial assets that are within the scope of TFRS 9 are required to be initially measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and profit share on the principal amount outstanding, are generally measured at Fair Value Through Other Comprehensive Income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment in other comprehensive income, with only dividend income generally recognized in profit or loss.

Dividends obtained from such investments are accounted in the financial statements as profit or loss unless they are evidently a part of the recoverable cost of investment. As a result of the combination of contractual cash flow characteristics and business models, the differences in the classification of financial assets are reflected in the financial statements compared to the current classification in TAS 39. During the first recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

Classification and measurement of financial instruments

According to TFRS 9 requirements, classification and measurement of financial assets will depend on the business model within which financial assets are managed and their contractual cash flow characteristics whether the cash flows represent solely payments of principal and profit share.

Upon initial recognition each financial asset shall be classified as either fair value through profit or loss ("FVTPL") amortized cost or fair value through other comprehensive income ("FVTOCI"). As for the classification and measurement of financial liabilities, the application of the existing terms of TAS 39 remain largely unchanged.

Explanations on expected credit loss

As of 1 January 2018, the Bank will recognize provisions for impairment in accordance with the TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. The expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.

Modelling studies were carried out on the principal components of the Expected Credit Loss calculation and the Probability of Default (PD) models were developed on various loan portfolios. Credit portfolios are determined according to customer segments that form the basis of banking activities. The Through-the-Cycle Probability of Default generated by these models developed for use in the Internal Rating Based Approach (IRB) are translated into the Instantaneous Default Probabilities and these instantaneous default probabilities are used when calculating the Expected Credit Loss on TFRS 9 Calculation on Loss Given Default (LGD) calculation reflects the legal deduction rates and the Bank's past collection performance on unsecured loans. Exposure at Default Amount (EAD) corresponds to the balance used in cash at the reporting date for cash loans, non-cash loans and balance after application of the loan to commitment risks.

Macroeconomic scenarios affect PD values. The expected credit loss amount is calculated by weighting 3 different scenarios as Base, Good and Bad scenarios. The probability of default of the debtors and the loss rates in default vary with each scenario.

As of 30 June 2026, the Bank has been exposed to recession, geopolitical risks, inflation, unemployment, exchange rate risk, etc. with the effect of current internal and external conditions in order to reflect the macroeconomic outlook and the upward risks that factors may pose on the bank's loan portfolio, it has revised its macroeconomic expectations and its calculations made considering the change in PD along with the update in the EDF model have been reflected in the financial statements. By its nature, the model effects are reflected in the financial statements with a delay due to the occurrence of the events and their effects at different times. For this reason, the Bank is establishing additional provisions for the Wholesale and Retail Trade, Build, Construction, Contracting and Tourism sectors, whose PD is more sensitive to the current macroeconomic and geopolitical conjuncture among the sectors that are declining.

The Bank maintains this approach as of 30 June 2026. When deemed necessary, the future will review these assumptions according to the course of economic and geopolitical risks.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecast of future economic conditions.

The Bank applies a 'three-stage' impairment model depending on the gradual increase in credit risk observed since initial recognition:

Stage 1: Includes financial assets not having significant increase in their credit risk from initial recognition till the following reporting date or financial assets having low credit risk at the reporting date. It is recognized 12-month expected credit losses for such financial assets.

Stage 2: Includes financial assets having significant increase in their credit risk subsequent to the initial recognition, but not having objective evidence about impairment. It is recognized lifetime expected credit losses for such financial assets. In this context, the basic considerations that are considered in determining the significant increase in the credit risk of a financial asset and its transfer to Phase 2 are, but are not limited to, the following.

- Delayed by more than 30 days as of the reporting date
- Restructuring
- Close Monitoring
- Evaluation of distortion in Rating Note

The definition of the deterioration in the rating is the comparison of the credit rating at the opening date and the rating date at the reporting date by using the Parent Bank's internal rating-based credit rating models. If the rating calculated for the loan at the reporting date exceeds the specified threshold values, the rating is deemed as deterioration.

Stage 3: Includes financial assets having objective evidence about impairment at the reporting date. It is recognized lifetime expected credit losses for such financial assets.

The Bank periodically evaluates the provisions of loans and other receivables in accordance with TFRS 9 retrospectively on the basis of their results and, if deemed necessary, revises the basketing rules and the parameters used in the calculation of the related provision balances.

1.6 Revenue from TFRS 15 disclosures regarding the standard of revenue from customer contracts

TFRS 15 Revenue from Customer Contracts provides a single, comprehensive model and guidance on the recognition of revenue and is recorded in accordance with income with TFRS 15 Revenue from Customer Contracts.

1.7 Explanations on TFRS 16 leases standard

The leasing transactions are presented by the lessees as assets (right-of-use assets) and liabilities from leasing transactions. TFRS 16 Standard eliminates the dual accounting model of leasing transactions on balance sheet and operational leasing transactions as direct expense except balance sheet.

Within the scope of TFRS 16, the Bank reflects the existence of a lease obligation and a right of use asset to the financial statements at the date of initial application. The Bank measures the leasing liability on the present value of the remaining lease payments, discounted at their present value using the alternative borrowing cost ratio at the date of initial application of the Bank. In addition, the Bank measures the existence of the right to use of such right at an amount equal to the lease obligation, which is reflected in the statement of financial position immediately after the first application date, adjusted for the amount of all prepaid or accrued lease payments.

As of 30 June 2026, the right-of-use assets classified tangible assets gross amounting to TL 4,195 in the balance sheet of the Bank and lease liabilities classified in the item of liabilities from lease transactions amounting to gross TL 4,995. In the six-month period that ended as of the same date, financial expenses amounting to TL 321 and depreciation expenses amounting to TL 493 were incurred.

2. Explanations on strategy of using financial instruments and foreign currency transactions

The Bank follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Bank’s exposure to liquidity risk, currency risk and credit risk while increasing profitability and strengthening the Bank’s equity. The assets-liabilities committee (ALCO) manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee.

Gains and losses arising from foreign currency transactions have been recorded in the period in which the transaction took place. Foreign currency denominated monetary assets and liabilities are valued with the period end exchange rates published by the Central Bank of the Republic of Türkiye converting them into Turkish Lira and valuation differences of foreign currencies have been recognized in the income statement under the net foreign exchange income/expense account.

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial instruments into Turkish Lira are included in the income statement. There are no foreign currency differences capitalized by the Bank.

3. Investments in associates and subsidiaries

Subsidiaries and associates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard on Consolidated and Separate Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any.

4. Explanations on forward transactions and option contracts and derivative instruments

The Bank engages in foreign currency futures transactions in order to reduce foreign currency position risk and manage foreign currency liquidity. The Bank’s derivatives are classified as "Hedging Purposes" and "Fair Value Through Profit/Loss (FVTPF)". Accordingly, although some derivative transactions provide effective protection against risks for the Bank economically, those that cannot be defined accountably for hedging purposes are recognized as "Fair Value Through Profit/Loss (FVTPF)" and tracked in the "Derivative Financial Assets/Liabilities" account on the balance sheet with their fair value.

Obligations and receivables arising from derivative transactions are recorded in the accounts based on the contract amounts. The fair value of currency futures and swaps is calculated using the discounted cash flow model. Differences in the fair value of derivative transactions for trading purposes are recognized in the " Trading Income/Loss " item in the income statement.

Embedded derivatives are separated from the host contract if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. Embedded derivatives are accounted as derivative instruments in-line with TFRS 9. If the embedded derivatives are closely related with the host contract, embedded derivatives are accounted for in-line with the relevant standard applicable for the host contract.

As of 30 June 2026, the Bank's has no cash flow hedging transaction.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from 1 January 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance. As of 30 June 2026, the Bank has no hedging transactions based on the benchmark interest rate.

5. Explanations on profit share income and expense

Profit share income is recognized in the income statement on an accrual basis by using the method of internal rate of return and is accounted under profit share income account in the financial statements. While applying the internal rate of return method, the Bank amortizes the fees included in the account of the effective profit rate over the expected life of the financial instrument. If the financial asset is impaired and classified as a non-performing loan, profit accruals and rediscount calculations for these customers within the scope of TFRS 9 Financial Instruments Standard. The Bank calculates expense accrual in accordance with the unit value calculation method on profit/loss sharing accounts and reflects these amounts in "Participation Funds" account on the balance sheet.

6. Explanations on fees and commission income and expenses

Other than fees and commission income and expenses received from certain banking transactions that are recorded as income or expense in the period they are collected, fees and commission income and expenses are recognized in the income statement depending on the duration of the transaction. Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period.

In accordance with the provisions of TAS, commission and fees collected in advance for loans used by the Bank granted are deferred and reflected to the income statement by using the internal rate of return method. Unearned portion of the commission and fees relating to the future periods are recorded to the "Unearned Revenues" account under "Other Liabilities" on the balance sheet.

7. Explanations on financial assets

The Bank classifies and accounts for its financial assets as 'Fair Value Through Profit/Loss', 'Fair Value Through Other Comprehensive Income,' or 'Amortized Cost.' Such financial assets are recognized and derecognized as per the terms of "Recognition and Derecognition in Financial Statements" under the section three of the "TFRS 9 Financial Instruments" regarding the classification and measurements of financial instruments, published in the Official Gazette numbered 29953 and dated 19 January 2017 by Public Oversight, Accounting and Auditing Standards Authority ("POA"). When financial assets are included in the financial statements for the first time, they are measured at fair value. Transaction costs are initially added to fair value or deducted from fair value at the initial measurement of financial assets other than the "Fair Value at Fair Value Through Profit or Loss".

The Bank recognizes a financial asset in the financial statements only when it becomes a party to the contractual terms of a financial instrument. During the initial recognition of a financial asset, the business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments are made to gains, losses or profit shares that were previously recorded in the financial statements.

7.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are managed within a business model other than the business model whose objective is achieved by holding contractual cashflows for collection and the business model whose objective is achieved by collecting and selling contractual cash flows. Also, in case that the contractual terms of financial assets do not give rise on specified dates to cash flows that are solely payments of principal and profit share on the principal amount, such assets are those that are, obtained with the aim of providing profit from the short-term price or other factor fluctuations in the market or are part of a portfolio aiming to obtain short-term profit, regardless of the reason of acquisition. Financial assets at fair value through profit or loss are initially recognized at fair value and subsequently remeasured at fair value. Gains and losses arising from the valuation are recognized in profit or loss.

7.2 Financial assets at fair value through other comprehensive income

A financial asset is classified as at fair value through other comprehensive income when the asset is managed within a business model whose objective is achieved by collecting contractual cash flows and selling the financial asset, as well as when the contractual terms of the financial asset give rise on specified dates to cash flows are solely payments of principal and profit share on the principal amount.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition costs that reflect the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with effective profit share method regarding the financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses,” which is the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income, are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, or the impairment of the asset. “Unrealized gains and losses” are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. The accumulated fair value differences recognized under equity when the securities are collected or disposed of are recognized in the statements of income.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, are carried at fair value, in the case that the securities have a quoted market price in an active market and/or the fair values of the securities can be reliably measured. In contrary case, the securities are carried at cost, less provision for impairment.

During initial recognition an entity can make an irrevocable election regarding the presentation of the subsequent changes in the fair value of the investment in an equity instrument, that is not held for trading purposes, in the other comprehensive income. In the case that the entity elects to present the changes as described, dividends arising from the investment is accounted in the financial statements as profit or loss.

7.3 Financial assets measured at amortized cost

In the case that a financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and that the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and profit share on the principal amount, the financial asset is classified as financial asset measured at amortized cost.

Financial Assets Measured at Amortized Cost; are financial assets, other than loans and receivables, which are held for the purpose of custody until maturity, with conditions necessary for such assets to be held until contractual maturity met, including funding ability; and which have fixed or determinable payments and fixed maturities. Financial assets measured at amortized cost are initially recognized at cost and subsequently measured at amortized cost using the internal rate of return method. Profit share income related to Financial Assets measured at amortized cost is reflected in the income statement.

7.4 Derivative financial assets

The major derivative instruments utilized by the Bank are foreign currency swaps, cross currency swaps and currency forwards.

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, the fair value amounts are classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss." The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by considering the market value of the derivatives or by using the discounted cash flow model.

7.5 Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Profit Share Rate (internal rate of return) Method".

8. Explanations on offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when the Bank’s has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

9. Explanations on sale and repurchase agreements and lending of securities

Central Bank of the Republic of Türkiye (“CBRT”) made some changes on orders for Open market operations (“OMO”) and prepared an additional frame contract for participation banks in order to present lease certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase lease certificates on their portfolio to CBRT when they need funding or in attempt to evaluate the excess liquidity. In this context, OMO were carried out with the CBRT for the first time on 14 June 2013, by subjecting the Treasury Lease Certificates, which were include in assets, to the repurchase transactions. From this date, the Bank performs sale transactions of treasury lease certificates that are recognized in the assets of the balance sheet in return for conditional repurchasing by tendering to purchase auctions held by CBRT with various maturities; and thusly raises funds.

As of 30 June 2026, the Bank has repurchased agreement amounting to TL 44,846 (31 December 2025 - TL 47,004).

10. Explanations on assets held for sale and discontinued operations and related liabilities

As mandated by the Banking Act 5411 Article 57 “banks cannot participate in commercial real-estate and commodity trade with the exception of real-estate and commodity based agreements within the scope of Capital Markets Act No. 2499, and precious metal trade as seen appropriate by the board, and cannot participate in partnerships with firms whose main business activity is commercial real-estate, with the exception of real-estate investment partnerships and companies that finance mortgaged residential estates. The rules and procedures regarding the sales of real estate and commodities that were acquired due to receivables and debtors’ obligations to the bank are determined by the board.”

Assets that meet the criteria for classification as assets held for sale are measured at the lower of the carrying amount of assets and fair value less any costs to be incurred for disposal. Assets held for sale are not amortized and presented in the financial statements separately. In order to classify an asset as held for sale, the sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset (or the disposal group) together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset (or the disposal group) should be actively in the market at a price consistent with its fair value.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan. Various events and conditions may extend the completion period of the disposal over one year. If such delay arises from any events and conditions beyond the control of the entity and there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or disposal group) can remain to be classified as assets (or disposal group) held for sale. Extension of the period necessary to complete the sale, does not avoid the classification of the related asset (or disposal group) to be classified as asset held for sale.

A discontinued operation is a part of the Bank's that either has been disposed of or is classified as held for sale. Discontinued operations are presented separately in the income statement. The Bank's has no discontinued operations.

11. Explanations on goodwill and other intangible assets

Intangible assets are stated at cost adjusted for inflation until 31 December 2004, less provision for impairment, if any, and accumulated amortization and amortized with straight-line method.

The other intangible assets of the Bank comprise mainly computer software. The useful lives of such assets acquired prior to 2004 have been determined as 5 years and for the year 2004 and forthcoming years, as 3 years. The amortization period of the licenses is determined on the basis of the duration of the license agreements.

12. Explanations on tangible assets

Fixed assets are stated at cost adjusted for inflation until 31 December 2004, less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual rates used for amortization are as follows:

Property	2%
Movables, leased assets	6.67% - 20%

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than one year as of the balance sheet date. Leasehold improvements are depreciated over the term of the lease agreements by straight-line method.

If the recoverable amount (the higher of value in use and fair value) of a tangible asset is less than it is carrying value, impairment loss is provided and the carrying value is written down to its recoverable amount.

Gains or losses resulting from disposals of the fixed assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repair costs are capitalized if the expenditure increases economic life of the asset; other repair costs are expensed as incurred.

The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product, or to decrease the costs.

Property held for long-term rental yields and/or capital appreciation is classified as investment property. Investment properties are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the properties.

13. Explanations on leasing transactions

For contracts concluded prior to 1 January 2019, the Bank assesses whether the contract has a lease qualification or includes a lease transaction,

(a) The right to obtain almost all of the economic benefits from the use of the leased asset and,
(b) Whether the leased asset which has the right to manage its use is evaluated.

The Bank has started implementing the TFRS 16 - Leases standard from 1 January 2019, the first date of the TFRS 16 standard. At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments are discounted by using the Bank’s alternative borrowing profit rate. The Bank recognizes right-of-use assets equal to the lease liability, adjusted for any prepaid or accrued lease payments.

The right of the use asset

The Bank reflects the existence of a right of use and a lease obligation to the financial statements at the date the lease is commenced.

The right to use asset is recognized first by cost method and includes the following:

(a) The first measurement amount of the lease obligation,
(b) The amount obtained by deducting all rental incentives received from all lease payments made at or before the date of the rental,

When the Bank applying cost method, the existence of the right of use:
(a) Accumulated depreciation and accumulated impairment losses are deducted and
(b) Measures the restatement of the lease obligation over the adjusted cost.
The Bank applies the depreciation liabilities in TAS 16 Tangible Assets while depreciating the right of use asset.

The Bank determines whether the right of use has been impaired and recognizes any identified impairment losses in accordance with TAS 36 Impairment of Assets.

Lease liability

At the effective date of the lease, the Bank measures the leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank’s alternative borrowing profit share rate.

The profit share on the lease liability for each period of the lease term is the amount found by applying a fixed periodic profit share rate to the remaining balance of the lease liability. Periodic profit share rate is the Bank’s borrowing profit share rate.

After the beginning of a contract, the Bank remeasures its lease liability to reflect changes in lease payments. The Bank reflects the restatement amount of the lease obligation to the financial statements as revised in the presence of the right of use.

14. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities are accounted for in accordance with “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (TAS 37).

Provisions are recognized when the Bank has a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

As per the “Matching Principle,” a provision is provided for the liabilities arising as a result of past events in the period they arise, if it is probable that the liability will be settled and a reliable estimate for the liability amount can be made.

When a reliable estimate of the amount of the obligation cannot be made or it is not probable that an outflow of the Bank resources will be required to settle the obligation, the obligation is considered as a “Contingent” liability and is disclosed in the related notes to the financial statements.

15. Explanations on liabilities relating to employee benefits

15.1 Defined benefit plans

In accordance with existing social legislation, the Bank is required to make severance pay to each employee who has completed over one year of service with the Bank and who retires or quits the employment to receive old age or disability benefits, to fulfil the compulsory military service, because of the marriage (for females) or because of the other compulsive reasons as defined in the laws and whose employment is terminated due to reasons other than resignation or misconduct.

Liabilities amount which is related to "Turkish Accounting Standard on Employee Benefits" ("TAS 19") is reflected accompanying financial statements and these liabilities are calculated by an independent actuary firm. The Bank is accounted all actuarial profit and loss under Statement of other Comprehensive Income.

The Bank's employees are not members of any pension fund, foundations, union or other similar entities.

15.2 Defined contribution plans

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees as mandated by the Social Security Association. The Bank has no further payment obligations other than this contribution share. The contributions are recognized as employee benefit expense when they are due.

15.3 Short-term benefits to employees

In accordance with "TAS 19", vacation pay liabilities are defined as "Short-Term Benefits to Employees" and accrued as earned.

The Bank management calculates bonus accrual if it foresees that the budgeted year-end figures approved by the Board of Directors are attainable.

16. Explanations on taxation

Current tax

According to Article 21 of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, starting from the declarations to be submitted as of 1 October 2023, the corporate tax rate of 25% on the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased from 25% to 30% to be applied to the earnings of the institutions in 2023 and the following taxation periods.

This rate is applied to the tax base to be found as a result of adding expenses that are not accepted as deductible in accordance with the tax laws to the commercial earnings of the corporations and deducting the exemptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid. Starting from the declarations that must be submitted as of 1 October 2023 in accordance with the tax legislation; It entered into force on 15 July 2023 to be applied to the corporate income in 2023 and subsequent taxation periods, and to the earnings of corporations subject to the special accounting period starting in the 2023 calendar year and the following taxation periods. The provisional tax rate will be paid at the rate of 30% on the bases formed as of quarterly periods, and the provisional taxes paid during the year are deducted from the corporate tax calculated on the annual corporate tax return of that year.

The exemption provided for the income obtained by institutions from other investment funds, except for the exception provided for the income obtained from the participation shares of venture capital investment funds and the shares of venture capital investment trusts, has been abolished. This regulation has entered into force to be applied to mutual fund participation shares acquired as of 15 July 2023.

With the Presidential Decision No. 9286 published in the Official Gazette on 22 December 2024, and as a result of the amendments made in the relevant articles of the Ministerial Decisions annexed to the decision concerning the withholding tax rates in Article 94 of the Income Tax Law No. 193 and the tax withholding rates in Articles 15 and 30 of the Corporate Tax Law No. 5520, the withholding tax rate applied by full taxpayer corporations on profit shares distributed to full taxpayer individuals, individuals who are not subject to income or corporate tax, and those exempt from income tax, as well as on profit shares distributed to limited taxpayer individuals and limited taxpayers exempt from income tax, has been increased from 10% to 15%. Additionally, the withholding tax rate applies to the profit shares distributed to tax-exempt institutions, as well as to the profit shares distributed by full taxpayer corporations to limited taxpayer institutions or limited taxpayers exempt from corporate tax, except for those earning profit shares through a permanent establishment or a representative in Türkiye. The withholding tax rate increase also applies to the amount transferred to the head office by limited taxpayer institutions making annual or special declarations, after the corporate tax has been deducted from their corporate income, before applying any discounts or exemptions. This Decision came into effect on 22 December 2024. In the application of withholding tax rates on profit distributions to limited taxpayer institutions and individuals, the provisions of the relevant double taxation treaties are also taken into consideration. The addition of profit to the capital is not considered a profit distribution and therefore is not subject to withholding tax.

Pursuant to Article 298/A repeated of the Tax Procedure Law ("TPL"), non-monetary assets included in the financial statements are required to be subject to inflation adjustment. In accordance with Provisional Article 33 of the TPL, inflation adjustment was envisaged to be applied to the financial statements of corporations dated 31 December 2023; however, pursuant to Law No. 7491 published on 28 December 2023, it was stipulated that banks, insurance companies, and other financial institutions would not take into consideration the profit/loss differences arising from inflation adjustment performed in the 2024 and 2025 accounting periods in the determination of taxable income. The financial statements dated 31 December 2023 prepared within the scope of the TPL were subjected to inflation adjustment. The profit/loss difference arising from inflation adjustment was presented under retained earnings/losses accounts; however, it did not affect the corporate tax base. In the 2024 accounting period, including the provisional tax periods, the profit/loss differences arising from the inflation adjustment were not taken into consideration in the determination of taxable income. Pursuant to Provisional Article 37 added to the TPL by Law No. 7571 published in the Official Gazette dated 25 December 2025 and numbered 33118, corporations shall not subject their financial statements to inflation adjustment in the 2025, 2026, and 2027 accounting periods, regardless of whether the conditions for inflation adjustment are met. Corporations may apply revaluation to the assets falling within the scope of paragraph (Ç) of repeated Article 298 for the accounting periods in which inflation adjustment is not applied.

For the purpose of issuance of certificate of leasing immovables to resource institutions, with the sale of asset leasing companies, the scope of Financial Leasing, Factoring and Financing Companies Law No.6361, dated 21 November 2012 in order to lease it back and in case of taking back at the end of the contract, with the sale of financial leasing companies and asset leasing by asset leasing companies, for profit from the sale of the immovable property inherited from the institution applies this rate as 100% and for the immovable is not compulsory to be in assets at least for a period of two years. But the mentioned immovable's; except in case of failure to fulfil the obligations arising from the source institution, the lesser or leasing agreement, immovable in question by the asset leasing company, in case of selling a third person or institutions, these immovable's with the carrying value before its transfer to resource institution or asset leasing in lesser or asset leasing company, in mentioned institutions taking into consideration the total amount of depreciation is taxable for corporation engaged in the sale.

Corporate tax returns are filed by the thirty days of the fourth month following the balance sheet date and taxes is paid in one instalment by the end of that month. Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. However, losses cannot be carried back to offset profits from previous periods. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments. Profit/loss difference arising from inflation adjustment made by banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law dated 21 November 2021 and numbered 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2025 and 2026 accounting periods, including temporary tax periods, will not be taken into account in the determination of earnings.

Global Tax

Under Additional Article 11 added to the Corporate Income Tax Law No. 5520 by Law No. 7524 on Amendments to Tax Laws and Certain Laws and Decree Law No. 375, published in the Official Gazette dated 2 August 2024 and numbered 32620, the Local and Global Minimum Top-up Tax regulations have been incorporated into Turkish tax legislation in line with the OECD Pillar Two rules.

Within the scope of these regulations, the Bank's management continues to assess the potential impact on the Bank of the Pillar Two regulations in force or to be introduced in the countries where the entities within the Kuwait Finance House (KFH) Group, the Bank's ultimate parent company, operate and where the Bank conducts its activities. In this context, relevant legislative changes and practices in Türkiye and other countries where the Bank operates are closely monitored, and the impact of these regulations on the Bank's tax liabilities is assessed in the relevant reporting periods based on the legislation in force.

In Bahrain, a Domestic Minimum Top-up Tax (DMTT) regulation, aligned with the OECD Pillar Two rules, entered into force on 1 January 2025 for multinational enterprise groups with consolidated revenue exceeding the EUR 750 million threshold. Under this regulation, where the effective tax rate calculated in accordance with the applicable legislation for branches, associates and other covered entities located in Bahrain is below the global minimum tax rate of 15%, the difference is required to be topped up at the local level. Given the Bank's consolidated revenue level, the Bahrain Branch falls within the scope of this regulation as of the fiscal year beginning on 1 January 2025 and, accordingly, a Domestic Minimum Top-up Tax (DMTT) liability has arisen for the Bahrain Branch in accordance with the applicable legislation.

Deferred tax

For taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, as per the provisions of "Turkish Accounting Standard on Income Taxes" ("TAS 12"), the Bank calculates deferred tax liability over all taxable temporary differences and deferred tax asset over taxable temporary differences, apart from the provisions for due to participation accounts Expected Credit Losses for 12-Months (Stage 1) and for due to participation accounts Lifetime Credit Losses (Stage 2) with significant increase in the credit risk after initial recognition, to the extent that is probable that taxable profit will be available in subsequent periods. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis. The tax effect regarding the items directly accounted in equity are also reflected in equity. Updated tax rates in the upcoming periods will be taken into account in the calculation of deferred tax assets and liabilities.

Pursuant to Article 298/A repeated of the Tax Procedure Law ("TPL"), non-monetary assets included in the financial statements are required to be subject to inflation adjustment. In accordance with Provisional Article 33 of the TPL, inflation adjustment was envisaged to be applied to the financial statements of corporations dated 31 December 2023; however, pursuant to Law No. 7491 published on 28 December 2023, it was stipulated that banks, insurance companies, and other financial institutions would not take into consideration the profit/loss differences arising from inflation adjustment performed in the 2024 and 2025 accounting periods in the determination of taxable income. The financial statements dated 31 December 2023 prepared within the scope of the TPL were subjected to inflation adjustment. The profit/loss difference arising from inflation adjustment was presented under retained earnings/losses accounts; however, it did not affect the corporate tax base. In the 2024 accounting period, including the provisional tax periods, the profit/loss differences arising from the inflation adjustment were not taken into consideration in the determination of taxable income. Pursuant to Provisional Article 37 added to the TPL by Law No. 7571 published in the Official Gazette dated 25 December 2025 and numbered 33118, corporations shall not subject their financial statements to inflation adjustment in the 2025, 2026, and 2027 accounting periods, regardless of whether the conditions for inflation adjustment are met. Corporations may apply revaluation to the assets falling within the scope of paragraph (Ç) of repeated Article 298 for the accounting periods in which inflation adjustment is not applied.

Under the provisions of Article 32 of the Tax Procedure Law and Duplicated Article 298/ç, the revaluation of immovables and depreciable economic assets has been subject to deferred taxation.

The Public Oversight Authority (POA) revised TAS 12 Income Taxes within the scope of the OECD Pillar Two model rules through the regulation published in September 2023. Through this revision, a temporary and mandatory exception was introduced regarding the recognition of deferred tax assets and liabilities arising from global minimum tax regulations in the financial statements. Pursuant to the relevant amendment, the financial effects of Pillar Two tax legislation that has entered into force or for which the legislative process is substantially enacted shall not be reported as deferred tax items. Corporations are required to disclose in the footnotes that they have applied this exception, and the relevant practice entered into force as of the date of its publication.

17. Explanations on additional disclosures on borrowings

Borrowings other than participation fund are measured at amortized cost using the internal rate of return method after the initial recognition. The Bank does not apply hedging techniques on related borrowings.

The Bank has not issued convertible bonds.

18. Explanations on share certificates issued

There is no significant amount of transaction costs on Bank about share certificates.

19. Explanations on acceptances and availed drafts

Acceptances and availed drafts are realized simultaneously with the payment dates of the customers, and they are presented as commitments in off-balance sheet accounts.

20. Explanations on government grants

There are no government grants received by the Bank.

21. Explanations on segment reporting

The Bank conducts its activities in three separate segments: Corporate and Commercial Banking, Retail Banking, Treasury and International Banking. Each department serves with its own products and the results of the activities are monitored on the basis of these departments.

Segment reporting is disclosed in Section Four, Note 14.

22. Explanations on other matters

The Bank has no disclosures on other matters.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

1. Explanations on equity items

Shareholders' equity and capital adequacy ratio were calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". As of 30 June 2026, the Bank's total shareholders' equity is calculated as TL 155,149 (31 December 2025: TL 136,632), and the capital adequacy ratio is 18.00% (31 December 2025 – %22.11).

Pursuant to the Board Resolution dated 19 December 2024 and numbered 11038, within the scope of the calculation of the amounts subject to credit risk in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks published in the Official Gazette dated 23 October 2015 and numbered 29511, the practice allowing the use of the Central Bank of the Republic of Türkiye (CBRT) foreign exchange buying rates as of 28 June 2024 in the calculation of the valuation amounts of monetary assets and non-monetary assets, excluding foreign currency-denominated items measured at historical cost, in accordance with Turkish Accounting Standards, and the related specific provision amounts, was abolished effective from 1 January 2026 pursuant to the BRSA Board Resolution dated 13 November 2025 and numbered 11286. The Bank utilized this facility in its Capital Adequacy calculations dated 31 December 2025.

1.1 Explanations on the components of shareholder's equity

	Current Period Amount	Prior Period Amount
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	11,100	8,000
Share issue premiums	6,374	6,374
Reserves	103,577	70,348
Gains recognized in equity as per Turkish Accounting Standards (TAS)	546	1,418
Profit	23,836	40,423
Current Period Profit	23,775	40,362
Prior Periods' Profit	61	61
Shares acquired free of charge from associates, subsidiaries and joint ventures and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	**145,433**	**126,563**
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the (i) clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	6,293	3,375
Improvement costs for operating leasing	685	654
Goodwill remaining after offsetting with the relevant deferred tax liability	-	-
Other intangible assets remaining after offsetting with the related deferred tax liability, excluding the rights to provide mortgage service	5,352	4,026
The remaining part of the deferred tax asset based on taxable income to be obtained in future periods, excluding the deferred tax assets based on temporary differences, after deducting with the related deferred tax liability	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	403	403
Direct and indirect investments of the Bank in its own Common Equity	11	5
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	**12,745**	**8,464**
Total Common Equity Tier I Capital	**132,688**	**118,099**
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in common equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**-**	**-**
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other Items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	**-**	**-**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**132,688**	**118,099**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	16,314	15,009
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	6,295	5,582
Tier II Capital Before Deductions	**22,609**	**20,591**
Deductions from Tier II Capital	-	-
Direct and indirect investments of the bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	**22,609**	**20,591**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**155,297**	**138,690**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Total Capital (The sum of Tier I Capital and Tier II Capital)		
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	17	20
Other items to be defined by the BRSA	131	2,038
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier1 capital for the purposes of the first and second sub-paragraph of the first paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	155,149	136,632
Total Risk Weighted Assets	861,892	618,050
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	15.40	19.11
Tier I Capital Ratio (%)	15.40	19.11
Capital Adequacy Ratio (%)	18.00	22.11
BUFFERS		
Total additional core capital requirement ratio	2.53	2.53
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific countercyclical buffer requirement (%)	0.03	0.03
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9.40	13.11
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand	6,295	5,582
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	6,295	5,582
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Information on debt instruments to be included in equity calculation:	
Issuer	KT21 T2 Company Limited
Instrument Code (CUSIP, ISIN vb.)	XS2384355520
Legislation to which the Instrument is subject	BRSA regulation on Shareholders ' Equity
Consideration In Equity Calculation	
Subject to consideration application reduced by 10% from 1/1/2015	Not Being Subject
Validity on a consolidated or unconsolidated basis or both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis
Instruments Type	Subordinated Sukuk (Additional Tier I Capital)
Amount taken into account in equity calculation (as of last reporting date-TL million)	16,314
Nominal value of the Instrument (TL million)	16,314
The account in which the Instrument is followed accounting	3470003
Export date of the Instrument	16/09/2021
Maturity structure of the Instrument (demand/term)	10 Years and 3 Months Term
Initial maturity of the Instrument	5 Years and 3 Months (Due Date:16/12/2026)
Whether the issuer has the right to refund subject to BRSA approval	Yes
Date of repayment option, contingent repayment options and amount to be paid back	16/12/2026 - Complete
Subsequent repayment option dates	16/12/2026
Dividend payments	
Fixed or variable dividend payments	Fixed Dividend payments
Dividend ratio and index value for dividend ratio	6.125%
Whether there are any restrictions that stop paying dividends	None
The ability to be completely optional, partially optional or mandatory	Mandatory
Whether there is an element to encourage repayment, such as a dividend rate hike	None
Non-accumulative or cumulative property	Noncumulative
Ability to convert to stock	
Trigger events/events that would cause conversion if converted to stock	Cannot be converted into stock
Fully or partially convert property if it can be converted to stock	Cannot be converted into stock
If it can be converted to stock, the conversion rate	Cannot be converted into stock
Forced or optional conversion property, if it can be converted to stock	Cannot be converted into stock
Types of convertible Instruments if convertible to stock	Cannot be converted into stock
Issuer of the debt instrument to be converted if it can be converted to stock	Cannot be converted into stock
Value reduction feature	
Trigger events/events to cause reduction if value reduction is enabled	No Value Reduction
If it has a value reduction feature, it has a total or partial value reduction feature	No Value Reduction
If the value reduction property is continuous or transient	No Value Reduction
If the value can be temporarily reduced, the value increment mechanism	No Value Reduction
In the case of liquidation, which is in the order in respect of the right of receivables (the instrument which is located just above this instrument of borrowing))	Senior Unsecured
Whether or not the provisions of Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None
Which of the conditions contained in Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

1.2 Approaches applied to assess the adequacy of internal capital requirement in terms of current and future activities

Internal evaluation process is established for continuously evaluating and maintaining the types, components and distribution of the adequate level of capital in order to provide for various risks exposed to or to be exposed to. The final purpose of the evaluation process of the internal capital requirement, is to define and evaluate all the risks included or not in the calculations of the legal capital requirements, within the frame of the activities of the Bank, and to provide the availability of adequate capital in order to cover these risks and the application of the risk management techniques. The results obtained in this evaluation process by taking into consideration, the Banks' growth strategy, assets-liabilities structure, funding sources, liquidity position, foreign currency position, the effect of the price and market fluctuations on the capital, which are among the variables of the economy, aim to provide the continuity of the mentioned capital adequacy level at the determined level in compliance with the Banks' risk profile and risk appetite.

Within this scope, capital structure is reviewed as based on the frame of the activities and risks exposed to, and the internal capital requirement, probable to occur within the direction of targets and strategies of the Bank is evaluated. This evaluation includes profit share rate risk, concentration risk, liquidation risk, reputation risk, residual risk, country risk and strategic risk arising of the banking books as well as market, credit and operational risks. Capital requirement internal evaluation is evaluated to be a developing process and the development areas for the future period are determined and plans are prepared.

2. Explanations and disclosures related to credit risk

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

3. Explanations on currency risk

Foreign currency risk represents the Bank's exposure to loss due to the changes in foreign currency exchange rates. All foreign currency assets, liabilities and foreign currency forward transactions are considered in calculation of capital to be employed for foreign currency risk according to standard method. The "standard method" and the "value at risk method" used in legal reporting are used to measure the exchange rate risk of the Bank. Measurements made under the standard method are carried out on a monthly basis and measurements made under the risk-exposed Value Method are carried out on a daily basis.

The Bank monitors daily the designated limits set by the Board of Directors and additionally observes the possible value changes in foreign currency positions. The limits are determined and followed both for the net foreign currency position and for the cross-exchange rate risk within the position. As a tool of foreign currency risk management, foreign currency forward transactions are used when necessary to mitigate the risk.

As of 30 June 2026, the Bank has an open position of TL 35,675 (31 December 2025 - TL 46,174 open) consisting of TL 27,822 off-balance sheet closed position (31 December 2025 - TL 41,035 closed) and TL 7,853 open position (31 December 2025 - TL 5,139 open).

The announced current foreign exchange buying rates of the Bank on the date of the financial statements and the previous five working days are as follows (full TL)

	23/06/2026	24/06/2026	25/06/2026	26/06/2026	29/06/2026	Balance sheet valuation rate
US Dollar	46.43274	46.4507	46.46822	46.48427	46.59521	46.61281
Euro	52.96158	52.6975	52.76927	52.98726	53.13085	53.12344
Sterling	61.39654	61.18039	61.23483	61.40972	61.60993	61.66979
Swiss Franc	57.37312	57.18313	57.24341	57.50869	57.61272	57.60157
Yen	0.28751	0.28723	0.28713	0.28758	0.28787	0.28715

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days preceding the balance sheet date are as follows (full TL)

	FC Purchase Rate
US Dollar	46.21641
Euro	53.22383
Sterling	61.60396
Swiss Franc	57.81261
Yen	0.28753

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Currency risk of the Bank

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye (****)	33,498	74,425	149,023	256,946
Banks (******)	12,966	34,832	47,719	95,517
Financial assets at fair value through profit and loss	3	7,517	14,847	22,367
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	13	51,729	-	51,742
Loans and finance lease receivables (*)	124,706	183,158	237	308,101
Subsidiaries, associates and joint ventures (**)	1,592	-	-	1,592
Financial assets at amortized cost (*******)	-	27,527	-	27,527
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	3	-	3
Intangible assets	-	-	-	-
Other assets	67	194	1,093	1,354
Total Assets	**172,845**	**379,385**	**212,919**	**765,149**
Liabilities				
Banks participation fund	631	771	3,471	4,873
Participation fund FC (****)	62,316	136,818	372,198	571,332
Money market borrowings	-	1,333	-	1,333
Funds provided from other financial institutions	32,846	168,052	15,732	216,630
Marketable securities issued	-	-	-	-
Miscellaneous payables	1,044	2,171	1,085	4,300
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (*****)	955	1,355	46	2,356
Total Liabilities	**97,792**	**310,500**	**392,532**	**800,824**
Net balance sheet position	75,053	68,885	(179,613)	(35,675)
Net off-balance sheet position	(81,823)	(70,092)	179,737	27,822
Financial derivative assets	12,994	99,772	219,410	332,176
Financial derivative liabilities	94,817	169,864	39,673	304,354
Non-cash loans (***)	20,804	56,271	6,223	83,298
Prior Period				
Total assets	159,973	327,918	218,766	706,657
Total liabilities	98,146	304,697	349,988	752,831
Net balance sheet position	61,827	23,221	(131,222)	(46,174)
Net off-balance sheet position	(68,527)	(21,826)	131,388	41,035
Financial derivative assets	11,251	85,276	190,754	287,281
Financial derivative liabilities	79,778	107,102	59,366	246,246
Non-cash loans (***)	16,381	35,999	8,282	60,662

(*) Includes foreign currency indexed loans amounting to TL 275 (31 December 2025 – TL 488) followed as TL on the balance sheet and expected credit loss amounting to TL 4,931 (31 December 2025 – TL 3,962).

(**) TL 15,251 (31 December 2025 - TL 13,361) of the subsidiaries amounting to TL 1,592 (31 December 2025 – TL 1,592) in the balance sheet include foreign currency subsidiaries and associates.

(***) Does not have any effect to the net off-balance sheet position.

(****) Precious metals are included in "Other FC" column.

(*****) Other liabilities at fair value through TL 12 in the calculation of profit / loss of securities are not included in the foreign currency risk of impairment provisions. It also includes a provision for foreign currency indexed loans amounting to TL 76.

(******) Includes provisions for expected losses amounting to TL 3 were deducted from the cash values and the relevant lines from the Central Bank and Banks accounts.

(*******) Provisions are included in the relevant amount.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Foreign currency amounts that are not included in the currency risk table due to the legislation related to calculation of foreign currency net position to equity standard ratio, are explained by their gradation in the financial statements below.

- Derivative financial assets held for trading: TL 1,545 (31 December 2025 – TL 18,435)
- Prepaid expenses: TL 7 (31 December 2025 – TL 10)
- Derivative financial liabilities held for trading: TL 27,139 (31 December 2025 – TL 1,407)
- Marketable securities of FC revaluation reverse: TL (546) (31 December 2025 – TL (1,417))

Receivables/Payables related to derivative financial instruments include foreign currency purchase/sale transactions and forward precious metal purchases that are amounting to.

- Foreign exchange purchase transactions with value date: TL 26,337 (31 December 2025 – TL 26,334)
- Foreign exchange sales transactions with value date: TL 25,666 (31 December 2025 – TL 21,340)
- Precious metal purchase transactions: TL 209,647 (31 December 2025 – TL 171,957)
- Precious metal sales transactions: TL 21,492 (31 December 2025 – TL 38,778)

Currency risk sensitivity

The Bank is mainly exposed to foreign currency risk in EURO, USD and Gold.

The following table shows the Bank's sensitivity to 10% change in both USD, Euro and Gold exchange rate.

	% changes on foreign currency	Effects on Profit / Loss		Effects on equity	
		Current Period	Prior Period	Current Period	Prior Period
US Dollar	10%	(121)	139	(42)	(525)
EURO	10%	(677)	(670)	(448)	(361)
Gold	10%	(1,775)	2,312	(1,775)	2,312

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

4. Explanations related to stock position risk

4.1 Relation of risks with gains accounted under equity and analyzing according to their aims including strategic reasons and the accounting policies applied and general information about valuation techniques with assumptions in this application, the elements that manipulate valuation and important changes

The Bank's non-quoted securities are accounted for fair value. When the fair value cannot be reliably measured, the cost method is used.

4.2 Carrying value of share investments, for fair value and quoted securities, comparison with market value if market value is significantly different from fair value

Current Period		**Comparison**	
Equity Securities Investments	**Carrying Value**	**Fair Value (*)**	**Market Value**
Securities at fair value through other comprehensive income	**705**	**-**	**705**
Quoted securities	-	-	-
Investments in Associates	-	-	-
Quoted securities	-	-	-
Investment in Subsidiaries	**15,251**	**2,624**	**2,624**
Quoted securities	541	2,624	2,624
Other	**20**	**-**	**-**
Quoted securities	-	-	-

Prior Period		**Comparison**	
Equity Securities Investments	**Carrying Value**	**Fair Value (*)**	**Market Value**
Securities at fair value through other comprehensive income	**670**	**-**	**670**
Quoted securities	-	-	-
Investments in Associates	-	-	-
Quoted securities	-	-	-
Investment in Subsidiaries	**13,361**	**2,822**	**2,822**
Quoted securities	541	2,822	2,822
Other	**20**	**-**	**-**
Quoted securities	-	-	-

(*) Shares of Körfez Gayrimenkul Yatırım Ortaklığı A.Ş., a subsidiary of the Bank, are traded on Borsa İstanbul. The amount of Körfez Gayrimenkul Yatırım Ortaklığı A.Ş. is presented in the fair value column.

4.3 Realized gains/losses, revaluation surplus, unrealized gains/losses on equity securities and results included in core and supplementary capitals

None.

5. Liquidity risk management and liquidity coverage ratio

The liquidity risk of the Bank is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities. It has been evaluated in two main categories:

Funding Liquidity Risk: It is a kind of risk which does not meet the any unexpected loss and non defaulting debts and liabilities.

Market Liquidity Risk: It is a kind of risk which consists of the position that cannot be sold without affecting market price due to insufficient market depth or market conditions' deterioration or that cannot be completed with the position of market price for any reasons.

Liquidity risk is managed by the Asset - Liability Committee (ALCO) and related business units within the framework of the Liquidity Risk Policy and risk appetite approved by the Board of Directors. In liquidity risk management, the measures to be taken and the practices to be carried out are determined by taking into account normal economic conditions and stress conditions. The Bank defines liquidity risk, measures risks with liquidity risk measurement methods in accordance with international standards, monitors them and periodically presents them to the interested parties. Liquidity risk stress tests are performed during monthly periods. An Emergency Funding Plan (Liquidity Contingency Plan) has been created to regulate the procedures and principles for the Bank to maintain and maintain adequate liquidity levels under stress conditions.

5.1 Information on risk capacity of the Bank, Responsibilities and structure of liquidity risk management, the Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application

The applications and responsibilities related to the liquidity risk has been determined according to the Treasury Liquidity and Market Management Policies and Practices approved by Board of Directors. The Bank's liquidity and funding policy is to own sufficient liquidity reserve and funding opportunities to meet its liabilities even in cases of stress, resulting from the market conditions or other conditions specific to the Bank.

The Bank has a strong capital structure and is supported by its main shareholder is Kuwait Finance House; also its current and participation accounts are spread to the base and are stable, and its sources of foreign borrowing are diversified. Hence, by the virtue of the aforementioned facts, the Bank has a high risk capacity. In addition, the Liquidity Coverage Ratio of the Bank which insures its cash outflows with the high-quality liquid assets is deemed high. The Bank also has limits available for use at Central Bank of the Republic of Türkiye and other financial institutions.

Indicators regarding the liquidity position are analyzed and liquidity risk is evaluated at the ALCO meetings attended by the senior management. Furthermore, the Board of Directors are informed through the Audit Committee.

For the management of liquidity risk, the Risk Management Department follows the funding and liquidity risks, market conditions, in the participating accounts, the distribution of different currencies, maturity, cost and expected future cash flow requirements (particularly with regard to large deposits). Reports on the liquidity gap analysis prepared weekly by Budget and Management Reporting and monitored by the Asset and Liability Committee. These units also estimate the possible liquidity needs of the Bank in case of urgent situations and generate action plans based on these estimates. Risk Management Department follows the limits on liquidity risk determined by the Board of Directors. Risk Management Department, in addition to these, is implementing monthly liquidity stress tests to measure the effects of negative scenarios on liquidity position of the Bank. The Treasury Bank Management manages the liquidity risk and funding risk in order to prevent insufficiencies of funding relating to any time or any source and makes reports related with the liquidity position to Asset and Liability Committee regularly. Official and International Reporting Directorate tracks the liquidity coverage ratio and the results are reported to the BRSA.

5.2 Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries

The Bank's liquidity management is performed by the Asset and Liability Management. Depending on the Bank's consolidated subsidiaries are subject to liquidity risk is managed in-house, but the necessary communication and coordination within the Assistant General Manager in charge of Treasury and International Banking are provided.

5.3 Information on the Bank's funding strategy including the policies on funding types and variety of maturities

Bank spread to the base of current and participation accounts and that a stable, long-term diversification and aims to be the source of the funds used. Ratio of liquid assets to total assets ratio and risk indicators related to liquidity, credit and the ratio of funds, issues such as the concentration in collected funds are being closely monitored.

5.4 Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities

Almost all liabilities of the Bank are denominated in Turkish Lira, US Dollar, Euro or Gold. The TL denominated liquidity of the Bank is managed through the open market transactions implemented by the Central Bank of the Republic of Türkiye and interbank operations. Liabilities denominated in TL are used in order to fund assets that are denominated in TL, assets denominated in TL are generated through foreign exchange based funds with swap operations if necessary. Foreign currency funds are provided with the foreign sourced credits denominated in foreign currency and sukuk-financial certificates issued. Liquidity denominated in foreign currency is kept at the interbank operations and accounts of the corresponding bonds within the limits. Liabilities denominated in Gold are kept at the required reserve accounts of the Central Bank of the Republic of Türkiye substantially.

5.5 Information on liquidity risk mitigation techniques

Liquidity risk is mitigated by using techniques such as maintaining high quality liquid asset buffer to cover possible fund outflows, diversification of funding sources so far as possible and inclusion to the base, homogenizing the maturity distribution of repayments as far as possible, obtaining limits from funding institutions to use when necessary and ensuring that a determined portion of funding sources are comprised of deposits. In addition, core deposit analysis is performed and concentration on collected funds are closely monitored.

5.6 Information on the use of stress tests

In order to analyze the source of the possible liquidity insufficiencies and whether conformably move exists on existing off-balance sheet and balance sheet positions relevant with liquidity risk expectation, 3 types of liquidity stress tests are applied by Risk Management Directorate. These includes stress test scenarios are special to the Bank, related with the overall market or scenarios take in consideration both of the situations. Stress tests related with liquidity risk are repeated at monthly periods. Results are tracked with key risk indicators and monitored by Senior Management.

5.7 General information about the contingency funding plan

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Contingency Funding Plan, which is approved and reviewed every year by the Executive Risk Committee. The actions to be taken favor the benefits of depositors, creditors of the Bank and shareholders. Indicators of Contingency Funding Plan were determined, in case of unexpected progress at the liquidity situation occur or at situations trigger of other indicators, plan is put into use. Asset-Liability Committee ("ALCO") is responsible for implementing the Plan.

5.8 Presentation of financial liabilities according to contractual maturities

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

5.9 Liquidity coverage ratio

	Current Period	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			383,479	261,597
CASH OUTFLOWS					
2	Retail and small business customers, of which;	712,146	496,199	65,683	49,620
3	Stable deposits	110,640	-	5,532	-
4	Less stable deposits	601,506	496,199	60,151	49,620
5	Unsecured debts other than real person deposits and retail deposits	198,908	106,108	99,324	48,813
6	Operational deposit	-	-	-	-
7	Non-operational deposits	176,846	100,115	77,262	42,820
8	Other unsecured funding	22,062	5,993	22,062	5,993
9	Secured funding			-	-
10	Other cash outflows	326,843	263,685	326,843	263,685
11	Derivative liabilities and collateral fulfilment obligations	208,692	158,515	208,692	158,515
12	Obligations related to structured financial products	118,151	105,170	118,151	105,170
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	509,084	80,700	34,994	4,521
16	**TOTAL CASH OUTFLOWS**			**526,844**	**366,639**
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Unsecured lending	166,311	123,820	136,018	110,940
19	Other cash inflows	201,015	191,799	201,015	191,799
20	**TOTAL CASH INFLOWS**	**367,326**	**315,619**	**337,033**	**302,739**
				Upper Limit Applied Value	
21	**TOTAL HQLA STOCK**			**383,479**	**261,597**
22	**TOTAL NET CASH OUTFLOWS**			**189,811**	**91,660**
23	**LIQUIDITY COVERAGE RATIO (%)**			**202.03**	**285.40**

(*) The simple arithmetic average of the values calculated by taking the weekly simple arithmetic average for the last three months.

For the period 1 January – 30 June 2026, the lowest, highest and average liquidity coverage ratios calculated on a monthly basis are presented in the table below.

	Highest	Date	Lowest	Date
TL+FC	276.97	01/04/2026	152.55	05/05/2026
FC	337.46	30/06/2026	234.75	15/04/2026

The liquidity coverage rate is calculated by the proportion of high-quality liquid assets held by the Bank to its one-month maturity cash outflows. Important balance sheet items that determine the rate; Compulsory provisions held by the CBRT, repo / non-repurchase securities, institutional qualified participation accounts, funds from abroad and receivables from banks. These items have more impact on the liquidity coverage ratio than the liquidity assets and net cash outflows because they have a high share of the current cointegration, high concentration and variability over time.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

	Prior Period	**Total Unweighted Value (Average) (*)**		**Total Weighted Value (Average) (*)**	
		TL+FC	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			349,469	260,066
CASH OUTFLOWS					
2	Retail and small business customers, of which;	588,551	387,273	53,843	38,727
3	Stable deposits	100,242	-	5,012	-
4	Less stable deposits	488,309	387,273	48,831	38,727
5	Unsecured debts other than real person deposits and retail deposits	182,926	92,211	90,964	45,540
6	Operational deposit	-	-	-	-
7	Non-operational deposits	161,519	81,591	69,557	34,920
8	Other unsecured funding	21,407	10,620	21,407	10,620
9	Secured funding			-	-
10	Other cash outflows	318,635	287,319	318,635	287,319
11	Derivative liabilities and collateral fulfilment obligations	198,473	175,177	198,473	175,177
12	Obligations related to structured financial products	120,162	112,142	120,162	112,142
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	343,907	55,622	24,811	2,986
16	**TOTAL CASH OUTFLOWS**			**488,253**	**374,572**
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Unsecured lending	144,033	105,953	116,375	94,828
19	Other cash inflows	204,734	154,743	204,734	154,743
20	**TOTAL CASH INFLOWS**	**348,767**	**260,696**	**321,109**	**249,571**
				Upper Limit Applied Value	
21	**TOTAL HQLA STOCK**			**349,469**	**260,066**
22	**TOTAL NET CASH OUTFLOWS**			**167,144**	**125,000**
23	**LIQUIDITY COVERAGE RATIO (%)**			**209.08**	**208.05**

(*) The simple arithmetic average of the values calculated by taking the weekly simple arithmetic average for the last three months.

For the period 1 October – 31 December 2025, the lowest, highest and average liquidity coverage ratios calculated on a monthly basis are presented in the table below.

	Highest	**Date**	**Lowest**	**Date**
TL+FC	253.33	22/11/2025	165.02	16/12/2025
FC	248.46	09/10/2025	175.78	16/12/2025

The liquidity coverage ratio is calculated by the ratio of the high-quality liquid assets of the Bank to the net cash outflows within the one-month maturity window. Important balance sheet items which are influential over the ratio may be specified as required reserves held in the presence of CBRT, securities not subject to repo/assurance, institutional qualified participation accounts, funds of foreign origins and receivables from banks. These items have a higher influence over the liquidity coverage ratio as their amounts have a higher share of liquid assets and net cash outflows, their consideration rate is higher, and they may show variability over time.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Presentation of assets and liabilities according to their remaining maturities

End of Current Period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated (****)	Total
Assets								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Türkiye	160,251	166,842	-	-	-	-	-	327,093
Banks (*)	95,557	-	-	-	-	-	(3)	95,554
Financial assets at fair value through profit and loss	36,343	4	1,711	1,688	27,451	7	-	67,204
Money market placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	705	18,426	445	33,412	67,400	9,518	-	129,906
Loans (**)	-	205,767	98,355	261,923	164,643	4,591	(2,186)	733,093
Financial assets measured at amortized cost	-	-	13,520	25,858	11,271	9,318	(15)	59,952
Other assets (***)	1,785	17,794	2	-	5,647	-	34,285	59,513
Total Assets	**294,641**	**408,833**	**114,032**	**322,881**	**276,413**	**23,434**	**32,080**	**1,472,314**
Liabilities								
Banks participation fund	5,514	-	-	-	-	-	-	5,514
Other participation fund	594,469	312,107	43,433	28,136	202	6	-	978,353
Funds provided from other financial institutions	-	139,394	7,009	37,599	32,329	16,355	-	232,686
Money market borrowings	-	44,846	-	-	-	-	-	44,846
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	8,525	4,337	-	-	-	-	-	12,862
Other liabilities (****)	-	31,494	16,226	940	1,639	161	147,593	198,053
Total Liabilities	**608,508**	**532,178**	**66,668**	**66,675**	**34,170**	**16,522**	**147,593**	**1,472,314**
Net liquidity gap	(313,867)	(123,345)	47,364	256,206	242,243	6,912	(115,513)	-
Prior Period								
Total Assets	302,981	382,831	97,130	249,513	258,563	19,375	41,673	1,352,066
Total liabilities	575,664	464,135	97,582	33,202	35,665	15,158	130,660	1,352,066
Net liquidity gap	(272,683)	(81,304)	(452)	216,311	222,898	4,217	(88,987)	-

(*) Expected losses are netted off with provision.
(**) Includes receivables from leasing transactions and presented with netting off with the expected credit loss.
(***) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash soon, such as tangible assets, investments in associates and subsidiaries, stationary supplies and prepaid expenses are included under unallocated assets.
(****) The unallocated other liabilities consist of equity and provisions balances.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

5.10 Net stable funding ratio

The net stable funding ratio (NSFR) is calculated by dividing the available stable funding amount by the required stable funding amount. Available stable funding is the portion of banks' liabilities and equity expected to be permanent, while required stable funding is the portion of banks' on-balance sheet assets and off-balance sheet liabilities expected to be refinanced.

The amount of available stable funds is calculated by adding the amounts to be found after applying the relevant consideration rates determined in accordance with the legislation to the amounts of the banks' liabilities and equity components valued in accordance with TFRS. The required amount of stable funds is calculated by adding the amounts calculated by deducting the specific provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be set aside from the amounts of banks' on-balance sheet assets and off-balance sheet liabilities valued in accordance with TFRS, after applying the relevant consideration rates determined in accordance with the legislation.

The three-month simple arithmetic average of the consolidated and unconsolidated NSFR calculated monthly as of the equity calculation periods cannot be less than 100% as of March, June, September and December.

As of 30 June 2026, the Net Stable Funding Ratio was 135.62% (31 December 2025 - 140.45%). As of 30 June 2026, the current stable fund amount in our bank's Net Stable Funding Table is TL 1,143,605 (31 December 2025 - TL 1,032,798), while the required stable fund amount is TL 843,273 (31 December 2025 - TL 735,355) and the simple arithmetic average of the Net Stable Funding Rate for the last three months including 30 June 2026 is 133.10% (31 December 2025 - 138.82%).

The NSFR development for the second quarter of 2026 is shown in the table below.

Period	Rate
30 April 2026	131.05%
31 May 2026	132.63%
30 June 2026	135.62%
3-month average	133.10%

	Current Period	a	b	c	ç	d
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand*	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
	Available Stable Fund					
1	Equity Items	167,627	-	-	-	167,627
2	Tier 1 and Tier 2 capital	167,627	-	-	-	167,627
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation fund	595,227	361,210	14,129	206	917,780
5	Stable deposit/participation fund	535,895	333,486	12,136	188	837,620
6	Low stable deposit/participation fund	59,332	27,724	1,993	18	80,160
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation fund	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	14,255	190,160	51,739	-	25,869

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

12	Derivative liabilities				26,177	
13	Other equity items and liabilities not included above	51,964	-	-	32,329	32,329
14	**Available Stable Fund**					**1,143,605**
Required Stable Funding						
15	Required Stable Funding					5,672
16	Required Stable Funding	-	-	-	-	-
17	Live receivables	43,580	223,300	194,334	368,937	541,621
18	Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	30	10,393	-	-	1,564
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	12,365	209,027	194,334	259,293	438,804
21	*Receivables subject to risk weighting of 35% or less*	-	-	-	107,538	69,899
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	*Receivables subject to risk weighting of 35% or less*	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	31,185	3,880	-	2,106	31,354
25	Assets equivalent to interconnected liabilities					
26	Other assets	222,743	66,799	11889	18,428	284,901
27	Commodities with physical delivery including gold	30,939				26,298
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				-	-
30	Derivative liabilities before deduction of variation margin				66,799	66,799
31	Other assets not included above	191,804	-	11889	18,428	191,804
32	Off-balance sheet payables		221,597	-	-	11,080
33	**Required Stable Funding**					**843,273**
34	**Net Stable Funding Ratio (%)**					**135.62**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

The NSFR development for the last quarter of 2025 is shown in the table below.

Period	Rate
31 October 2025	138.81%
30 November 2025	137.19%
31 December 2025	140.45%
3 Month Average	138.82%

	Prior Period	a	b	c	ç	d
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
	Available Stable Fund					
1	Equity Items	146,744	-	-	-	146,744
2	Tier 1 and Tier 2 capital	146,744	-	-	-	146,744
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation fund	549,257	335,174	7,268	269	843,240
5	Stable deposit/participation fund	493,608	308,665	6,845	260	768,909
6	Low stable deposit/participation fund	55,649	26,509	423	9	74,331
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation fund	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	35,174	198,189	17,558	-	8,779
12	Derivative liabilities				-	
13	Other equity items and liabilities not included above	75,015	-	-	34,035	34,035
14	**Available Stable Fund**					**1,032,798**
Required Stable Funding						
15	High-quality liquid assets					5,402
16	Operational deposits/participation fund deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	32,824	192,125	163,433	326,625	466,148
18	Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	54	7,436	-	-	1,123

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	10,139	184,689	163,247	226,518	380,661
21	*Receivables subject to risk weighting of 35% or less*	-	-	-	99,450	64,643
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	*Receivables subject to risk weighting of 35% or less*	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	22,631	-	186	657	19,721
25	Assets equivalent to interconnected liabilities					
26	Other assets	186,733	72,270	355	11,818	255,166
27	Commodities with physical delivery including gold	25,578				21,741
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				15,871	15,871
30	Derivative liabilities before deduction of variation margin				56,399	56,399
31	Other assets not included above	161,155	-	355	11,818	161,155
32	Off-balance sheet payables		172,775	-	-	8,639
33	**Required Stable Funding**					**735,355**
34	**Net Stable Funding Ratio (%)**					**140.45**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

6. Explanations on leverage ratio

Disclosure of leverage ratio template

The leverage ratio table prepared in accordance with the communiqué "Regulation on Measurement and Assessment of Leverage Ratios of Banks" published in the Official Gazette no. 28812 dated 5 November 2013 is presented below.

	On-balance sheet assets (*)	Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1,457,137	1,285,947
2	(Assets deducted in determining Tier I Capital)	(12,823)	(8,575)
3	Total on-balance sheet risks (sum of lines 1 and 2)	1,444,314	1,277,372
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative instruments and credit derivatives	3,209	4,849
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	4,850	1,848
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	8,059	6,697
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (excluding on-balance sheet)	-	-
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
	Other off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	582,784	406,312
11	(Adjustments for conversion to credit equivalent amounts)	-	-
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	582,784	406,312
	Capital and total risks		
13	Tier I Capital	127,975	114,645
14	Total risks (sum of lines 3, 6, 9 and 12)	2,035,157	1,690,381
	Leverage ratio		
15	Leverage ratio	6.29	6.78

(*) Amounts in the table are three-month average amounts.

As of the Bank's balance sheet date, the leverage ratio calculated based on the arithmetic average of the values found at the end of the month in the previous three months was 6.29% (31 December 2025 – 6.78%). The main reason for the change compared to the previous period is that the increase in capital, on-balance sheet assets and derivative financial assets and credit derivatives items is higher than other items. Accordingly, capital increased by 12% from profit for the period, while on-balance sheet risk increased by 13%, off-balance sheet items increased by 43%. Accordingly, there is a decrease of 49 basis points in the leverage ratio in the current period compared to the previous period.

7. Explanations on fair values of financial assets and liabilities

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

8. Explanations on the activities carried out on behalf and account of other persons

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

9. Explanations on hedge accounting practices

None (31 December 2025 – None).

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10. Explanations on risk management

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, Asset-Liability Committee ("ALCO") and the Risk Management Department ("RMD") which has been composed in order to manage systemic risks that the Bank is exposed. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows and the level & the quality of related activities.

10.1. Explanations on risk management and risk-weighted amounts

10.1.1. GB1 - Overview of risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 30/06/2026	Prior Period 31/12/2025	Current Period 30/06/2026
1	Credit risk (excluding counterparty credit risk)	636,607	453,054	50,929
2	Standardized approach	636,607	453,054	50,929
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2,734	6,882	219
5	Standardized approach for counterparty credit risk	2,734	6,882	219
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% risk weighting Approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	92,638	69,351	7,411
17	Standardized approach	92,638	69,351	7,411
18	Internal model approaches	-	-	-
19	Operational risk	129,913	88,763	10,392
20	Basic indicator approach	129,913	88,763	10,392
21	Standardized approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**861,892**	**618,050**	**68,951**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10.2. Explanations on credit risk

10.2.1. Credit quality of assets

Current Period		Gross amount valued according to TAS in the financial statements prepared according to legal consolidation		Provisions/ depreciation and impairment	Net value
		Defaulted	Not Defaulted		
1	Loans	22,732	741,126	16,223	747,635
2	Debt Securities	-	197,030	7,157	189,873
3	Off-Balance Sheet Receivables (*)	1,362	591,415	224	592,553
4	**Total**	**24,094**	**1,529,571**	**23,604**	**1,530,061**

(*) Rediscounts of derivative transactions are shown net in the impairment line.

Prior Period		Gross amount valued according to TAS in the financial statements prepared according to legal consolidation		Provisions/ depreciation and impairment	Net value
		Defaulted	Not Defaulted		
1	Loans	13,095	646,882	9,616	650,361
2	Debt Securities	-	179,194	5,798	173,396
3	Off-Balance Sheet Receivables (*)	1,074	433,763	241	434,596
4	**Total**	**14,169**	**1,259,839**	**15,655**	**1,258,353**

(*) Rediscounts of derivative transactions are shown net in the impairment line.

10.2.2. Changes in defaulted receivables and debt securities inventory

		Current Period	Prior Period
1	Amount of defaulted loans and debt instruments at the end of the previous reporting period	13,095	7,041
2	Loans and debt instruments that have defaulted since the last reporting period	20,929	18,633
3	Receivables that have not become delinquent again	-	-
4	Written-off amounts	1,421	5,218
5	Other changes	(9,871)	(7,361)
6	**Amount of defaulted loans and debt instruments at the end of the reporting period (1+2-3-4±5)**	**22,732**	**13,095**

10.2.3. Credit risk mitigation techniques – general overview

Current Period		Unsecured receivables: TAS valued amount	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
1	Loans	471,434	260,771	20,194	15,430	13,099	-	-
2	Debt instruments	189,873	-	-	-	-	-	-
3	**Total**	**661,307**	**260,771**	**20,194**	**15,430**	**13,099**	**-**	**-**
4	Defaulted	2,638	3,865	28	7	4	-	-

Prior Period		Unsecured receivables: TAS valued amount	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
1	Loans	398,372	236,966	16,098	15,023	12,750	-	-
2	Debt instruments	173,396	-	-	-	-	-	-
3	**Total**	**571,768**	**236,966**	**16,098**	**15,023**	**12,750**	**-**	**-**
4	Defaulted	1,248	2,214	22	17	13	-	-

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10.2.4. Standard approach - Credit risk exposed and credit risk mitigation effects

	Current Period	**Receivable before CCF and CRM**		**Receivable post CCF and CRM**		**RWA and RWA density**	
	Risk Classifications	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Receivables from central governments and Central Banks	459,628	-	472,726	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	124,444	71,769	124,444	5,676	37,092	29
7	Receivables from corporate	266,179	154,062	253,100	64,545	301,905	95
8	Retail receivables	180,309	324,017	180,308	31,973	156,034	74
9	Receivables secured by residential property	57,247	10,717	57,244	5,048	21,496	35
10	Receivables secured by commercial property	97,596	31,988	97,586	15,953	78,179	69
11	Non-performing receivables	4,758	-	4,754	-	2,973	63
12	Receivables in high-risk categories	88	-	87	-	131	149
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	61,622	-	61,622	-	22,822	37
17	Stock investments	15,975	-	15,975	-	15,975	100
18	**Total**	**1,267,846**	**592,553**	**1,267,846**	**123,195**	**636,607**	**46**

	Prior Period	**Receivable before CCF and CRM**		**Receivable post CCF and CRM**		**RWA and RWA density**	
	Risk Classifications	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Risk Classifications**	**On-balance sheet amount**	**Off-balance sheet amount**
1	Receivables from central governments and Central Banks	359,411	-	368,590	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	64,673	42,796	64,674	3,812	15,990	23
7	Receivables from corporate	182,195	96,938	173,051	39,506	206,538	97
8	Retail receivables	134,311	225,933	134,307	25,895	117,246	73
9	Receivables secured by residential property	50,447	9,353	50,440	4,422	18,857	34
10	Receivables secured by commercial property	77,102	26,947	77,090	13,177	60,320	67
11	Non-performing receivables	2,330	-	2,318	-	1,247	54
12	Receivables in high-risk categories	8	-	8	-	12	147
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	42,677	-	42,677	-	18,988	44
17	Stock investments	13,856	-	13,856	-	13,856	100
18	**Total**	**927,010**	**401,967**	**927,011**	**86,812**	**453,054**	**45**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10.2.5. Standard approach - Receivables according to risk classes and risk weights

Current Period												
Risk Classifications / Risk Weights		0%	10%	20%	50%	75%	100%	150%	200%	0%	Others*	Total risk amount (post-CCF and CRM)
1	Receivables from central governments and Central Banks	472,726	-	-	-	-	-	-	-	-	-	472,726
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	105	-	111,914	-	6,784	-	11,317	-	-	-	130,120
7	Receivables from corporate	3,269	-	15,292	-	11,054	-	277,452	10,578	-	-	317,645
8	Retail receivables	2,622	-	2,201	-	-	207,458	-	-	-	-	212,281
9	Receivables secured by residential property	638	-	548	-	-	-	-	-	-	61,106	62,292
10	Receivables secured by commercial property	1,162	-	1,236	-	66,418	-	44,723	-	-	-	113,539
11	Non-performing receivables	14	-	13	-	3,513	-	1,214	-	-	-	4,754
12	Receivables in high-risk categories	-	-	-	-	-	-	-	87	-	-	87
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	15,975	-	-	-	15,975
17	Other Receivables	38,800	-	-	-	-	-	22,822	-	-	-	61,622
18	**Total**	**519,336**	**-**	**131,204**	**-**	**87,769**	**207,458**	**373,503**	**10,665**	**-**	**61,106**	**1,391,041**

* 35% Risk Weight is classified under Others.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Prior Period												
Risk Classifications / Risk Weights		**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**200%**	**0%**	**Others***	**Total risk amount (post-CCF and CRM)**
1	Receivables from central governments and Central Banks	368,590	-	-	-	-	-	-	-	-	-	368,590
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	94	-	63,761	-	2,789	-	1,842	-	-	-	68,486
7	Receivables from corporate	3,440	-	3,223	-	-	-	205,894	-	-	-	212,557
8	Retail receivables	2,717	-	1,578	-	-	155,907	-	-	-	-	160,202
9	Receivables secured by residential property	770	-	501	-	-	-	-	-	-	53,591	54,862
10	Receivables secured by commercial property	1,308	-	1,073	-	55,561	-	32,325	-	-	-	90,267
11	Non-performing receivables	8	-	14	-	2,103	-	193	-	-	-	2,318
12	Receivables in high-risk categories	-	-	-	-	-	-	-	8	-	-	8
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	13,856	-	-	-	13,856
17	Other Receivables	23,689	-	-	-	-	-	18,988	-	-	-	42,677
18	**Total**	**400,616**	**-**	**70,150**	**-**	**60,453**	**155,907**	**273,098**	**8**	**-**	**53,591**	**1,013,823**

* 35% Risk Weight is classified under Others.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10.3. Explanations on counterparty credit risk ("CCR")

10.3.1 Evaluation of counterparty credit risk according to measurement methods

	Current Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives)*	1,799	3,627		1.4	7,596	2,571
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions						
6	**Total**						**2,571**

* The Fair Value Valuation Method is used in Counterparty Credit Risk calculations.

	Prior Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives)*	6,580	1,968		1.4	11,967	6,744
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions						
6	**Total**						**6,744**

* The Fair Value Valuation Method is used in Counterparty Credit Risk calculations.

10.3.2 Capital requirement for credit valuation adjustment ("CVA")

		Current Period		Prior Period	
		Risk amount (after using credit risk mitigation techniques)	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts	Risk amount (after using credit risk mitigation techniques)
Total portfolios subject to the Advanced CVA capital obligation					
1	(i) VaR component (including the 3*multiplier)	-	-	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3	All portfolios subject to the Standardized CVA capital obligation	7,596	163	11,967	137
4	**Total subject to the CVA capital obligation**	**7,596**	**163**	**11,967**	**137**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10.3.3. CCR exposures by risk class and risk weights

	Current Period - Risk Classes / Risk Weights *	0%	10%	20%	50%	75%	100%	150%	200%	Others**	Total credit risk*
1	Receivables from central governments and Central Banks	44,041	-	-	-	-	-	-	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	5,719	140	-	711	-	-	-	1,925
7	Receivables from corporate	-	-	101	15	-	551	-	-	-	579
8	Retail receivables	-	-	-	-	90	-	-	-	-	67
9	Other Asset	-	-	-	-	-	-	-	-	-	-
10	**Total**	**44,041**	**-**	**5,820**	**155**	**90**	**1,262**	**-**	**-**	**-**	**2,571**

* Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.
** 35% Risk Weight is classified in Others.

	Prior Period - Risk Classes / Risk Weights *	0%	10%	20%	50%	75%	100%	150%	200%	Others**	Total credit risk*
1	Receivables from central governments and Central Banks	51,044	-	-	-	-	-	-	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	5,981	102	-	4,945	-	-	-	6,192
7	Receivables from corporate	-	-	-	-	-	517	-	-	-	517
8	Retail receivables	-	-	-	-	47	-	-	-	-	35
9	Other Asset	-	-	-	-	-	-	-	-	-	-
10	**Total**	**51,044**	**-**	**5,981**	**102**	**47**	**5,462**	**-**	**-**	**-**	**6,744**

* Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.
** 35% Risk Weight is classified in Others.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

10.3.4 Collateral used for counterparty credit risk

None.

10.3.5 Credit derivatives

None.

10.3.6 Risks to central counterparty ("CCP")

None

11. Securitization positions

None.

12. Explanations on the activities carried out on behalf and account of other persons, fiduciary-based transactions

The Bank does not perform purchases, sales and custody services in the name of others. The Bank has no fiduciary-based transaction agreements.

13. Qualitative explanations on market risk

13.1. Risk exposures under the standardised approach

		Risk Weighted Amounts	
		Current Period	**Prior Period**
	Outright products	**92,638**	**69,351**
1	Profit share rate risk (general and specific)	23,720	21,594
2	Equity risk (general and specific)	484	481
3	Foreign exchange risk	28,254	18,035
4	Commodity risk	40,180	29,241
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	**Securitization**	-	-
9	**Total**	**92,638**	**69,351**

14. Explanations on operating segments

The Bank operates in Corporate and Commercial Banking, Retail Banking, Treasury and International Banking sectors.

Corporate and Commercial Banking: Special cash flow and financial solutions are provided to customers through loans, non-cash loans, foreign trade financing services and similar customized products to meet the financial needs of the customers. Domestic and foreign business opportunities are supported by using different corporate banking instruments to serve the sustainability of the production of entities.

Retail Banking includes fund collection, instalment commercial loans, business loans, non-cash loans, consumer financing and credit cards. The Bank serves in the range of products areas of profit share accounts creation, banking services, trade finance, checks, POS services, credit cards, ATM services, online banking and mobile banking in these fields.

In Treasury and International Banking, the relationships with foreign correspondent banks and investment institutes are executed directly or via branches abroad, representative offices and agencies. The firms, which are exceed size limits, are classified "corporate" customers and directed to the Corporate Banking. The products are the same with the Commercial Banking. The aim of international banking is to enable foreign trade financing and develop mutual long-term financing agreements with foreign banks. Besides supplying syndicated loans and issue the Sukuk for the Bank, investment banking also supplies syndicated loans in corporate basis for the firms and Banks in Türkiye. The project finance function is also performed by Investment Banking. In addition to monitoring the foreign currency position and cash flows on behalf of the Bank, the Treasury carries out spot and forward TL and foreign currency trading, derivative transactions (Forward, Swap) with banks and customers, stock trading within the scope of BIST membership, murabaha transactions with foreign banks and gold trading transactions.

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

Selected balance sheet and income statement items according to segments

Current Period **1 January 2026 - 30 June 2026**	**Retail Banking**	**Corporate and Commercial Banking**	**Treasury and international Banking**	**Unallocated**	**Bank's total operation**
Operating income	80,679	26,464	28,597	-	135,740
Operating expenses (-)	52,409	13,500	16,226	22,267	104,402
Transfers between segments	31,278	(26,404)	(4,874)	-	-
Net operating income / loss	**59,547**	**(13,439)**	**7,497**	**(22,267)**	**31,338**
Income from associates using equity method	-	-	-	-	-
Profit before tax	**59,547**	**(13,439)**	**7,497**	**(22,267)**	**31,338**
Provision for taxation (-)	-	-	-	7,563	7,563
Net profit for the period	**59,547**	**(13,439)**	**7,497**	**(29,830)**	**23,775**
Current Period **30 June 2026**					
Segment assets	288,423	499,457	629,896	-	1,417,776
Associates, subsidiaries and joint ventures	-	-	-	15,271	15,271
Undistributed assets	-	-	-	39,267	39,267
Total assets	**288,423**	**499,457**	**629,896**	**54,538**	**1,472,314**
Segment liabilities	718,192	265,672	308,496	-	1,292,360
Undistributed liabilities	-	-	-	41,222	41,222
Shareholders' equity	-	-	-	138,732	138,732
Total liabilities	**718,192**	**265,672**	**308,496**	**179,954**	**1,472,314**

Prior Period **1 January 2025 - 30 June 2025**	**Retail Banking**	**Corporate and Commercial Banking**	**Treasury and international Banking**	**Unallocated**	**Bank's total operation**
Operating income	63,027	23,366	16,544	-	102,937
Operating expenses (-)	32,208	16,410	14,725	14,799	78,142
Transfers between segments	33,830	(18,669)	(15,161)	-	-
Net operating income / loss	**64,649**	**(11,713)**	**(13,342)**	**(14,799)**	**24,795**
Income from associates using equity method	-	-	-	-	-
Profit before tax	**64,649**	**(11,713)**	**(13,342)**	**(14,799)**	**24,795**
Provision for taxation (-)	-	-	-	5,878	5,878
Net profit for the period	**64,649**	**(11,713)**	**(13,342)**	**(20,677)**	**18,917**
Prior Period **31 December 2025**					
Segment assets	252,047	440,743	606,799	-	1,299,589
Associates, subsidiaries and joint ventures	-	-	-	13,381	13,381
Undistributed assets	-	-	-	39,096	39,096
Total assets	**252,047**	**440,743**	**606,799**	**52,477**	**1,352,066**
Prior Period **31 December 2025**					
Segment liabilities	663,733	236,267	262,839	-	1,162,839
Undistributed liabilities	-	-	-	67,882	67,882
Shareholders' equity	-	-	-	121,345	121,345
Total liabilities	**663,733**	**236,267**	**262,839**	**189,227**	**1,352,066**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND NOTES ON THE FINANCIAL STATEMENTS

1. Explanations and notes related to assets

1.1 Information regarding the cash assets and the Central Bank of the Rebuplic of Türkiye

1.1.1 Cash and balances with the Central Bank of the Rebuplic of Türkiye

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Cash/foreign currency	3,533	9,690	4,578	13,645
The Central Bank of Republic of Türkiye	65,971	216,961	86,855	219,347
Other (*)	642	30,296	13	25,564
Total	**70,146**	**256,947**	**91,446**	**258,556**

(*) As of 30 June 2026, precious metal account amounting to TL 29,217 (31 December 2025 - TL 25,564) and money in transit amounting to TL 1,721 (31 December 2025 – TL 13) are presented in this line.

1.1.2 Information about CBRT

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Unrestricted Demand Deposit	32,493	50,118	54,483	70,033
Restricted Time Deposit	-	-	-	-
Unrestricted Time Deposit	33,478	166,843	32,372	149,314
Total	**65,971**	**216,961**	**86,855**	**219,347**

According to the “Communiqué No: 2013/15 on Reserve Requirements” of the CBRT, the Bank establishes reserve requirements for its Turkish Lira and foreign currency liabilities at the CBRT. Reserve deposits can be held at the CBRT in Turkish Lira, US Dollar and/or EURO and standard gold in accordance with the “Communiqué on Reserve Requirements.

As of 30 June 2026, a reserve requirement of 0% to 20% (22% to 40% for accounts with exchange rate protection support) is established for Turkish currency participation funds and other liabilities, depending on the maturity structure, 0% to 25% for foreign currency participation funds and other liabilities, and 26% to 30% for precious metal deposit accounts, depending on the maturity structure. The additional reserve requirement rate for foreign currency participation funds (excluding foreign bank participation funds and precious metal deposit accounts) is 2.5%.

1.2 Information on financial assets at fair value through profit and loss

As of 30 June 2026, there are no financial assets at fair value through profit or loss subject to repurchase agreements (31 December 2025 - None), given as collateral and blocked amounting to TL 3,702 (31 December 2025 - TL 1,703).

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Futures transactions	241	169	112	279
Swap transactions	28	1,376	108	18,156
Total	**269**	**1,545**	**220**	**18,435**

(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

1.3 Information on Banks

1.3.1. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	**38**	**95,519**	**22**	**78,386**
Domestic	38	949	22	959
Foreign	-	94,570	-	77,427
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	**38**	**95,519**	**22**	**78,386**

1.3.2. Information on foreign banks account

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

1.4 Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	**136,358**	**120,789**
Quoted on stock exchange	136,358	120,789
Not quoted on stock exchange	-	-
Share Certificates	**706**	**671**
Quoted on stock exchange	564	530
Not quoted on stock exchange	142	141
Impairment Provision (-)	**7,158**	**5,799**
Total	**129,906**	**115,661**

1.4.1. Information on financial assets given as collateral or blocked at fair value reflected in other comprehensive income

As of the balance sheet date, there are financial assets given TL 63,704 (31 December 2025: TL 50,337) as collateral whose fair value difference is reflected to other comprehensive income.

1.4.2. Information on financial assets whose fair value difference subject to repo transaction is reflected to other comprehensive income

As of the balance sheet date, there are financial assets subject to sale transactions with the promise of repurchase, of which TL 18,425 (31 December 2025 – TL 30,771) is reflected to other comprehensive income.

1.5 Explanations on financial assets measured at amortized cost:

1.5.1 All types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	**99**	**110**	**120**	**3**
Corporate shareholders	34	108	52	-
Real person shareholders	65	2	68	3
Indirect loans granted to shareholders	**10,261**	**131**	**5**	**120**
Loans granted to employees	**647**	**23**	**524**	**11**
Total	**11,007**	**264**	**649**	**134**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.2 Information on standard loans, loans under close monitoring and restructured loans under close monitoring

Current Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
Loans	**601,314**	**49,529**	**7,874**	**-**
Export Loans	98,504	2,335	-	-
Import Loans	13,214	627	-	-
Corporation Loans	281,696	29,467	6,780	-
Consumer Loans	35,150	1,304	10	-
Credit Cards	121,989	14,740	732	-
Loans given to financial sector	12,508	-	-	-
Other	38,253	1,056	352	-
Other Receivables	**63**	**161**	**-**	**-**
Total	**601,377**	**49,690**	**7,874**	**-**

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
Loans	**525,875**	**38,328**	**6,206**	**-**
Export Loans	82,366	1,779	-	-
Import Loans	17,070	628	-	-
Corporation Loans	263,628	24,156	5,271	-
Consumer Loans	30,968	1,093	8	-
Credit Cards	84,430	9,914	538	-
Loans given to financial sector	9,199	-	-	-
Other	38,214	758	389	-
Other Receivables	**13**	**231**	**-**	**-**
Total	**525,888**	**38,559**	**6,206**	**-**

Information on standard loans and loans under close monitoring and restructured loans under close monitoring regarding provision

	Standard Loans Current Period	Loans Under Close Monitoring Current Period	Standard Loans Prior Period	Loans Under Close Monitoring Prior Period
12 Month Expected Credit Losses	2,774	-	2,567	-
Expected Loss Provision for Other Financial Assets Measured at Amortized Cost	16	-	25	-
Significant Increase in Credit Risk	-	5,936	-	5,407
Total	**2,790**	**5,936**	**2,592**	**5,407**

1.5.3 Distribution of cash loans and other receivables according to their maturities

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.4 Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	**3,824**	**32,265**	**36,089**
Housing Loans	23	25,583	25,606
Vehicle Loans	1,593	4,436	6,029
Consumer Loans	2,200	1,924	4,124
Other	8	322	330
Consumer Loans-FC Indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**9**	**9**
Housing Loans	-	9	9
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TL	**58,545**	**-**	**58,545**
With Instalment	15,942	-	15,942
Without Instalment	42,603	-	42,603
Retail Credit Cards-FC	**-**	**-**	**-**
With Instalment	-	-	-
Without Instalment	-	-	-
Personnel Loans-TL	**150**	**216**	**366**
Housing Loans	-	21	21
Vehicle Loans	19	48	67
Consumer Loans	131	147	278
Other	-	-	-
Personnel Loans-FC Indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	**329**	**-**	**329**
With Instalment	105	-	105
Without Instalment	224	-	224
Personnel Credit Cards-FC	**-**	**-**	**-**
With Instalment	-	-	-
Without-instalment	-	-	-
Overdraft Account-TL (Real Person)	**-**	**-**	**-**
Overdraft Account-FC (Real Person)	**-**	**-**	**-**
Total	**62,848**	**32,490**	**95,338**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	**3,332**	**28,407**	**31,739**
Housing Loans	61	23,514	23,575
Vehicle Loans	1,741	3,452	5,192
Consumer Loans	1,523	1,082	2,605
Other	7	359	367
Consumer Loans-FC Indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**7**	**7**
Housing Loans	-	7	7
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TL	**37,396**	**-**	**37,396**
With Instalment	9,703	-	9,703
Without Instalment	27,693	-	27,693
Retail Credit Cards-FC	**-**	**-**	**-**
With Instalment	-	-	-
Without Instalment	-	-	-
Personnel Loans-TL	**161**	**162**	**323**
Housing Loans	1	20	21
Vehicle Loans	29	58	87
Consumer Loans	131	84	215
Other	-	-	-
Personnel Loans-FC Indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	**255**	**-**	**255**
With Instalment	87	-	87
Without Instalment	168	-	168
Personnel Credit Cards-FC	**-**	**-**	**-**
With Instalment	-	-	-
Without-instalment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	**41,144**	**28,576**	**69,720**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.5 Information on commercial installment loans and corporate credit cards

Current Period	**Short-Term**	**Medium and Long-Term**	**Total**
Commercial Installment Loans-TL	**6,728**	**89,866**	**96,594**
Business Loans	131	6,308	6,439
Vehicle Loans	5,242	64,918	70,160
Consumer Loans	1,355	18,640	19,995
Other	-	-	-
Commercial Installment Loans-FC Indexed	**2**	**39**	**41**
Business Loans	2	-	2
Vehicle Loans	-	-	-
Consumer Loans	-	39	39
Other	-	-	-
Commercial Installment Loans-FC	**217**	**19,885**	**20,102**
Business Loans	-	2,994	2,994
Vehicle Loans	217	16,891	17,108
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	**78,587**	**-**	**78,587**
With Installment	32,988	-	32,988
Without Installment	45,599	-	45,599
Corporate Credit Cards-FC	**-**	**-**	**-**
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TL (Legal Entity)	**-**	**-**	**-**
Overdraft Account-FC (Legal Entity)	**-**	**-**	**-**
Total	**85,534**	**109,790**	**195,324**

Prior Period	**Short-Term**	**Medium and Long-Term**	**Total**
Commercial Installment Loans-TL	**6,999**	**78,635**	**85,634**
Business Loans	90	5,598	5,688
Vehicle Loans	5,273	59,061	64,334
Consumer Loans	1,636	13,976	15,612
Other	-	-	-
Commercial Installment Loans-FC Indexed	**13**	**74**	**87**
Business Loans	13	-	13
Vehicle Loans	-	-	-
Consumer Loans	-	74	74
Other	-	-	-
Commercial Installment Loans-FC	**251**	**17,970**	**18,221**
Business Loans	-	2,697	2,697
Vehicle Loans	251	15,273	15,524
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	**57,231**	**-**	**57,231**
With Installment	21,381	-	21,381
Without Installment	35,850	-	35,850
Corporate Credit Cards-FC	**-**	**-**	**-**
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TL (Legal Entity)	**-**	**-**	**-**
Overdraft Account-FC (Legal Entity)	**-**	**-**	**-**
Total	**64,494**	**96,679**	**161,173**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.6. Breakdown of loans by users

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

1.5.7 Breakdown of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	636,723	554,132
Foreign Loans	22,218	16,521
Total	**658,941**	**570,653**

1.5.8 Loans granted to subsidiaries and associates

	Current Period	Prior Period
Loans Granted Directly to Subsidiaries and Associates	317	245
Loans Granted Indirectly to Subsidiaries and Associates	-	-
Total	**317**	**245**

1.5.9 Specific provisions for loans or default (third stage) provisions

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	3,827	1,359
Loans and Receivables with Doubtful Collectability	4,116	3,147
Uncollectible Loans and Receivables	8,280	5,110
Total	**16,223**	**9,616**

1.5.10. Information on non-performing loans (Net)

1.5.10.1 Information on loans and other receivables included in loans under follow-up account, which are restructured or rescheduled

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Gross Amount Before Specific Provisions	-	412	7
Restructured Loans and Receivables	-	412	7
Prior Period			
Gross Amount Before Specific Provisions	12	-	1
Restructured Loans and Receivables	12	-	1

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.10.2. Information on the movement of total non-performing loans

Current Period	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Ending balance of prior period 31.12.2025	**2,460**	**4,545**	**6,090**
Additions in the current period (+)	7,114	6,060	7,755
Transfers from other categories of non-performing loans (+)	-	850	1,181
Transfers to other categories of non-performing loans (-)	850	1,181	-
Collections in the current period (-)	918	4,125	4,828
Write-offs (-) (*)	-	-	1,421
Sold Portfolio (-)	**-**	**-**	**-**
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	**7,806**	**6,149**	**8,777**
Specific provisions (-)	3,827	4,116	8,280
Net balances on balance sheet	**3,979**	**2,033**	**497**

(*) In 2026, the Parent Bank has written off TL 1,421 of its receivables from its assets. As a result of this transaction, there was an effect of 18 basis points on the defaulted conversion rate.

Prior Period	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Ending balance of prior period 31.12.2024	**1,711**	**1,697**	**3,633**
Additions in the current period (+)	3,467	4,367	10,799
Transfers from other categories of non-performing loans (+)	-	1,272	1,056
Transfers to other categories of non-performing loans (-)	1,272	1,056	-
Collections in the current period (-)	1,446	1,735	4,180
Write-offs (-) (*)	-	-	5,218
Sold Portfolio (-)	**-**	**-**	**-**
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	**2,460**	**4,545**	**6,090**
Specific provisions (-)	1,359	3,147	5,110
Net balances on balance sheet	**1,101**	**1,398**	**980**

(*) In 2025, the Bank wrote off receivables amounting to TL 5,218 from its assets. This transaction resulted in a 78-basis-point impact on the non-performing loan ratio.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.10.3 Information on non-performing loans granted as foreign currency loans

	Group III	Group IV	Group V
Current Period			
Ending Balance of the Current Period	433	999	1,521
Provision Amount (-)	314	572	1,307
Net Balance at the Balance Sheet	**119**	**427**	**214**
Prior Period			
Ending Balance of the Current Period	243	654	712
Provision Amount (-)	136	471	585
Net Balance at the Balance Sheet	**107**	**183**	**127**

1.5.10.4. Gross and net amounts of non-performing loans with respect to user groups

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	**3,979**	**2,033**	**497**
Loans granted to real persons and legal entities (Gross)	7,806	6,149	8,777
Specific provision (-)	3,827	4,116	8,280
Loans to real persons and legal entities (Net)	**3,979**	**2,033**	**497**
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
Prior Period (Net)	**1,101**	**1,398**	**980**
Loans granted to real persons and legal entities (Gross)	2,460	4,545	6,090
Specific provision (-)	1,359	3,147	5,110
Loans to real persons and legal entities (Net)	**1,101**	**1,398**	**980**
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

The Bank has collaterals such as cash, mortgages, pledges, and checks of customer issued for non-performing loans.

1.5.10.5. In terms of financial instrument classes, the aging analysis of past due but not impaired financial assets is as follows

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.5.10.6 Information on profit share accruals, rediscounts and valuation differences computed for non-performing loans and their provision

	Group III	Group IV	Group V
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Current Period (Net)	**64**	**197**	**852**
Profit Share Accruals, Rediscount and Valuation Differences	297	476	1,054
Provision (-)	233	279	202

	Group III	Group IV	Group V
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Prior Period (Net)	**66**	**161**	**131**
Profit Share Accruals, Rediscount and Valuation Differences	176	601	793
Provision (-)	110	440	662

1.5.11. Main guidelines for liquidation process of uncollectible loans and other

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

1.5.12. Information on the write-off policy

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

1.6 Information on financial assets measured at amortized cost

1.6.1 Information on other financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	**59,967**	**57,734**
Quoted on a Stock Exchange	59,967	57,734
Not Quoted	-	-
Total	**59,967**	**57,734**

1.6.2 Movements of other financial assets measured at amortized cost during the year

	Current Period	Prior Period
Opening Balance	**57,734**	**56,024**
Foreign Exchange Differences Arising from Monetary Assets	2,150	5,291
Purchases During the Year	-	-
Disposals Through Sales and Redemptions (-)	47	5,528
Transfers	-	1,791
Income Accruals and Discounts	130	156
Total	**59,967**	**57,734**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.7 Information on investment in associates (Net)

1.7.1 The 1.49% ownership of the shares of Kredi Garanti Fonu A.Ş. amounting to TL 4.9 (31 December 2025 - TL 4.9), ownership of the shares of Katılım Finans Kefalet A.Ş amounting to TL 90, which corresponds to 15% in (31 December 2025 - TL 90), Swift shares amounting to TL 12.6 (31 December 2025 - TL 11.9) and 0.0035% ownership of the shares traded in Borsa Istanbul A.Ş amounting to TL 0.015 (31 December 2025 - TL 0.015), 2.86% ownership of the shares of JCR Avrasya Derecelendirme A.Ş. amounting to TL 2.8 (31 December 2025 - TL 2.8), the 0.31% ownership of the shares of İhracatı Geliştirme A.Ş. amounting to TL 30.4 (31 December 2025 - TL 30.4), VISA INC. shares amounting to TL 563.9 (31 December 2025 - TL 530) are classified as financial assets at fair value through other comprehensive income and the Bank does not have a significant influence on these entities.

1.7.2 Information about investments in unconsolidated associates: None (31 December 2025 – None).

1.7.3 Information related to consolidated associates: None (31 December 2025 – None).

1.8 Information on subsidiaries (Net)

1.8.1 Although the Bank has control power over the management and capital of its non-financial subsidiaries, Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San. Ve Tic. A.Ş and Architecht Bilişim Sistemleri ve Pazarlama Tic A.Ş and KT Sağlam Gayrimenkul A.Ş. does not confirm to the definition of financial subsidiary in accordance with "Regulation related to the Preparation of Consolidated Financial Statements by Banks" published in the Official Gazette No. 26340 dated 8 November 2006; hence this subsidiary has not been consolidated.

1.8.2 Information on subsidiaries

	Title	Address (City/Country)	Bank's share percentage, if different-voting percentage (%)	Bank's risk group share percentage (%)
1	KT Bank AG (*)	Frankfurt/ Germany	100	100
2	Neova Katılım Sigorta A.Ş. (***)	İstanbul/Türkiye	100	100
3	KT Kira Sertifikaları Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100
4	KT Sukuk Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100
5	Kuveyt Türk Portföy Yönetimi A.Ş.	İstanbul/Türkiye	100	100
6	Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	74	74
7	Architecht Bilişim Sistemleri ve Pazarlama Tic A.Ş. (**)	İstanbul/Türkiye	100	100
8	Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San.ve Tic. A.Ş. (**)	İstanbul/Türkiye	99.99	99.99
9	Kuveyt Türk Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	100	100
10	Sağlam Finansal Teknolojiler A.Ş.	İstanbul/Türkiye	100	100
11	KT Sağlam Gayrimenkul A.Ş.	İstanbul/Türkiye	100	100

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

Information on subsidiaries in the order listed above

	Total Assets	Equity	Total Fixed Assets	Profit Share Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit /Loss	Fair Value
1 (*)	51,515	8,606	880	932	82	28	22	-
2 (***)	58,605	11,537	2,127	5,912	5,908	3,636	1,274	-
3	2	1	-	-	-	-	-	-
4	15,111	2	-	-	-	-	-	-
5	3,624	3,236	176	-	-	1,057	565	-
6	1,825	1,580	116	96	94	221	76	-
7 (**)	2,452	1,784	334	147	92	454	320	-
8 (**)	510	346	314	-	-	(4)	9	-
9	4,295	1,808	47	107	107	363	78	-
10	467	456	13	-	-	(3)	22	-
11	8,434	8,260	5,400	-	-	157	(7)	-

(*) As of 30 June 2026, financial figures for this entity in the table above are based on the financial information prepared in accordance with the local regulations of the country in which this entity operates.
(**) These are the amounts in the statutory financial statements dated 30 June 2026, regulated according to the Turkish Commercial Code.
(***) According to Article 10 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance and Reinsurance and Pension Companies, Neova Katılım Sigorta A.Ş. calculates a minimum required equity capital twice a year, in June and December periods, as of 30 June 2026 there is no capital deficiency (31 December 2025: There is no capital deficiency).

Movement regarding the subsidiaries

	Current Period	Prior Period
Balance at the beginning of the year	**13,361**	**4,122**
Movements during the year	1,890	9,238
Purchases (*)	1,890	9,238
Transfers from subsidiaries(net)	-	-
Bonus shares	-	-
Dividends from current year income	-	-
Sales	-	-
Revaluation increase	-	-
Impairment	-	-
Capital commitment payments	-	-
Balance at the end of the year	**15,251**	**13,361**
Capital commitments	-	-
Share percentage at the end of the year (%)	-	-

(*) The paid-in capital of Neova Katılım Sigorta A.Ş., a subsidiary of the Bank, amounting to TL 2,401,796,000 (full amount), was increased by TL 1,000,000,000 (full amount) on 31 March 2026 to TL 3,401,796,000 (full amount). In addition, the paid-in capital of Kuveyt Türk Yatırım Menkul Değerler A.Ş., amounting to TL 450,000,000 (full amount), was increased by TL 550,000,000 (full amount) on 23 January 2026 to TL 1,000,000,000 (full amount), The paid-in capital of Sağlam Ödeme ve Elektronik Para Hizmetleri A.Ş., amounting to TL 200,000,000 (full amount), was increased by TL 250,000,000 (full amount) on 3 April 2026 to TL 450,000,000 (full amount). In addition, the paid-in capital of Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş., amounting to TL 22,680,040 (full amount), was increased by TL 90,000,000 (full amount) on 8 June 2026 to TL 112,680,040 (full amount).

Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	1,592	1,592
Insurance Companies	3,402	2,402
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Subsidiaries	2,043	1,243
Total	**7,037**	**5,237**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

Subsidiaries that are quoted on the stock Exchange

	Current Period	Prior Period
Quoted in Domestic Stock Exchange	541	541
Quoted in Foreign Stock Exchange	-	-
Total	**541**	**541**

1.8.3 Information on capital adequacies of major subsidiaries

The shareholder's equity of KT Bank AG, the bank's resident subsidiary in Germany, calculated as of 30 June 2026, is EUR 162,186,958 (Full EUR amount) and the capital adequacy ratio is 21.1%.

1.9 Information on joint ventures (business partnerships) (Net)

	Bank's share percentage	Total assets	Equity	Total fixed assets	Current period profit/loss	Prior period profit /loss
Katılım Emeklilik ve Hayat A.Ş. (*)	50%	80,629	2,489	612	432	276

(*) In accordance with decision of the Bank's Board of Directors on 25 April 2013, Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. decided to establish the Pension Company in line with main shares. Bank decided to establish that pension company with the equal share amounts with Albaraka Türk Katılım Bankası A.Ş, and that pension company is registered with the trade name "Katılım Emeklilik ve Hayat Anonim Şirketi", 895027 registry numbered dated 17 December 2013 by İstanbul Trade Registry Office.

1.10 Information on finance lease receivables (Net)

1.10.1 Presentation of remaining maturities of net finance leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	50,724	40,109	47,830	37,587
1 to 4 years	38,329	34,798	34,153	31,727
More than 4 years	1,498	1,447	1,287	1,274
Total	**90,551**	**76,354**	**83,270**	**70,588**

1.10.2 Net investments in finance leases

	Current Period	Prior Period
Gross Receivable from Finance Leases	90,551	83,270
Unearned Finance Lease Income (-)	14,197	12,682
Cancelled Rental Amounts (-)	-	-
Net Leasing Investment	**76,354**	**70,588**

1.10.3 Information on finance lease contracts

The Bank determines the settlements of the financial lease agreements in accordance with related legislations. Payment terms and amounts may be rearranged with additional agreements upon customers' requests. On the agreements, the Bank gives the customer the option to buy the related property. According to the Financial Lease Law, if a customer does not fulfill its obligations until 60 days, the Bank sends a notice to the customer and the Bank takes legal action against the customer if necessary. Non-performing finance lease receivables amounting to TL 2,050 are included in the non-performing loans in the balance sheet (31 December 2025 – TL 1,185).

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2025 – None).

1.12. Information on tangible assets

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1.13. Explanations on intangible assets

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1.14. Explanations on investment properties

None (31 December 2025 – None).

1.15. Information on deferred tax asset

As of 30 June 2026, deferred tax is offset as TL 5,647 in the balance sheet (31 December 2025 - TL 1,553). The deferred tax asset is TL 7,906 (31 December 2025 - TL 7,171) and the deferred tax liability is TL 2,259 (31 December 2025 - TL 5,618).

	Current Period	Prior Period
TFRS 9 Provisions	1,871	1,640
Tangible assets valuation differences	3,066	2,655
Employee benefits liability	1,016	1,035
Deferred income	663	557
Severance pays liability	573	482
Discounts on derivative financial instruments	(291)	(4,770)
Valuation Difference of Marketable Securities	(1,622)	(427)
Provisions for Lawsuits and Delay Penalties	495	547
Other	(124)	(166)
Net Deferred Tax Asset	**5,647**	**1,553**

Table of deferred tax asset movement

	Current Period	Prior Period
As of 1 January	1,553	8,340
Deferred Tax (Expense)/Income	3,086	(5,841)
Deferred Tax Accounted Under Equity	1,008	(946)
Deferred tax asset	**5,647**	**1,553**

1.16. Explanations on assets held for sale and discontinued operations

	Current Period	Prior Period
Opening Balance	2,011	523
Additions	1,373	1,679
Transfers from Tangible Assets	-	-
Disposals (-), Net	223	191
Transfer to Tangible Assets	-	-
Amortization Cost (-)	-	-
Provision for Impairment (-)	-	-
Closing Net Book Value	**3,161**	**2,011**

1.17. Information on other assets

As of balance sheet date, the Bank's other assets amount to TL 19,741 (31 December 2025 - TL 25,543). Other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

2. Explanations and Notes Related to Liabilities

2.1 Information on participation fund

2.1.1 Information on maturity structure of participation fund

Current Period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulat profit shari accour	Total (*)
I. Real persons current accounts-TL	**58,757**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**58,757**
II. Real persons profit sharing accounts TL	**-**	**68,587**	**111,664**	**2,998**	**-**	**3,975**	**2,013**	**22**	**189,259**
III. Another current accounts-TL	**55,563**	-	-	-	-	-	-	-	**55,563**
Public sector	5,934	-	-	-	-	-	-	-	5,934
Commercial sector	47,723	-	-	-	-	-	-	-	47,723
Other institutions	1,265	-	-	-	-	-	-	-	1,265
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	**641**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**641**
Central Bank of the Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	551	-	-	-	-	-	-	-	551
Participation banks	1	-	-	-	-	-	-	-	1
Others	89	-	-	-	-	-	-	-	89
IV. Profit sharing accounts-TL	**-**	**52,402**	**13,589**	**6,526**	**-**	**26,586**	**427**	**-**	**99,530**
Public sector	-	849	19	-	-	2,880	-	-	3,748
Commercial sector	-	50,102	11,650	6,476	-	23,230	423	-	91,881
Other institutions	-	1,284	1,888	50	-	473	4	-	3,699
Commercial and other institutions	-	167	32	-	-	3	-	-	202
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts-FC	**108,607**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**108,607**
VI. Real persons profit sharing accounts-FC	**-**	**15,826**	**20,502**	**1,607**	**-**	**1,557**	**1,144**	**44**	**40,680**
VII. Another current accounts-FC	**54,557**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**54,557**
Commercial residents in Türkiye	48,502	-	-	-	-	-	-	-	48,502
Commercial residents in Abroad	4,537	-	-	-	-	-	-	-	4,537
Banks and participation banks	**1,518**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,518**
Central Bank of the Republic of Türkiye	1,131	-	-	-	-	-	-	-	1,131
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	380	-	-	-	-	-	-	-	380
Participation banks	7	-	-	-	-	-	-	-	7
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	**-**	**1,615**	**1,122**	**42**	**-**	**276**	**58**	**1**	**3,114**
Public sector	-	-	10	-	-	-	-	-	10
Commercial sector	-	1,315	1,008	39	-	276	58	1	2,697
Other institutions	-	27	54	3	-	-	-	-	84
Commercial and other institutions	-	273	50	-	-	-	-	-	323
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	**322,498**	**30,956**	**11,899**	**2,316**	**-**	**1,449**	**128**	**-**	**369,246**
X. Profit sharing accounts special funds - TL	**-**	**-**	**-**	**-**	**-**	**110**	**-**	**-**	**110**
Residents in Türkiye	-	-	-	-	-	110	-	-	110
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XII. Profit sharing accounts special funds - precious metal funds -FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XIII. Profit sharing accounts investment agency pools -TL	**-**	**876**	**3,004**	**-**	**-**	**564**	**-**	**-**	**4,444**
XIV. Profit sharing accounts investment agency pools -FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XV. Profit sharing accounts investment agency pools - precious metal funds -FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (**)	**599,982**	**170,262**	**161,780**	**13,489**	**-**	**34,517**	**3,770**	**67**	**983,867**

(*) There are no 7 days notification accounts of the Bank.

(**) As of 30 June 2026, the Bank has foreign exchange protected TL time deposit accounts amounting to TL 15,284 (31 December 2025: TL 12,773) opened within the scope of the "Communiqué on the Support of Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696. The Bank does not have any such accounts opened under the announcement of the Republic of Türkiye Ministry of Treasury and Finance ("Treasury") dated 24 December 2021 (31 December 2025: None). Total foreign exchange protected TL time deposit accounts amounted to TL 15,284 (31 December 2025: TL 12,773).

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

Prior Period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total
I. Real persons current accounts-TL	**56,932**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**56,932**
II. Real persons profit sharing accounts TL	**-**	**43,866**	**116,390**	**3,378**	**-**	**4,298**	**2,999**	**22**	**170,953**
III. Another current accounts-TL	**52,349**	-	-	-	-	-	-	-	**52,349**
Public sector	4,254	-	-	-	-	-	-	-	4,254
Commercial sector	46,957	-	-	-	-	-	-	-	46,957
Other institutions	949	-	-	-	-	-	-	-	949
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	**189**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**189**
Central Bank of the Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	185	-	-	-	-	-	-	-	185
Participation banks	4	-	-	-	-	-	-	-	4
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	**-**	**8,547**	**52,847**	**401**	**-**	**21,092**	**194**	**-**	**83,081**
Public sector	-	345	114	-	-	2,426	-	-	2,885
Commercial sector	-	7,424	51,216	345	-	18,528	193	-	77,706
Other institutions	-	621	1,487	56	-	134	1	-	2,299
Commercial and other institutions	-	157	30	-	-	4	-	-	191
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts-FC	**112,890**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**112,890**
VI. Real persons profit sharing accounts-FC	**-**	**16,535**	**19,735**	**1,640**	**-**	**1,545**	**1,371**	**40**	**40,866**
VII. Another current accounts-FC	**55,365**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**55,365**
Commercial residents in Türkiye	49,956	-	-	-	-	-	-	-	49,956
Commercial residents in Abroad	4,272	-	-	-	-	-	-	-	4,272
Banks and participation banks	**1,137**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,137**
Central Bank of the Republic of Türkiye	685	-	-	-	-	-	-	-	685
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	446	-	-	-	-	-	-	-	446
Participation banks	6	-	-	-	-	-	-	-	6
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	**-**	**1,901**	**1,170**	**40**	**-**	**215**	**30**	**1**	**3,357**
Public sector	-	-	17	-	-	-	-	-	17
Commercial sector	-	1,542	951	37	-	214	30	1	2,775
Other institutions	-	21	93	3	-	1	-	-	118
Commercial and other institutions	-	338	109	-	-	-	-	-	447
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	**275,429**	**30,049**	**12,339**	**2,554**	**-**	**1,381**	**148**	**-**	**321,900**
X. Profit sharing accounts special funds - TL	**-**	**-**	**-**	**-**	**-**	**310**	**352**	**-**	**662**
Residents in Türkiye	-	-	-	-	-	310	152	-	462
Residents Abroad	-	-	-	-	-	-	200	-	200
XI. Profit sharing accounts special funds - FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XII. Profit sharing accounts special funds - precious metal funds -FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XIII. Profit sharing accounts investment agency pools -TL	**-**	**85**	**1,561**	**-**	**-**	**-**	**-**	**-**	**1,646**
XIV. Profit sharing accounts investment agency pools -FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XV. Profit sharing accounts investment agency pools - precious metal funds -FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**552,965**	**100,983**	**204,042**	**8,013**	**-**	**28,841**	**5,094**	**63**	**900,001**

(*) There are no 7 days notification accounts of the Bank.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

2.1.2 Information's on current and profit share accounts that are in the scope of Saving Deposit/Saving Deposit Insurance Fund

2.1.2.1 Current and Participation Accounts Attributable to Real and Legal Entities/Persons under the Guarantee of Saving Deposit Insurance Fund Exceeding the Limit of the Deposit Insurance Fund

	Under the guarantee of saving deposit insurance		Exceeding the limit of saving Deposit	
	Current Period	**Prior Period**	**Current period**	**Prior period**
Real and legal persons current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	154,124	137,558	253,500	227,869
FC accounts	255,604	212,260	320,045	321,711
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except for foreign branches) through current and profit share accounts which are opened by real and legal persons and denominated in Turkish Lira or foreign currency with a limit of maximum of TL 1.2 (including both capital and profit shares) for each person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law No. 5411 which issued in official gazette no. 25893 on 1 November 2005.

2.1.2.2 If the headquarters of the Bank is abroad and the deposit account in its Turkish branch is in the scope of the insurance policy in the country of the headquarter of the Bank is founded, it should be explained

The headquarters of the Bank is in Türkiye.

2.1.2.3 Current and Profit Share Accounts of the real persons who are not in the scope of Saving Deposits Insurance Fund

The Bank has no current or profit-sharing accounts which are not under the guarantee of the Saving Deposit Insurance Fund except for the current and profit-sharing accounts of shareholders, member of Board of Directors, CEO, the Vice Presidents and their first-degree relatives.

	Current Period	Prior Period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	-	-
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	69	32
Profit sharing account and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	3	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in offshore banking activities solely	-	-

2.2 Information on derivative financial liabilities held for trading

Derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward transactions	115	37	120	165
Swap transactions	736	27,102	1,257	1,242
Total	**851**	**27,139**	**1,377**	**1,407**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

2.3 Information on funds borrowed

2.3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Loans from The Central Bank of the Republic of Türkiye	-	-	-	-
From Domestic Banks and Institutions	16,056	124,339	13,517	123,756
From Foreign Banks, Institutions and Funds	-	75,936	-	58,319
Total	**16,056**	**200,275**	**13,517**	**182,075**

2.3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-Term	15,893	168,110	13,204	148,352
Medium and Long-Term	163	32,165	313	33,723
Total	**16,056**	**200,275**	**13,517**	**182,075**

2.3.4 Explanations related to the concentrations of the Bank's major liabilities

Most of the bank's loans consist of foreign currency loans. There is no risk concentration of the Bank's current and profit-sharing accounts.

2.4 Information on other liabilities and miscellaneous payables

As of 30 June 2026, other liabilities amount to TL 15,095 (31 December 2025 - TL 32,060), sundry creditors amount to TL 12,862 (31 December 2025 - TL 26,471). These items are classified under "Other Liabilities" on the balance sheet and do not exceed 10% of the total.

2.5 Information on finance lease payables (net)

	Current Period		Prior Period	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	88	84	74	69
1 to 4 years	134	102	147	108
More than 4 years	4,773	2,785	3,665	2,233
Total	**4,995**	**2,971**	**3,886**	**2,410**

The Bank used FTP (Fund Transfer Pricing) rates as an alternative borrowing rate of profit. Relevant ratios are revised and revised in 2-week periods. The change in Participation Bank payments uses an unmodified discount rate unless the variable profit share rate is related. If the change in the lease payments results from variable profit share rates (LIBOR, EURIBOR), the lessee used a revised discount rate reflecting changes in the profit share rate.

2.5.1. Explanations on contract changes and the new obligations these changes bring to the Bank

None (31 December 2025 – None).

2.5.1.1. Explanations on financial leasing obligations

None (31 December 2025 – None).

2.5.1.2. Explanations on operating lease

Leasing is classified as an operating lease in which the lessor holds all the risks and benefits of that asset. Such transactions include lease agreements belonging to branches, which can be cancelled with prior notice.

There are no significant obligations imposed by the changes in the contract related to the operating lease to the Bank.

The bank registers its lease payments based on operating lease agreements with equal amounts of expenses during the lease term.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

2.6. Information on hedging derivative financial liabilities

None (31 December 2025 – None).

2.7. Information on provisions

2.7.1 Information on provisions related with foreign currency evaluation difference of foreign currency indexed loans

None (31 December 2025 – None).

2.7.2 Information on other provisions

	Current Period	Prior Period
Specific provisions for non-cash loans that are not indemnified converted into cash	224	241
General Provisions for non-cash loans	698	574
Provision for profits will be allocated to participation accounts	940	664
Credit cards of banking services applications	11	11
Other (*)	1,681	1,999
Total	**3,554**	**3,489**

(*) The other item is mainly consisting of TL 490 (31 December 2025 – TL 622) litigation provision, TL 6 (31 December 2025 – TL 6) expense provision, TL 1,141 (31 December 2025 – TL 1,183) other provision.

2.7.3 Information on provisions for employee benefits

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 1,922 (31 December 2025 - TL 1,613), vacation pay liability amounting to TL 476 (31 December 2025 - TL 31), performance premium amounting to TL 1,089 (31 December 2025 - TL 1,881), retirement bonuses on payment of TL 1,673 (31 December 2025 - TL 1,329), committee fee amounting to TL 103 (31 December 2025 - TL 165) and other fees amounting to TL 45 (31 December 2025 - TL 43).

Under the Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires or earns the right to retire.

The compensation to be paid is up to one month's salary for each service year and this amount is limited to TL 73,729.87 (full TL amount) (31 December 2025 - TL 53,919.68 (full TL amount)). The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	29.20	29.20
Inflation rate (%)	24.66	24.66
Salary increases rate (%)	25.16	25.16

Movements in the reserve for employment termination benefits during period are as follows:

	Current Period	Prior Period
Balance at the end of the prior period	1,613	1,432
Provisions recognized during the period	357	455
Paid during the period	(48)	(60)
Actuarial loss	-	(214)
Balances at the end of the period	**1,922**	**1,613**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

2.8. Explanations on tax liability

2.8.1. Explanations on current tax liability

2.8.1.1 Information on tax provision

As of the balance sheet date, the Bank has a corporate tax liability of TL 11,152 (31 December 2025: TL 8,216) and prepaid taxes of TL 6,749 (31 December 2025: TL 7,417). The Bank clearly indicated the corporate tax liability and prepaid tax in the financial statements.

2.8.1.2. Information on taxes payable

	Current Period	Prior Period
Taxation of marketable securities	2,534	2,278
Taxation of immovable property	20	15
Banking Insurance Transaction Tax (BITT)	833	672
Foreign Exchange Transaction Tax	99	123
Value Added Tax Payable	83	91
Income tax deducted from wages	312	271
Other	21	21
Total	**3,902**	**3,471**

2.8.1.3. Information on premiums (*)

	Current Period	Prior Period
Social Insurance Premiums-Employee	164	125
Social Insurance Premiums-Employer	230	150
Unemployment insurance-Employee	12	9
Unemployment insurance-Employer	24	19
Other	5	-
Total	**435**	**303**

(*) Included in Other Liabilities/Various Debts in the balance sheet.

2.8.1.4. Information on deferred tax liability

As of 30 June 2026, deferred tax has been netted off as TL 5,647 (31 December 2025 - TL 1,553) in the balance sheet within the scope of the relevant regulations. Deferred tax asset is calculated as TL 7,906 (31 December 2025 - TL 7,171) and deferred tax liability is TL 2,259 (31 December 2025 - TL 5,618).

2.9. Information on payables related to assets held for sale

None (31 December 2025 – None).

2.10. Information on subordinated loans

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

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

2.11. Information on shareholders' equity

2.11.1. Presentation of paid-in capital

	Current Period	Prior Period
Common shares	11,100	8,000
Preference shares	-	-
Repurchased shares amount (*)	(11)	(5)
Total	**11,089**	**7,995**

(*) It represents the Bank's acquisition of its own shares as a result of the Bank's shareholders not using their right of preference according to the commitment made in the capital increase in the Bank.

2.11.2 Amount of paid-in capital, disclosure on whether the Bank applies the registered share capital system, and, if so, the ceiling amount of the registered share capital

Registered capital system is not applied in the Bank.

2.11.3 Information on the share capital increases during the period and their sources, other information on increased capital shares in the current period

None (31 December 2025 – None).

2.11.4 Information on share capital increases from capital reserves during the current period

None (31 December 2025 – None).

2.11.5 Possible effect of estimations made for the Bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

Based on the evaluation made considering the Bank's prior and current period indicators related to net profit share and commission income, it is observed that the Bank continues its operations profitably.

2.11.6 Summary of privileges given to shares representing the capital

None (31 December 2025 – None).

2.11.7 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference (*)	(6,232)	546	(4,751)	1,417
Foreign Exchange Difference	-	-	-	-
Total	**(6,232)**	**546**	**(4,751)**	**1,417**

(*) Valuation difference is calculated taking the tax effect of the rent certifications in the account, which are classified as "Government Debt Securities" and "Other Marketable Securities" under financial assets at fair value through other comprehensive income in the balance sheet.

2.12 Information on minority shares

None (31 December 2025 – None).

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

3. Explanations and Notes Related to Off-Balance Sheet Contingencies and Commitments

3.1 Explanations on off-balance sheet accounts

3.1.1 Types and amounts of irrevocable commitments

Commitment for credit card limits, as of 30 June 2026 amounts to TL 279,529 (31 December 2025 - TL 186,634); payment commitments for cheque books amounts to TL 10,186 (31 December 2025 - TL 8,114).

3.1.2 Types and amounts of probable losses and obligations arising from off-balance sheet items including below items

3.1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits

As of 30 June 2026, the Bank has guarantees and surety ships constituting of TL 168,409 (31 December 2025 - TL 136,859) of letters of guarantee; TL 1,421 (31 December 2025 - TL 1,383) of acceptances and TL 41,235 (31 December 2025 - TL 25,805) of letters of credit. Also, the Bank has other acceptances amounting to TL 10,532 (31 December 2025 - TL 8,728).

3.1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies: There are no other than those explained in 2.i.).

3.1.3 Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	3,983	2,001
With original maturity of 1 year or less	3,983	2,001
With original maturity of more than 1 year	-	-
Other non-cash loans	217,614	170,774
Total	**221,597**	**172,775**

3.1.4. Information on sector-based risk concentration in non-cash loans

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

3.1.5. Information on non-cash loans classified in Stage I and II

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

3.2. Explanations on derivative transactions

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

3.3. Explanations on credit derivatives and their risks

None.

3.4. Explanations on contingent liabilities and assets

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

3.5. Explanations on services provided to other names and accounts

None.

3.6. Summary information on the rating of the bank to international rating agencies

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

4. Explanations and Notes Related to The Statement of Income

4.1 Information on profit share income

4.1.1 Information on profit share received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share on loans	**56,389**	**9,697**	**41,930**	**7,322**
Short-term loans	23,019	3,603	20,519	2,897
Medium and long-term loans	32,148	5,978	20,900	4,380
Profit share on non-performing loans	1,222	116	511	45
Premiums received from resource utilization support fund	-	-	-	-
Total	**56,389**	**9,697**	**41,930**	**7,322**

4.1.2 Information on profit share received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of the Republic of Türkiye	8	-	-	-
Domestic Banks	8	-	1	-
Foreign Banks	-	227	1	88
Branches and head office abroad	-	-	-	-
Total	**16**	**227**	**2**	**88**

4.1.3 Information on profit share income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value through Profit or Loss	2,239	204	89	435
Financial Assets at Fair Value Through Other Comprehensive Income	11,002	1,840	6,512	818
Financial Assets valued at Amortized Cost	3,416	991	3,203	1,097
Total	**16,657**	**3,035**	**9,804**	**2,350**

4.1.4 Information on profit share income received from associates and subsidiaries

	Current Period	Prior Period
Profit share income received from associates and subsidiaries	1	61

4.2 Information on profit share given to loans used

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	476	1,521	852	1,251
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	476	77	473	53
Foreign banks	-	1,444	379	1,198
Branches and head office abroad	-	-	-	-
Other Institutions	2,255	2,503	1,812	1,860
Total	**2,731**	**4,024**	**2,664**	**3,111**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

4.2.1 Profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Profit share expenses given to associates and subsidiaries	553	1,771

4.2.2 Profit share expense paid to securities issued

None (1 January - 30 June 2025 – None).

4.3 Information on dividend income

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

4.4. Distribution of profit share on funds based on maturity of funds

Current Period	Profit Sharing Accounts							
Account name	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year	Accumulated profit sharing accounts	Total
TL								
Banks participation profit sharing account	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	8,504	18,042	438	-	520	397	3	27,904
Public-sector profit sharing account	134	11	2	-	-	-	-	147
Commercial sector profit sharing account	2,152	6,172	142	-	-	11	-	8,477
Other institutions profit sharing account	177	366	9	-	1	-	-	553
Total	**10,967**	**24,591**	**591**	**-**	**521**	**408**	**3**	**37,081**
FC								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	91	100	8	-	6	5	-	210
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	7	6	-	-	43	-	-	56
Other institutions profit sharing account	3	1	-	-	-	-	-	4
Precious metal accounts	23	9	2	-	1	-	-	35
Total	**124**	**116**	**10**	**-**	**50**	**5**	**-**	**305**
Grand Total	**11,091**	**24,707**	**601**	**-**	**571**	**413**	**3**	**37,386**

Prior Period	Profit Sharing Accounts							
Account name	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year	Accumulated profit sharing accounts	Total
TL								
Banks participation profit sharing account	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	3,867	17,940	1,191	-	2,829	1,213	2	27,042
Public-sector profit-sharing account	1	10	1	-	8	-	-	20
Commercial sector profit sharing account	956	4,772	76	-	284	38	-	6,126
Other institutions profit sharing account	66	241	22	-	34	-	-	363
Total	**4,890**	**22,963**	**1,290**	**-**	**3,155**	**1,251**	**2**	**33,551**
FC								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	70	77	7	-	7	7	-	168
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	2	4	-	-	1	-	-	7
Other institutions profit sharing account	1	1	-	-	-	-	-	2
Precious metal accounts	12	6	1	-	1	-	-	20
Total	**85**	**88**	**8**	**-**	**9**	**7**	**-**	**197**
Grand Total	**4,975**	**23,051**	**1,298**	**-**	**3,164**	**1,258**	**2**	**33,748**

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

4.5 Information on trading income/loss (Net)

	Current Period	Prior Period
Trading profit / loss (net)	**5,295**	**9,561**
Profit	**375,020**	**112,702**
Gain on capital market transactions	4,548	3,504
Gain on derivative financial instruments	40,598	25,284
Foreign exchange profit	329,874	83,914
Losses (-)	**369,725**	**103,141**
Losses on capital market transactions	97	50
Losses on derivative financial instruments	88,444	26,397
Foreign exchange losses	281,184	76,694

4.6 Information on other operating income

The details of other operating income are presented below. There are no unusual items in the other operating income which materially affect the income of the Bank.

	Current Period	Prior Period
Reversal of prior period provisions	2,158	2,107
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	238	860
Income from sales of assets	226	260
Rental income	12	9
Other income	409	99
Total	**3,043**	**3,335**

4.7 Provisions for loan losses and other receivables of the Bank

	Current Period (*)	Prior Period (*)
Expected Credit Loss	**10,556**	**5,997**
12 month expected credit loss (Stage 1)	315	53
Significant increase in credit risk (Stage 2)	663	186
Non-performing loans (Stage 3)	9,578	5,758
Marketable Securities Impairment Expense	**144**	**213**
Financial Assets at Fair Value through Profit or Loss	144	213
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment losses from Associates, Subsidiaries and Jointly Controlled Entities	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (**)	**333**	**194**
Total	**11,033**	**6,404**

(*) Includes the provisions in the "Other Provision Expenses" line in the Income Statement.
(**) Also includes provisions that can be allocated from profit to be distributed to participation accounts according to provisions regulation.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

4.8 Information on other operating expenses

	Current Period	Prior Period
Provision for retirement pay liability	309	254
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	1,095	700
Impairment Expenses of intangible fixed assets	-	-
Depreciation expenses of intangible assets	299	167
Depreciation expenses of assets held for sale	-	-
Other operating expenses	5,061	3,111
Lease Expenses Regarding TFRS 16 Exemptions	1	4
Maintenance expenses	1,128	914
Advertisement expenses	430	286
Communication expenses	459	277
Heating, electricity and water expenses	95	77
Cleaning expenses	50	41
Vehicle expenses	78	55
Stationery expenses	83	50
Other expenses	2,737	1,407
Losses on sales of assets	6	-
Deposit insurance fund expenses	1,482	1,079
Other (*)	3,070	1,792
Total	**11,322**	**7,103**

(*) Other items as of 30 June 2026 primarily include TL 1,103 (30 June 2025 – TL 708) Bank and Insurance Transactions Tax, TL 772 (30 June 2025 – TL 293) in amounts related to the Contracted Legal Services and Legal Consultancy account, TL 706 (30 June 2025 – TL 393) in Financial Activities Fees and TL 126 (30 June 2025 – TL 99) in Banking Regulation and Supervision Authority Participation Share.

4.9 Information on profit/loss from continued and discontinued operations before taxes

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

4.10 Information on tax provision for continued and discontinued operations

Current period tax provision for the period amounting to TL 10,649 (1 January-30 June 2025 – TL 7,063), deferred tax income of TL 7,466 (1 January-30 June 2025 – TL 1,185) and TL 4,380 (1 January-30 June 2025 – None) deferred tax expense is recognized.

4.11 Information on net income/loss from continued and discontinued operations

There is no profit/loss arising from discontinued operations within the operating profit/loss after tax.

4.12 Information on net profit/loss

4.12.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period

As of 30 June 2026, net profit share income is TL 45,444 (1 January - 30 June 2025 - TL 27,317), net fees and commission income is TL 12,305 (1 January - 30 June 2025 - TL 6,862).

4.12.2 Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods

None (1 January - 30 June 2025 – None).

4.12.3 Profit/loss attributable to minority interest

None (1 January - 30 June 2025 – None).

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

4.13 Details of sub accounts comprising at least 20% of other items in income statement, exceeding 10% of total income statements

As of 30 June 2026, other fees and commissions received is TL 24,787 (1 January-30 June 2025 – TL 14,578), TL 11,064 (1 January-30 June 2025 – TL 5,647) of this amount is related with credit card fees and commissions TL 8,943 (1 January-30 June 2025 – TL 5,717) of this amount is related with POS machine commissions and TL 4,780 (1 January-30 June 2025 – TL 3,214) of this amount is related with other commissions.

As of 30 June 2026, other fees and commissions given is TL 13,237 (1 January-30 June 2025 – TL 8,250), TL 10,324 (1 January-30 June 2025 – TL 6,805) of this amount is related with POS clearing commissions and installation expenses, TL 1,112 (1 January-30 June 2025 – TL 603) of this amount is related with fees and commissions paid for credit cards and TL 1,801 (1 January-30 June 2025 – TL 842) of this amount is related with other commissions.

5. Explanations and Notes Related to Statement of Changes in Shareholders' Equity

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

6. Explanations and Notes Related to Statement of Cash Flows

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

7. Explanations and notes related to risk group of the Bank

7.1 The volume of transactions related to the risk group of the Bank, the loans and participation fund which have not been completed at the end of the period and the income and expenses related to the period

Current Period

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	245	549	120	3	5	120
Balance at end of period	387	712	99	110	10,261	131
Profit share and commission income	-	1	6	-	1	-

(*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

Prior Period

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	111	199	31	105	1	4
Balance at end of period	245	549	120	3	5	120
Profit share and commission income	9	1	3	-	5	-

(*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

7.2 Information on current and profit-sharing accounts of the Bank's risk group

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit-sharing accounts						
Balance at beginning of period	1,958	4,049	861	778	2,206	947
Balance at end of period	3,631	1,958	1,103	861	1,819	2,206
Profit share and commission income	37	162	40	42	33	4

(*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411. Dividends paid to associates and subsidiaries.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

7.3 Forward and option agreements and other similar agreements with the risk group of the Bank

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value through Profit or Loss						
Balance at beginning of period	5,082	4,669	8,418	1,460	-	-
Balance at end of period	6,968	5,082	14,010	8,418	-	-
Total Profit / (Loss)	19	14	5	-	-	-
Hedging Transactions	-	-	-	-	-	-
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / (Loss)	-	-	-	-	-	-

(*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

7.4 Information on loans received from the Bank's risk group

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Borrowings						
Balance at beginning of period	15,569	15,194	17,447	14,650	-	-
Balance at end of period	16,355	15,569	31,410	17,447	-	-
Profit share expense	516	1,609	179	111	-	-

(*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

7.5 Information on subordinated loans used by the Bank's from its risk group

USD 35,000,000 (full amount) of the Bank's USD 350,000,000 (full amount) Tier II sukuk issued on 16 September 2021, were allocated by Kuwait Finance House.

7.6 Information on remunerations provided to top management

As of 1 January - 30 June 2026, the Bank has paid TL 720 to top management (1 January - 30 June 2025 - TL 560).

8. Information about the branches of the Bank in domestic, foreign and coastal banking regions and their representative offices abroad

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by the Banks.

9. Significant events and matters arising subsequent to balance sheet date

None.

SECTION SIX

OTHER EXPLANATIONS

1. Other matters which must be explained in terms of explicitness, interpretability and understandability of the balance sheet

None.

SECTION SEVEN

REVIEW REPORT

1. Explanations on the limited review report

The unconsolidated financial statements have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Deloitte Touche Tohmatsu Limited) and the independent auditors' limited review report dated 13 August 2026 is presented preceding the financial statements.

2. Notes and disclosures prepared by the independent auditor

None.

SECTION EIGHT

INTERIM ACTIVITY REPORT

1. Explanations on interim annual report including the evaluations of interim activities of the Chairman of the Board of Directors and General Manager

1.1 About Kuveyt Türk

Kuveyt Türk Katılım Bankası A.Ş. ("The Bank") was incorporated with the approval of the Central Bank of the Republic of Türkiye (CBRT) on 28 February 1989 and commenced its operations on 31 March 1989, with the name of Kuveyt Türk Evkaf Finans Kurumu A.Ş. To comply with the Banking Act 5411, the title of the Bank has been changed to Kuveyt Türk Katılım Bankası A.Ş. with a change in the Articles of Association which was approved in the annual general meeting dated 26 April 2006. Main field of operation is, in addition to the Bank's equity, to collect funds from domestic and foreign customers through "Current Accounts" and "Profit/ Loss Sharing Accounts" and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

As of 30 June 2026, 57.81% of the Bank's shares are owned by Kuwait Finance House located in Kuwait, 24.49% by Vakıflar Genel Müdürlüğü Mazbut Vakıfları, 8.36% by Wafra International Investment Company in Kuwait and 8.36% by Islamic Development Bank whereas the remaining 0.98% of the shares are owned by other real persons and legal entities.

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise stated.)

1.2 Financial Information Summary

UNCONSOLIDATED BALANCE SHEET (SELECTED ITEMS)	30.06.2026	31.12.2025
CASH BALANCES AND CENTRAL BANK	327,093	350,002
BANKS	95,557	78,408
SECURITIES	257,077	210,097
LOANS	681,673	583,748
FINANCE LEASE RECEIVABLES	76,354	70,588
EXPECTED LOSS PROVISIONS (-)	24,953	17,620
TANGIBLE ASSETS (NET)	8,527	7,975
OTHER ASSETS	50,986	68,868
TOTAL ASSETS	**1,472,314**	**1,352,066**
PARTICIPATION FUND	983,867	900,001
FUNDS BORROWED	216,331	195,592
FINANCE LEASE PAYABLES	2,971	2,410
SUBORDINATED LOANS	16,355	15,049
OTHER LIABILITIES	114,058	117,669
EQUITY	138,732	121,345
TOTAL LIABILITIES	**1,472,314**	**1,352,066**

UNCONSOLIDATED STATEMENT OF INCOME	30.06.2026	30.06.2025
PROFIT SHARE INCOME	101,801	74,914
PROFIT SHARE EXPENSE	56,357	47,597
NET PROFIT SHARE INCOME/EXPENSE	45,444	27,317
NET FEES AND COMMISSION INCOME/EXPENSE	12,305	6,862
PERSONNEL EXPENSES	12,426	8,776
DIVIDEND INCOME	32	3
NET TRADING PROFIT / LOSS	5,295	9,561
OTHER OPERATING INCOME	3,043	3,335
EXPECTED CREDIT LOSS (-)	10,556	5,997
OTHER PROVISION EXPENSES (-)	477	407
OTHER OPERATING EXPENSES (-)	11,322	7,103
PROFIT/ LOSS BEFORE TAX	31,338	24,795
TAX CHARGE (-)	7,563	5,878
CURRENT PERIOD PROFIT/LOSS	**23,775**	**18,917**

RATIOS	30.06.2026	31.12.2025
Total Loans/Total Assets*	51.49%	48.40%
Total Loans/Participation Fund*	77.05%	72.70%
Average Equity Profit **	36.57%	39.65%
Average Assets Profit **	3.37%	3.66%
Capital Adequacy Ratio	18.00%	22.11%

* Finance Lease Receivables is included in total loans.
** Related ratios calculated by included in interim periods' profit amounts to year-end balances.

1.3 Message from the Chairman

Dear Shareholders,

In the second quarter of 2026, the global economic outlook was shaped by the delayed effects of the energy shock originating from the Middle East on growth and inflation, alongside a partial easing on the diplomatic front. In its Economic Outlook Report published on 3 June, the OECD projected that global growth would decline from 3.4% in 2025 to 2.8% in 2026, before rising to 3.1% in 2027. The OECD also noted that, under an adverse scenario in which disruptions to the global economy persist, growth could slow to 2.1% in 2026 and 1.8% in 2027. Similarly, in its Global Economic Prospects Report published on 11 June, the World Bank revised its 2026 global growth forecast down to 2.5%, projecting this to be the lowest growth rate recorded since the pandemic period. The ceasefire reached in mid-June and the gradual resumption of transit through the Strait of Hormuz reduced the likelihood of the most adverse scenarios materialising. Accordingly, the price of Brent crude oil per barrel approached pre-conflict levels towards the end of the quarter. Nevertheless, ongoing uncertainties indicate that geopolitical risks are unlikely to disappear completely in the short term, while energy prices are expected to continue to play a key role in determining the global growth and inflation outlook.

In the United States, the impact of energy prices on inflation became increasingly pronounced throughout the quarter. Annual inflation rose to 4.2% in May 2026 due to higher energy costs, reaching its highest level since April 2023, before declining to 3.5% in June as energy prices eased. The labour market maintained its relative resilience, with the unemployment rate declining to 4.2%. At its first meeting under the chairmanship of Kevin Warsh, who assumed office as the new Chairman in May, the US Federal Reserve (Fed) unanimously kept the policy rate unchanged within the 3.50%–3.75% range. However, the upward revision to the year-end interest rate expectation in the June projections indicated that the rate cut signal given in March had been reversed and that the possibility of an interest rate hike during the year had returned to the agenda.

In the Euro Area, the economic outlook was characterised by weak growth alongside elevated inflation. The regional economy contracted by 0.2% quarter-on-quarter in the first quarter of the year, while inflation, which had risen to 3.2% in May, reaching its highest level since September 2023, declined to 2.8% in June. Due to inflationary pressures arising from energy prices, the European Central Bank (ECB) raised its policy rates by 25 basis points at its meeting on 11 June, increasing the deposit rate to 2.25%. This marked the first interest rate increase since 2023. At the same meeting, the ECB raised its 2026 inflation forecast to 3% while lowering its growth forecast to 0.8%. The combination of weak growth and high inflation resulting from the energy shock in the region significantly limits the room for manoeuvre in monetary policy.

Regional divergence among Asian economies also deepened during the quarter. The Chinese economy grew by 4.3% year-on-year in the second quarter of 2026, recording its weakest performance since the fourth quarter of 2022 and remaining below the official target range. While exports maintained their strong performance, weak domestic demand, structural weakness in the real estate sector and rising energy costs continued to pose downside risks to regional growth. Meanwhile, the Bank of Japan resumed its interest rate hikes in June following a pause in April, raising its policy rate to 1% and continuing the normalisation of monetary policy. Taken together, the decisions of major central banks indicate that the period of rapid monetary easing on a global scale has come to an end.

In Türkiye, the disinflation process continued, albeit with some fluctuations. Annual inflation, which increased significantly in April due to the impact of the energy shock, recorded a limited increase in May amid pressures in other price groups, before declining by 0.50 percentage points month-on-month to 32.11% in June 2026. Cumulative inflation since the beginning of the year stood at 17.76%. On the growth front, the Turkish economy grew by 2.5% in the first quarter of the year, while seasonally and calendar-adjusted quarterly growth remained limited to 0.1%, indicating an outlook close to stagnation in economic activity. At its Monetary Policy Committee meetings held on 22 April and 11 June, the Central Bank of the Republic of Türkiye (CBRT) highlighted the risks posed by geopolitical developments originating from the Middle East to the inflation outlook and kept the policy rate unchanged at 37%, pausing its cautious easing steps following the rate cuts implemented in December 2025 and January 2026. In its Inflation Report presented on 14 May, the CBRT raised its year-end 2026 inflation forecast to 26%. Maintaining effective management of inflation expectations and a tight monetary policy stance will continue to be decisive in achieving a permanent and sustainable decline in inflation.

We continued to make strong contributions to the Turkish economy and the participation finance sector as we entered the third quarter of the year. Our total funding base increased by 41.1% compared to the same period of the previous year, reaching TL 1.2 trillion, while the amount of funds extended increased by 38.8% to TL 758 billion. We increased our net profit by 25.7% compared to the same period of the previous year, reaching TL 23.8 billion. In addition, we increased our shareholders' equity to TL 138.7 billion and total assets to TL 1.5 trillion, maintaining our leading position among participation finance institutions in terms of total assets and retaining our 10th position in the banking sector.

As Kuveyt Türk, we are further strengthening our leading position in the sector through our strong technological infrastructure, customer-oriented service approach and uninterrupted support for the real economy. We remain firmly committed to creating value for all our stakeholders through the innovative solutions we offer through our digital channels and our sustainable financing products.

Regards,
Hamad Abdulmohsen ALMARZOUQ

Head of the BOD

1.4 Message from the General Manager

Dear Shareholders,

In the second quarter of 2026, the global economy remained in an environment of high uncertainty, driven by the delayed effects of the shock to energy prices caused by the war in the Middle East. Although the temporary framework for an agreement announced in mid-June and the gradual resumption of transit through the Strait of Hormuz reduced the likelihood of the most adverse scenarios materialising, major central banks maintained their cautious stance, prioritising inflation risks. The European Central Bank raised interest rates for the first time since September 2023, while the Bank of Japan continued its normalisation process. The US Federal Reserve (Fed) and the Bank of England, on the other hand, kept their policy rates unchanged while adopting a more hawkish tone. This outlook indicates that the period of monetary easing on a global scale has paused and that we are entering a period in which interest rates may remain elevated for longer in response to inflation risks.

Turning to the Turkish economy, growth stood at 2.5% in the first quarter of 2026. The seasonally and calendar-adjusted quarterly growth rate, which remained limited to 0.1%, pointed to an economic activity outlook close to stagnation. Household consumption and investments played a key role in the composition of growth, while the 12.7% decline in exports of goods and services significantly reduced the contribution of net foreign trade to growth. The Central Bank of the Republic of Türkiye (CBRT) kept the policy rate unchanged at 37% at its April and June meetings in order to contain the risks posed by the ongoing conflict in the Middle East to energy prices and the inflation outlook. In addition, the CBRT continued to maintain a tight monetary stance in practice by effectively utilising its liquidity management tools and conducting weighted funding at around 40%. Annual CPI inflation stood at 32.11% in June, indicating that the disinflation process continued along a volatile path, while cumulative inflation since the beginning of the year reached 17.76%. Although core inflation, at 29.84%, remaining below headline inflation provided a positive signal, the structural rigidity in services inflation, which stood at 39.64%, continued to represent a significant risk factor. The unemployment rate stood at 8.2% in May, while the increase in the broad labour underutilisation rate to 31% indicated that structural vulnerabilities in the labour market persisted.

At a time when geopolitical risks remain elevated and domestic macroeconomic challenges have become more pronounced, we at Kuveyt Türk continued to stand by the real sector. Thanks to our strong capital base, robust liquidity position and proactive approach to risk management, we further strengthened our financial resilience amid the prevailing uncertainty. While remaining committed to providing our customers with reliable and high-quality services in line with the principles of participation banking, we further advanced our digital transformation initiatives. Through our new artificial intelligence-powered applications, we accelerated our processes and intensified our efforts to provide our customers with a more personalised and efficient banking experience.

In the second half of the year, we aim to contribute to the development of the participation finance sector while further strengthening our profitability on a sustainable basis. We will continue to address the needs of the real economy through our innovative financial solutions and create value for the Turkish economy through our experienced workforce and technological infrastructure. By further advancing our capabilities across digital platforms and our customer-centric service approach, we will strengthen our leading position in the sector, while increasing our support for environmentally responsible projects through our green financing instruments and sustainability-focused investment products. As Kuveyt Türk, we will continue to operate with an approach that closely monitors global and domestic dynamics, maintains a prudent stance against financial and non-financial risks, and effectively capitalises on opportunities as they arise. Supported by our strong balance sheet structure, effective risk management approach and technology-driven transformation vision, we will continue to adapt swiftly and effectively to changing economic conditions.

I would like to express my sincere gratitude to our valued colleagues for their dedicated efforts and contributions throughout this journey of success, and to our valued stakeholders whose support we have always felt by our side.
Regards,

Ufuk UYAN

General Manager

Kuveyt Türk Katılım Bankası

1.5 Financial Position, Performance and Assessment of the Prospects for the Future

(The amounts presented in this section are stated in full TL.)

Based on the financial statements prepared as of 30 June 2026, our asset size reached TL 1.472 trillion 314 billion, while our fund disbursement was TL 758 billion 27 million and the funds we collected were TL 983 billion 867 million. Due to the effect of the first six months of 2026 'profit of TL 23 billion 775 million, the ratio of shareholder equity increased 14.33% by reaching TL 138 billion 732 million. As of 30 June 2026, unconsolidated capital adequacy ratio has been realized as 18.00%.

We expect the Bank to continue its development in line with its growth and profitability targets.

1.6 Announcement Regarding Important Developments within 3 Months

In line with the resolutions of the Ordinary General Assembly Meeting held on 27 March 2026, and following the approvals of the Banking Regulation and Supervision Agency (BRSA) and the Ministry of Trade, it was resolved to amend the Capital clause of the Articles of Association. Accordingly, the Bank's paid-in capital of TL 8,000 was increased by TL 3,100 to TL 11,100.

1.7 Assessment of the Expectations Related to the Subsequent Interim Period

The disinflation process experienced some setbacks in the second quarter of 2026. Although annual inflation declined to 32.11% in June following consecutive increases in April and May, cumulative inflation since the beginning of the year reaching 17.76% and services inflation remaining significantly above headline inflation at 39.64% indicate that rigidity in pricing behaviour persists. Geopolitical tensions in the Middle East continue to pose upside risks to the inflation outlook through the energy price channel. This has resulted in the cautious easing steps initiated following the interest rate cuts implemented by the CBRT in December 2025 and January 2026, and subsequently paused in March, remaining on hold at the April and June meetings. While the policy rate was kept unchanged at 37%, liquidity management tools were utilised effectively, further reinforcing the data-driven and meeting-by-meeting decision-making approach. In its Inflation Report presented in May, the CBRT raised its 2026 year-end inflation forecast from 18% to 26% and suspended the communication of an inflation forecast range due to the high level of uncertainty.

The Turkish economy grew by 2.5% in the first quarter of 2026. However, the 0.8% contraction in the industrial sector and the 12.7% decline in exports of goods and services resulted in a significant negative contribution from net foreign trade to growth. In addition, higher raw material costs resulting from tensions in the Middle East and supply disruptions along global trade routes have increased pressures on the external balance.

Going forward, the course of geopolitical risks, the pass-through of energy costs to inflation and production costs, the effectiveness of the CBRT's reserve management amid exchange rate pressures, and the maintenance of fiscal discipline will be key determining factors. The temporary agreement announced in mid-June being effectively suspended in the first half of July, together with the reintroduction of the maritime blockade, indicates that volatility in energy prices may persist during the second half of the year. The fact that market participants' year-end inflation expectation remains at 29.14%, above the CBRT's forecast, indicates that the expectations channel continues to be a key risk factor for the disinflation process. The impact of higher funding costs on credit conditions and banks' prudent balance sheet management will also remain critical factors in maintaining financial stability and supporting the continuation of the disinflation process.