

**KUVEYT TRK KATILIM BANKASI A..
INDEPENDENT AUDITOR’S REVIEW REPORT,
CONSOLIDATED FINANCIAL STATEMENTS AND
NOTES TO THE FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 30 JUNE 2026**

**(CONVENIENCE TRANSLATION OF CONSOLIDATED
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 CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying consolidated statement of financial position of Kuveyt Türk Katılım Bankası A.Ş. (“the Bank”) and its consolidated subsidiaries (together will be referred as “the Group”) as at 30 June 2026, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated 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 consolidated 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 consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements 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 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 consolidated interim financial information does not present fairly, in all material respects, the financial position as of 30 June 2026, and of the results of their operations and their cash flows for the six-month period then ended in accordance with the BRSA Accounting and Financial Reporting Regulations.

Report on Other Regulatory Requirements Arising from Legislation

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information provided in the Management's interim report included in section eight of the accompanying consolidated financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed consolidated 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 consolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Group 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
CONSOLIDATED FINANCIAL STATEMENTS, RELATED DISCLOSURES AND AUDITOR'S REVIEW
REPORT ORIGINALLY ISSUED IN TURKISH**

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

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The consolidated financial report for the six-month period ended prepared in accordance with the Communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is consist of the sections listed below.

- General Information About the Parent Bank
- Consolidated Financial Statements of The Parent Bank
- Explanations on Accounting Policies Applied in the Related Period
- Information on Financial Structure of the Group Which Is Under Consolidation
- Explanations and Disclosures Related to Consolidated Financial Statements
- Other Explanations
- Independent Auditors' Limited Review Report
- Consolidated Interim Activity Report

The subsidiaries, associates and jointly controlled partners which are consolidated within the framework of this financial report are as follows.

	Subsidiaries	Associates	Jointly Controlled Partners	Mutual Funds
1.	KT Sukuk Varlık Kiralama A.Ş.		Katılım Emeklilik ve Hayat A.Ş.	Kuveyt Türk Portföy Kuveyt Türk Yabancı Katılım Serbest Özel Fon
2.	KT Kira Sertifikaları Varlık Kiralama A.Ş.			Kuveyt Türk Portföy Birinci Katılım Serbest (TL) Fon
3.	Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.			Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon
4.	KT Bank AG			Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu
5.	Kuveyt Türk Portföy Yönetimi A.Ş.			Kuveyt Türk Portföy Lonca Girişim Sermayesi Yatırım Fonu
6.	Neova Katılım Sigorta A.Ş.			Kuveyt Türk Portföy Neova Katılım Serbest Özel (TL) Fon
7.	Kuveyt Türk Yatırım Menkul Değerler A.Ş.			Kuveyt Türk Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu
8.	Sağlam Ödeme ve Elektronik Para Hizmetleri A.Ş.			Kuveyt Türk Portföy NKS Katılım Serbest (TL) Özel Fon
9.				Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Abd Doları) Özel Fon
10.				Kuveyt Türk Portföy NKV Kısa Vadeli Katılım Serbest Özel Fon
11.				Kuveyt Türk Portföy KTYMD Kısa Vadeli Katılım Serbest Özel Fon

The accompanying consolidated 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

Chairman of the Board of Directors

Dr. Shadi Ahmed Yacoub
ZAHARAN

Chairman of the Audit
Committee

Nadir ALPASLAN

Member of the Audit Committee

Boualem HAMMOUNI
Member of the Audit
Committee

Ufuk UYAN
General Manager

Ahmet KARACA
Vice General Manager
of Financial Affairs

Cemil AKBEBEK
Budget and Reporting
Manager

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

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KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2026

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

SECTION ONE
GENERAL INFORMATION

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

Kuveyt Türk Katılım Bankası A.Ş. (“The Parent 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 Parent 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 Parent 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. The Parent Bank and its consolidated financial subsidiaries are named together as “Group”.

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

As of 30 June 2026, 57.81% of the Parent 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 Parent Bank

Name	Title	Educational Degree
Hamad A H D MARZOUQ	Head of the BOD	Master
Nadir ALPASLAN	Vice President of BOD and member of Audit Committee	Bachelor
Dr. Shadi Ahmed YACOB ZAHRAH	Member of BOD and chairman of the Audit Committee	Doctorate
Boualem HAMMOUNI	Member of BOD and member of 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	Head 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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2026

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

4. Information on qualified shareholders

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 Parent Bank, is as follows.

Name / Commercial Name	Share Amount
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. Explanations of the Parent Bank's services and field of operations

The Parent Bank's field of operations includes corporate banking, international banking services, and retail banking and credit card services. The Parent 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 Group is operating through 456 domestic branches (31 December 2025 – 458) with 7,640 employees (31 December 2025 – 7,565). Summary of some of the Parent 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 travellers' 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 Parent Bank for the order and benefit of the society.

The Parent Bank's activities are not limited to the list above. If another transaction is decided to be beneficial to the Parent 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. Disclosures on the differences between the Communiqué on the Preparation of Consolidated Financial Statements of Banks and the consolidation transactions made in accordance with the Turkish Accounting Standards and the entities subject to full or proportionate consolidation, deducted from equity or not included in these three methods: According to the Communiqué on the Preparation of the Consolidated Financial Statements of Banks, only While financial partnerships are included in the scope of consolidation, all financial and non-financial partnerships should be included in the scope of consolidation in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards.

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

None.

SECTION TWO
THE CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet- Assets (Statement of Financial Position)
- II. Consolidated Statement of Off-Balance Sheet Items
- III. Consolidated Statement of Profit or Loss (Income Statement)
- IV. Consolidated Statement of Profit or Loss and Other Comprehensive Income
- V. Consolidated Statement of Changes in Shareholders' Equity
- VI. Consolidated Statement of Cash Flows

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2026
(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 Current Period 31.12.2025		
			TL	FC	Total	TL	FC	Total
	ASSETS	Notes						
I.	FINANCIAL ASSETS (Net)		236,413	438,844	675,257	222,421	428,183	650,604
1.1.	Cash and Cash Equivalents		86,782	358,128	444,910	125,728	342,239	467,967
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	70,154	262,822	332,976	91,446	265,290	356,736
1.1.2.	Banks	(5.1.3.)	14,586	95,309	109,895	17,391	76,952	94,343
1.1.3.	Money Markets Placements		2,043	-	2,043	16,893	-	16,893
1.1.4.	Expected Credit Loss (-)		1	3	4	2	3	5
1.2.	Financial Assets at Fair Value Through Profit or Loss		57,421	23,464	80,885	18,520	12,447	30,967
1.2.1.	Government Debt Securities		16,343	13,499	29,842	4,772	4,670	9,442
1.2.2.	Equity Instruments		2,319	4	2,323	1,740	3	1,743
1.2.3.	Other Financial Assets		38,759	9,961	48,720	12,008	7,774	19,782
1.3.	Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.4.)	91,265	55,707	146,972	77,340	55,062	132,402
1.3.1.	Government Debt Securities		86,859	45,716	132,575	72,903	50,321	123,224
1.3.2.	Equity Instruments		152	577	729	144	542	686
1.3.3.	Other Financial Assets		4,254	9,414	13,668	4,293	4,199	8,492
1.4.	Derivative Financial Assets		945	1,545	2,490	833	18,435	19,268
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	945	1,545	2,490	833	18,435	19,268
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	378,914	836,606	389,648	343,463	733,111
2.1.	Loans		428,679	293,934	722,613	355,888	264,045	619,933
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	30,386	62,820	32,362	28,014	60,376
2.3.1.	Government Debt Securities		32,434	28,734	61,168	32,362	26,478	58,840
2.3.2.	Other Financial Assets		-	1,652	1,652	-	1,536	1,536
2.4.	Expected Credit Loss (-)		20,012	5,169	25,181	13,641	4,145	17,786
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		9,488	-	9,488	9,182	-	9,182
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.)	8,214	-	8,214	8,124	-	8,124
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
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.)	1,274	-	1,274	1,058	-	1,058
4.3.1.	Joint Ventures Valued Based on Equity Method		1,274	-	1,274	1,058	-	1,058
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(5.1.12.)	9,970	449	10,419	8,333	449	8,782
VI.	INTANGIBLE ASSETS (Net)	(5.1.13.)	6,382	435	6,817	4,763	376	5,139
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		6,382	435	6,817	4,763	376	5,139
VII.	INVESTMENT PROPERTIES (Net)	(5.1.14.)	499	-	499	229	-	229
VIII.	CURRENT TAX ASSETS		-	-	-	-	-	-
IX.	DEFERRED TAX ASSETS	(5.1.15.)	6,119	408	6,527	851	412	1,263
X.	OTHER ASSETS	(5.1.17.)	42,688	3,552	46,240	39,931	1,809	41,740
	TOTAL ASSETS		772,412	822,602	1,595,014	677,369	774,692	1,452,061

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2026
(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 Prior Period 31.12.2025		
	LIABILITIES	Notes	TL	FC	Total	TL	FC	Total
I.	PARTICIPATION FUND	(5.2.1.)	407,127	614,703	1,021,830	365,051	569,458	934,509
II.	FUNDS BORROWED	(5.2.3.)	16,057	202,334	218,391	13,517	183,697	197,214
III.	MONEY MARKETS		42,104	1,333	43,437	47,524	-	47,524
IV.	SECURITIES ISSUED (Net)	(5.2.4.)	-	-	-	101	-	101
V.	FUNDS		-	-	-	-	-	-
5.1	Credit Customers' Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		922	27,139	28,061	1,442	1,406	2,848
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	922	27,139	28,061	1,442	1,406	2,848
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.7.)	-	-	-	-	-	-
VIII.	LEASE PAYABLES	(5.2.6.)	3,329	458	3,787	2,408	445	2,853
IX.	PROVISIONS	(5.2.8.)	48,812	2,087	50,899	42,347	1,789	44,136
9.1	Restructuring Provision		-	-	-	-	-	-
9.2	Reserves for Employee Benefits		5,425	463	5,888	5,318	452	5,770
9.3	Insurance for Technical Provision (Net)		39,736	814	40,550	33,937	309	34,246
9.4	Other Provisions		3,651	810	4,461	3,092	1,028	4,120
X.	CURRENT TAX LIABILITIES	(5.2.9.1.)	5,474	-	5,474	1,758	-	1,758
XI.	DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(5.2.10.)	-	-	-	-	-	-
12.1	Held for Sale		-	-	-	-	-	-
12.2	Related to Discontinued Operations		-	-	-	-	-	-
XIII.	SUBORDINATED DEBT INSTRUMENTS	(5.2.11.)	-	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	(5.2.5.)	40,084	6,521	46,605	49,170	20,474	69,644
XV.	SHAREHOLDERS' EQUITY	(5.2.12.)	159,634	541	160,175	135,032	1,393	136,425
15.1	Paid-in Capital		11,089	-	11,089	7,995	-	7,995
15.2	Capital Reserves		6,382	-	6,382	6,376	-	6,376
15.2.1	Share Premiums		6,376	-	6,376	6,376	-	6,376
15.2.2	Share Cancellation Profits		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		(401)	-	(401)	(402)	-	(402)
15.4	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(4,181)	508	(3,673)	(2,724)	1,388	(1,336)
15.5	Profit Reserves		109,036	-	109,036	72,797	-	72,797
15.5.1	Legal Reserves		7,845	-	7,845	5,249	-	5,249
15.5.2	Statutory Reserves		-	-	-	-	-	-
15.5.3	Extraordinary Reserves		100,682	-	100,682	67,212	-	67,212
15.5.4	Other Profit Reserves		509	-	509	336	-	336
15.6	Profit or Loss		37,314	33	37,347	50,656	5	50,661
15.6.1	Prior Years' Profit or Loss		7,535	5	7,540	4,140	(112)	4,028
15.6.2	Net Profit or Loss for the Period		29,779	28	29,807	46,516	117	46,633
15.7	Minority Shares	(5.2.13.)	395	-	395	334	-	334
	TOTAL LIABILITIES		723,543	871,471	1,595,014	658,350	793,711	1,452,061

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OFF-BALANCE SHEET ITEMS AS OF 30 JUNE 2026
(Amounts expressed in Millions of Turkish Lira (TL) unless otherwise stated.)

2. CONSOLIDATED 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)		562,294	739,716	1,302,010	420,330	601,661	1,021,991
I.	GUARANTEES AND WARRANTIES	(5.3.1.)	137,733	83,302	221,035	111,699	60,666	172,365
1.1.	Letters of Guarantee		126,984	40,862	167,846	102,814	33,636	136,450
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	4,568	384	4,952
1.1.3.	Other Letters of Guarantee		119,577	40,357	159,934	97,057	33,212	130,269
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	41,223	41,236	22	25,783	25,805
1.3.1.	Documentary Letters of Credit		-	3,128	3,128	-	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		10,251	281	10,532	8,504	223	8,727
1.7.	Other Warrantees		-	-	-	-	-	-
II.	COMMITMENTS	(5.3.1.)	317,933	54,830	372,763	215,439	47,900	263,339
2.1.	Irrevocable Commitments		317,933	54,830	372,763	215,439	47,900	263,339
2.1.1.	Forward Asset Purchase and Sales Commitments		16,686	51,991	68,677	11,705	47,743	59,448
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	250	279,779	186,634	156	186,790
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.)	106,628	601,584	708,212	93,192	493,095	586,287
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		106,628	601,584	708,212	93,192	493,095	586,287
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		36,710	38,744	75,454	22,038	27,888	49,926
3.2.1.1	Forward Foreign Currency Buy Transactions		22,127	16,357	38,484	15,936	9,946	25,882
3.2.1.2	Forward Foreign Currency Sell Transactions		14,583	22,387	36,970	6,102	17,942	24,044
3.2.2.	Currency Swap Transactions		69,249	562,266	631,515	70,992	463,084	534,076
3.2.2.1	Swap Currency Buy Transactions		9,109	292,630	301,739	24,827	249,372	274,199
3.2.2.2	Swap Currency Sell Transactions		60,140	269,636	329,776	46,165	213,712	259,877
3.2.3.	Other Forward Buy and Sell Transactions		669	574	1,243	162	2,123	2,285
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		419,535	17,316,881	17,736,416	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		129,319	90,789	220,108	101,572	77,412	178,984
V.	PLEDGED ITEMS		7,269,320	1,478,889	8,748,209	6,078,887	1,612,200	7,691,087
5.1.	Marketable Securities		8,661	7,869	16,530	9,174	7,662	16,836
5.2.	Guarantee Notes		101	19,850	19,951	100	18,266	18,366
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	1,342,524	39,446	1,381,970
5.6.	Other Pledged Items		5,498,630	950,624	6,449,254	4,539,950	887,949	5,427,899
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED GUARANTEES AND WARRANTIES		14,053	4,828	18,881	3,848	650	4,498
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		8,265,202	19,540,314	27,805,516	6,860,179	16,089,845	22,950,024

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2026 (INCOME STATEMENT)

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

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

			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.)	112,145	58,799	83,355	44,361
1.1.	Profit Share on Loans		66,804	34,719	49,698	26,185
1.2.	Profit Share on Reserve Deposits		9,325	4,902	7,633	3,937
1.3.	Profit Share on Banks		4,396	2,596	3,042	1,503
1.4.	Profit Share on Money Market Placements		1,375	376	1,035	476
1.5.	Profit Share on Marketable Securities Portfolio		23,790	12,910	16,162	9,255
1.5.1.	Fair Value Through Profit or Loss		4,588	2,513	3,136	2,331
1.5.2.	Fair Value Through Other Comprehensive Income		12,842	7,224	7,330	3,978
1.5.3.	Measured at Amortized Cost		6,360	3,173	5,696	2,946
1.6.	Finance Lease Income		5,384	2,691	5,245	2,784
1.7.	Other Profit Share Income		1,071	605	540	221
II.	PROFIT SHARE EXPENSE (-)		56,521	28,815	47,792	24,188
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	37,614	18,691	33,908	16,917
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	6,784	3,734	4,032	2,075
2.3.	Profit Share Expense on Money Market Borrowings		11,794	6,211	7,869	3,959
2.4.	Expense on Securities Issued	(5.4.2.)	-	-	1,775	1,121
2.5.	Profit Share Expense on Lease		329	179	208	116
2.6.	Other Profit Share Expense		-	-	-	-
III.	NET PROFIT SHARE INCOME (I - II)		55,624	29,984	35,563	20,173
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		10,900	5,919	5,983	3,267
4.1.	Fees and Commissions Received		26,558	14,390	15,793	8,652
4.1.1.	Non-Cash Loans		782	407	546	290
4.1.2.	Other	(5.4.13.)	25,776	13,983	15,247	8,362
4.2.	Fees and Commissions Paid (-)		15,658	8,471	9,810	5,385
4.2.1.	Non-Cash Loans		27	13	12	8
4.2.2.	Other	(5.4.13.)	15,631	8,458	9,798	5,377
V.	DIVIDEND INCOME	(5.4.3.)	13	9	5	4
VI.	NET TRADING INCOME / LOSS	(5.4.5.)	5,463	(1,087)	8,644	2,063
6.1.	Capital Market Transaction Gains/Losses		2,727	1,623	(118)	(367)
6.2.	Gains/Losses from Derivative Financial Instruments		(46,986)	(4,724)	(1,336)	(5,980)
6.3.	Foreign Exchange Gains/Losses		49,722	2,014	10,098	8,410
VII.	OTHER OPERATING INCOME	(5.4.6.)	16,407	8,179	11,700	4,937
VIII.	GROSS OPERATING INCOME/LOSS (III+IV+V+VI+VII)		88,407	43,004	61,895	30,444
IX.	EXPECTED LOSS PROVISIONS (-)	(5.4.7.)	10,606	4,438	6,017	3,393
X.	OTHER PROVISIONS (-)	(5.4.7.)	6,015	3,100	3,961	3,548
XI.	PERSONNEL EXPENSES (-)		14,356	6,990	9,964	4,852
XII.	OTHER OPERATING EXPENSES (-)	(5.4.8.)	19,933	9,680	12,778	5,064
XIII.	NET OPERATING INCOME/(LOSS) (IX-X-XI-XII)		37,497	18,796	29,175	13,587
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XV.	INCOME / (LOSS) ON NET MONETARY POSITION		216	142	139	74
XVI.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(5.4.9.)	37,713	18,938	29,314	13,661
XVII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(5.4.10)	(7,832)	(4,599)	(7,086)	(3,250)
18.1.	Current Tax Provision		11,857	5,073	7,559	5,143
18.2.	Deferred Tax Expense Effect (+)		4,475	52	715	(857)
18.3.	Deferred Tax Income Effect (-)		8,500	526	1,188	1,036
XIX.	CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(5.4.11.)	29,881	14,339	22,228	10,411
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 (XIX+XXIV)	(5.4.12.)	29,881	14,339	22,228	10,411
25.1.	Group's Income/Loss		29,807	14,288	22,202	10,387
25.2.	Minority Interest Income/Loss (-)		74	51	26	24
	Earnings Per Share Income/Loss (Full TL)		2.9170	-	3.6255	-

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 30 JUNE 2026

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

4. CONSOLIDATED 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 PROFIT/LOSS	29,881	22,228
II.	OTHER COMPREHENSIVE INCOME	(2,336)	146
2.1	Other Comprehensive Income Not Reclassified Through Profit or Loss	1	(11)
2.1.1	Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	1	(16)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Taxes Related to Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	5
2.2	Other Comprehensive Income Reclassified Through Profit or Loss	(2,337)	157
2.2.1	Foreign Currency Translation Difference	465	1,573
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	(3,552)	(440)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	(451)	(1,582)
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Taxes Related Other Comprehensive Income Items Reclassified Through Profit or Loss	1,201	606
III.	TOTAL COMPREHENSIVE INCOME (I+II)	27,545	22,374

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2026

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

5. CONSOLIDATED 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 Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity Less Minority Shares	Minority Shares	Total Shareholders' Equity
I.	Prior Period (01/01/2025 – 30/06/2025)																	
	Prior Period Ending Balance		4,947	6,376	2	-	-	(544)	-	4,353	(5,470)	(3,148)	42,917	3,277	37,065	89,775	84	89,859
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.	Adjusted Beginning Balance (I+II)		4,947	6,376	2	-	-	(544)	-	4,353	(5,470)	(3,148)	42,917	3,277	37,065	89,775	84	89,859
IV.	Total Comprehensive Income		-	-	-	-	-	(11)	-	1,572	(308)	(1,107)	-	-	22,202	22,348	26	22,374
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)	-	-	-	-	-	-	-	5	71	-	74	-	74
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	32,911	688	(37,065)	(3,466)	-	(3,466)
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(3,466)	-	(3,466)	-	(3,466)
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	32,911	(32,832)	(79)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	36,986	(36,986)	-	-	-
	Balances at end of the period (III+IV+.....+X+XI)	(5.2.12.)	7,995	6,376	-	-	-	(555)	-	5,925	(5,778)	(4,255)	72,785	4,036	22,202	108,731	110	108,841
I.	Current Period (01/01/2026 – 30/06/2026)																	
	Prior Period Ending Balance		7,995	6,376	-	-	-	(402)	-	6,516	(3,175)	(4,677)	72,797	4,028	46,633	136,091	334	136,425
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	6,376	-	-	-	(402)	-	6,516	(3,175)	(4,677)	72,797	4,028	46,633	136,091	334	136,425
IV.	Total Comprehensive Income		-	-	-	-	-	1	-	464	(2,486)	(315)	-	-	29,807	27,471	74	27,545
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	251	-	254	(13)	241
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	39,336	3,261	(46,633)	(4,036)	-	(4,036)
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(4,036)	-	(4,036)	-	(4,036)
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	39,336	(39,318)	(18)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	46,615	(46,615)	-	-	-
	Balances at End of the Period (III+IV+.....+X+XI)	(5.2.12.)	11,089	6,376	6	-	-	(401)	-	6,980	(5,661)	(4,992)	109,036	7,540	29,807	159,780	395	160,175

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 notes are an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
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6. CONSOLIDATED STATEMENT OF CASH FLOWS

		Notes	Reviewed Current Period	Reviewed Prior Period
			01.01.2026-30.06.2026	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		42,351	37,444
1.1.1	Profit Share Income Received		104,845	83,476
1.1.2	Profit Share Expense Paid		(58,029)	(50,408)
1.1.3	Dividends Received		13	5
1.1.4	Fees and Commissions Received		26,559	15,793
1.1.5	Other Income		16,623	11,838
1.1.6	Collections from Previously Written Off Loans		9,873	5,385
1.1.7	Payments to Personnel and Service Suppliers		(14,090)	(9,759)
1.1.8	Taxes Paid		(9,044)	(3,888)
1.1.9	Others		(34,399)	(14,998)
1.2	Changes in Assets and Liabilities from Banking Operations		(30,290)	(48,771)
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(50,927)	(69)
1.2.2	Net (Increase) Decrease in Due from Banks and Other Financial Institutions		(18,749)	(41,453)
1.2.3	Net (Increase) Decrease in Loans		(146,049)	(81,296)
1.2.4	Net (Increase) Decrease in Other Assets		21,106	(16,475)
1.2.5	Net Increase (Decrease) in Bank Participation Fund		1,186	3,071
1.2.6	Net Increase (Decrease) in Other Participation Fund		137,019	37,334
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		38,624	(106)
1.2.9	Net Increase (Decrease) in Due Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities		(12,500)	50,223
I.	Net Cash Provided from Banking Operations		12,061	(11,327)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from Investing Activities		(58,045)	(24,948)
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(90)	(23)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3	Fixed Assets Purchases		(1,300)	(2,452)
2.4	Fixed Assets Sales		345	481
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	Cash Paid for Purchase of Investment Securities		-	(1,086)
2.8	Cash Obtained from Sale of Investment Securities		47	-
2.9	Other		(2,341)	(1,384)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		(4,357)	3,462
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	14,500
3.2	Cash Used for Repayments of Funds Borrowed and Securities Issued		-	(7,350)
3.3	Equity Instruments Issued		-	-
3.4	Dividends Paid		(4,036)	(3,466)
3.5	Payments for Finance Leases		(321)	(222)
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		4,901	31,423
V.	Net Increase in Cash and Cash Equivalents		(45,440)	(1,389)
VI.	Cash and Cash Equivalents at the Beginning of the Period		260,369	148,500
VII.	Cash and Cash Equivalents at the End of the Period		214,929	147,111

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

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SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

1. Explanations on basis of presentation

1.1. The preparation of the consolidated 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 Parent 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 consolidated financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the Group 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 Group in the current year.

Comparative information is restated when deemed necessary in order to comply with the presentation of the current period financial statements.

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

The financial statements of the Group 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 Group’s financial statements for the interim accounting period ended 30 June 2026.

1.5 TFRS 3 explanations on business combinations standard

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Business combinations are accounted in accordance with TFRS 3 "Business Combinations" except for the assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

The interests of non-controlling shareholders in the acquire is initially measured at the non-controlling’s proportion of the fair value of the assets, liabilities and contingent liabilities recognized.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

- Explanations on the accounting policy applied due to the acquisition of Neova Katılım Sigorta A.Ş:

Following the necessary legal permissions on 5 May 2020, the Parent Bank finalized the purchase of Neova Katılım Sigorta A.Ş. by completing the share transfer process. The Parent Bank purchased 78,864,212 shares by paying TL 745,860 and increased the partnership share in Neova Katılım Sigorta A.Ş. from 7% to 100% by owning all the shares.

This acquisition has been evaluated as a merger of entities under common control and has been accounted for using the aggregation method (Pooling of interest). According to this method, the assets and liabilities of Neova Katılım Sigorta A.Ş. are included in the financial statements over the book values determined in accordance with TFRS at the merger date, and no goodwill has arisen in the financial statements as a result of the merger.

1.6 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.

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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 Parent 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 Parent 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. 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 (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 Group 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 Parent 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 Group 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 Parent Bank maintains this approach as of 30 June 2026. When 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 Group applies a ‘three-stage’ impairment model depending on the gradual increase in credit risk observed since initial recognition:

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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 Parent 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.

1.7 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.

1.8 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 Group reflects the existence of a lease obligation and a right of use to the financial statements at the date of initial application. The Group 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 Parent Bank. In addition, the Parent 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 42,301 in the balance sheet of the Parent Bank and lease liabilities classified in the item of liabilities from lease transactions amounting to gross TL 47,956. In the six-month period that ended as of the same date, financial expenses amounting to TL 785 and depreciation expenses amounting to TL 3,631 were incurred.

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

The Group 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 Parent Bank's exposure to liquidity risk, currency risk and credit risk while increasing profitability and strengthening the Parent 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.

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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 Group.

3. Investments in associates and subsidiaries

Consolidated and Financial Statements "Türkiye Accounting Standard for Consolidated Financial Statements" (TFRS 10) has been prepared in accordance with the provisions.

The Parent Bank and Neova Katılım Sigorta A.Ş. accounted for the mutual funds that Kuveyt Türk Portföy Yönetimi A.Ş., a subsidiary of the Parent Bank, is "the fund founder and that the Group controls according to the methods, procedures and principles stated in ("TFRS 10") "Turkish Financial Reporting Standard for Consolidated Financial Statements" are accounted as per full consolidation method.

Titles, locations of the headquarters, main operations and Group's shares relating the consolidated entities are as follows:

Title	Address (City/Country)	Main Operation	30.06.2026	31.12.2025	Consolidation method
KT Bank AG	Frankfurt/ Germany	Banking	100.00%	100.00%	Full consolidation
Neova Katılım Sigorta A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
KT Kira Sertifikaları Varlık Kiralama A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
KT Sukuk Varlık Kiralama A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	Financial Institution	74.00%	74.00%	Full consolidation
Katılım Emeklilik ve Hayat A.Ş.	İstanbul/Türkiye	Financial Institution	50.00%	50.00%	Accounted with equity pick-up
Kuveyt Türk Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Sağlam Ödeme ve Elektronik Para Hizmetleri A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Kuveyt Türk Yabancı Katılım Serbest Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Birinci Katılım Serbest (TL) Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Lonca Girişim Sermayesi Yatırım Fonu	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Neova Katılım Serbest Özel (TL) Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Abd Doları) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy NKS Katılım Serbest (TL) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy NKV Katılım Serbest (TL) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy KTYMD Kısa Vadeli Katılım Serbest Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation

Parent Bank and the subsidiaries, the financial tables of which are consolidated along with the Parent Bank, are collectively referred as "the Group."

Consolidation basis of subsidiaries

Subsidiaries are entities whose capital and management are directly or indirectly controlled by the Parent Bank. Subsidiaries are consolidated by the full consolidation method, within the framework of significance on the basis of operational outcomes, assets sizes and equity sizes. The financial statements of the relevant subsidiaries are included in the consolidated financial statements as of the date that control is transferred to Parent Bank.

Control denotes any of the following circumstances the Parent Bank directly or indirectly through subsidiaries has over 50% of the voting rights or, dominance over the voting rights as described afore does not exist but the Parent Bank owns the preferred shares, or; the Parent Bank has voting rights appropriating more than 50% percent of all voting rights due to the agreements signed with other shareholders, or; the Parent Bank has the authority to manage the operational and financial policies of the entity due to certain arrangements or agreements, or; the Parent Bank has the power to influence the majority of the votes within the Board of Directors or any other executive organ vested with similar rights, or; the Parent Bank by any means has the power to appoint or dismiss the majority of the Board of Directors.

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In accordance with the full consolidation, all of the assets, liabilities, income, expense and off-balance sheet liabilities of the subsidiaries are consolidated with the assets, liabilities, income, expense and off-balance sheet liabilities of the Parent Bank. The carrying value of the Group's investment in each subsidiary is offset with the cost value of the subsidiary's capital owned by the Group. Balances regarding the transactions between the subsidiaries in the scope of the consolidation and the unrealized gains/losses are reciprocally offset. Minority shares within the net income of the consolidated subsidiaries are determined provided that the net income of the Group shall be calculated, and these minority shares are presented as a separate item in the income statement. Minority shares are presented under the equity in the consolidated balance sheet.

In the case where the accounting policies implemented by the subsidiary are different than the Parent Bank, the accounting policies are reconciled.

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

The Group engages in foreign currency futures transactions in order to reduce foreign currency position risk and manage foreign currency liquidity. The Group'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 Group 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 Group'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 Parent 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 Parent Bank's financial position or performance. As of 30 June 2026, the Group 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 Group 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 Group calculates expense accrual in accordance with the unit value calculation method on profit/loss sharing accounts and reflects these amounts in "Participation Fund" account on the balance sheet.

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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 Group 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 Group 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 Group 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 Parent Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Parent 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 recognised at fair value and subsequently remeasured at fair value. Gains and losses arising from the valuation are recognised 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.

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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 Group 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 Parent 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.

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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 Group has repurchased agreement amounting to TL 43,437 (31 December 2025 – TL 47,524).

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. 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 Group’s that either has been disposed of or is classified as held for sale. Discontinued operations are presented separately in the income statement. The Group’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 Group 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.

There is no goodwill related to associates and subsidiaries.

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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 Group 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 Group 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 Group 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 Parent Bank's alternative borrowing profit rate. The Parent Bank recognizes right-of-use assets equal to the lease liability, adjusted for any prepaid or accrued lease payments.

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The right-of-use asset

The Group 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 Group 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 Group applies the depreciation liabilities in TAS 16 Tangible Fixed Assets while depreciating the right of use asset.

The Group 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 Group measures the leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Group'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 Group's borrowing profit share rate.

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

14. Explanations related to insurance technical provisions

TFRS 4 specifies that all contracts issued by insurance companies must be classified as insurance contracts or investment contracts. Contracts that carry a significant insurance risk are classified as insurance contracts. Insurance risk is defined as the risks that the party holding the insurance contract (insured) transfers to the insured party, other than the financial risk. Contracts that do not carry a significant insurance risk are classified as investment contracts. Investment contracts are accounted for within the framework of TAS 39 "Financial Instruments: Recognition and Measurement".

In the consolidated financial statements, insurance technical provisions consist of the provision for unearned premiums and the provision for outstanding compensation.

The provision for unearned premiums consists of the portion of accrued premiums for insurance contracts in force that are grossly deducted for the next accounting period or accounting periods on a daily basis, without any commission or other discount.

The provision for outstanding compensation is reserved for compensation amounts that have been accrued and determined on an account but have not actually been paid in previous accounting periods or current accounting periods, or, if this amount has not been calculated, for compensation amounts that have been realized but not reported with their estimated costs.

The actuarial chain ladder method is used to estimate the amount of reserves that should be allocated in the current period according to the damage data that have been realized in the past. The amount of compensation found as a result of the method is added to the amount of compensation for outstanding compensation or subtracted from the amount of compensation for outstanding compensation.

Reinsurance companies allocate provisions according to their participation shares based on the actual compensation amounts reported, accrued and determined by the companies.

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The insurance company affiliated to the Group pays premiums and risks in order to reduce its losses arising from the projected risks it is transferred as part of its operations. Insurance premiums transferred to reinsurers related to contracts that transfer significant insurance risks are expensed by spreading over the duration of the relevant policies in parallel with the accrual of insurance premium income arising from possible risks secured.

Variable costs directly related to insurance and reinsurance contracts, such as brokerage, commission, consortium expenses and other acquisition costs, are amortised in parallel with the recognition of premium earnings during the contract period.

15. Explanations related to insurance technical income and expenses

Premium income in insurance companies after deducting the shares transferred to reinsurers from the policy income issued consists of.

Expenses are recorded as the damages are realized, and at the end of the period, the reported and not yet paid damages and the provision for pending damages are allocated for the realized but not reported damages. The reinsurer's shares of outstanding and paid damages are clarified within these provisions.

16. 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 Group 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.

17. Explanations on liabilities relating to employee benefits

17.1 Defined benefit plans

In accordance with existing social legislation, the Group is required to make severance pay to each employee who has completed over one year of service with the group 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 Group is accounted all actuarial profit and loss under Statement of other Comprehensive Income.

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

17.2 Defined contribution plans

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

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

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18. 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, authorised 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

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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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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

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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.

19. 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 Group does not apply hedging techniques on related borrowings.

The Group has not issued convertible bonds.

20. Explanations on share certificates issued

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

21. 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.

22. Explanations on government grants

There are no government grants received by the Group.

23. Explanations on segment reporting

The Group 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.

24. Explanations on other matters

The Group has no disclosures on other matters.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

1. Explanations on consolidated 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 Group's total shareholders' equity is calculated as TL 174,720 (31 December 2025: TL 150,187), and the capital adequacy ratio is 17.86% (31 December 2025: 22.55%).

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 Parent Bank utilized this facility in its Capital Adequacy calculations dated 31 December 2025.

1.1 Explanations on the consolidated 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	6,376	6,376
Reserves	109,036	72,797
Gains recognized in equity as per Turkish Accounting Standards (TAS)	2,620	3,474
Profit	37,347	50,661
Current Period Profit	29,807	46,633
Prior Periods' Profit	7,540	4,028
Minority Shares	395	334
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	166,874	141,642
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	6,817	5,139
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	408	412
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	401	402
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	-	-

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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	-	-
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	14,615	9,988
Total Common Equity Tier I Capital	152,259	131,654
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)	152,259	131,654
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	5,581
Tier II Capital Before Deductions	22,609	20,590
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	20,590
Total Capital (The sum of Tier I Capital and Tier II Capital)	174,868	152,244

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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	2,037
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 Tier 1 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)	174,720	150,187
Total Risk Weighted Assets	978,352	666,123
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	15.56	19.76
Tier I Capital Ratio (%)	15.56	19.76
Capital Adequacy Ratio (%)	17.86	22.55
BUFFERS		
Total additional core capital requirement ratio	2.55	2.56
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific countercyclical buffer requirement (%)	0.05	0.06
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	9.56	13.76
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	5,581
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	6,295	5,581
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	-	-

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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 1 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

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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 Parent 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 Parent 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 Parent 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 Group 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 consolidated 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 consolidated currency risk

Foreign currency risk represents the Group'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 Group. 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 Parent 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 Group has an open position of TL 22,377 (31 December 2025 - TL 34,048 open) consisting of TL 17,053 off-balance sheet closed position (31 December 2025 - TL 32,415 closed) and TL 5,324 open position (31 December 2025 - TL 1,633 open).

The announced current foreign exchange buying rates of the Parent 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 Parent 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

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Consolidated currency risk of the Group

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. (**)	36,536	74,426	151,859	262,821
Banks (****)	12,390	34,942	47,975	95,307
Financial assets at fair value through profit and loss	3	8,614	14,847	23,464
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	13	55,694	-	55,707
Loans and finance lease receivables (*)	164,881	183,691	236	348,808
Subsidiaries, associates and joint ventures	-	-	-	-
Financial assets at amortized cost (*****)	1,082	29,298	-	30,380
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	446	3	-	449
Intangible assets	435	-	-	435
Other assets	629	2,232	1,093	3,954
Total Assets	216,415	388,900	216,010	821,325
Liabilities				
Banks participation fund	3,594	819	3,219	7,632
Participation fund FC (**)	94,354	137,663	375,054	607,071
Money market borrowings	-	1,333	-	1,333
Funds provided from other financial institutions	32,846	170,112	15,731	218,689
Marketable securities issued	-	-	-	-
Miscellaneous payables	1,044	2,171	1,086	4,301
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (****)	1,505	3,124	47	4,676
Total Liabilities	133,343	315,222	395,137	843,702
Net balance sheet position	83,072	73,678	(179,127)	(22,377)
Net off-balance sheet position	(82,357)	(80,387)	179,797	17,053
Financial derivative assets	11,606	104,298	219,410	335,314
Financial derivative liabilities	93,963	184,685	39,613	318,261
Non-cash loans (**)	20,808	56,271	6,223	83,302
Prior Period				
Total assets	198,835	336,129	221,771	756,735
Total liabilities	131,454	308,101	351,229	790,784
Net balance sheet position	67,381	28,028	(129,458)	(34,048)
Net off-balance sheet position	(69,415)	(29,575)	131,405	32,415
Financial derivative assets	9,354	86,518	190,754	286,626
Financial derivative liabilities	78,769	116,093	59,349	254,211
Non-cash loans (**)	16,385	35,999	8,282	60,666

(*) Includes foreign currency indexed loans amounting to TL 275 (31 December 2025 - TL 488) and expected loss provisions amounting to TL 5,164 (31 December 2025 - TL 4,133).

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

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

(****) Provision for impairment of marketable securities at fair value through profit or loss amounting to TL 12 in other liabilities is not included in foreign currency risk. It also includes provision for foreign currency indexed loans amounting to TL 76.

(*****) In the balance sheet, expected loss provisions amounting to TL 3 have been deducted from the Cash and Cash equivalents and Central Bank and Banks accounts.

(*****) Provisions are included in the related amounts.

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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 1,406)
- 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 buying transactions with value date: TL 26,331 (31 December 2025 – TL 26,369)
- Foreign exchange sales transactions with value date: TL 25,660 (31 December 2025 – TL 21,374)
- 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 Group is mainly exposed to foreign currency risk in EURO, USD and Gold.

The following table shows the Group'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%	(671)	(155)	(982)	(819)
Euro	10%	(72)	(203)	388	106
Gold	10%	1,775	2,312	1,775	2,312

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4. Explanations related to stock position risk

4.1 Relation of risks with gains accounted under equity and analysing 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 Group'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	729	-	729
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	8,214	-	-
Quoted Securities	-	-	-
Other	1,274	-	-
Quoted Securities	-	-	-
Prior Period		Comparison	
Equity Securities Investments	Carrying Value	Fair Value	Market Value
Securities at Fair Value Through Other Comprehensive Income	628	-	628
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	8,124	-	-
Quoted Securities	-	-	-
Other	794	-	-
Quoted Securities	-	-	-

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

None.

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5. Consolidated liquidity risk management and liquidity coverage ratio

The liquidity risk of the Parent Bank is the risk of being unable to fulfil 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 Parent 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 Parent Bank to maintain and maintain adequate liquidity levels under stress conditions.

5.1 Information on risk capacity of the Group, 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 Group'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 Parent Bank.

The Group 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 Group which insures its cash outflows with the high-quality liquid assets are deemed high. The Bank also has limits available for use at Central Bank of Türkiye and other financial institutions.

Indicators regarding the liquidity position are analysed 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 Group 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 Group. The Treasury Group 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.

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

The Group's liquidity management is performed by the Asset and Liability Management. Depending on the Parent 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 Group's funding strategy including the policies on funding types and variety of maturities

Group 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 Group's total liabilities

Almost all liabilities of the Group are denominated in Turkish Lira, US Dollar, Euro or Gold. The TL denominated liquidity of the Group 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 analyse 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 Group, related with the overall market or scenarios take in consideration both 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 favour 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.

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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			392,294	270,412
CASH OUTFLOWS					
2	Retail and small business customers, of which;	710,369	494,407	65,502	49,441
3	Stable deposits	110,699	-	5,535	-
4	Less stable deposits	599,670	494,407	59,967	49,441
5	Unsecured debts other than real person deposits and retail deposits	241,431	148,790	142,076	91,635
6	Operational deposit	-	-	-	-
7	Non-operational deposits	175,836	99,253	76,481	42,098
8	Other unsecured funding	65,595	49,537	65,595	49,537
9	Secured funding			-	-
10	Other cash outflows	323,191	261,666	323,191	261,666
11	Derivative liabilities and collateral fulfilment obligations	205,040	156,496	205,040	156,496
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	508,419	80,598	34,960	4,516
16	TOTAL CASH OUTFLOWS			565,729	407,258
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Unsecured lending	232,350	166,149	181,531	132,742
19	Other cash inflows	235,941	193,297	235,941	193,297
20	TOTAL CASH INFLOWS	468,291	359,446	417,472	326,039
				Upper Limit Applied Value	
21	TOTAL HQLA STOCK			392,294	270,412
22	TOTAL NET CASH OUTFLOWS			148,258	101,814
23	LIQUIDITY COVERAGE RATIO (%)			264.60	265.59

(*) 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.

Current Period

	Highest	Date	Lowest	Date
TL+FC	311.62	01/05/2026	186.76	05/05/2026
FC	307.53	30/06/2026	222.84	15/04/2026

The liquidity coverage rate is calculated by the proportion of high-quality liquid assets held by the Group 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.

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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		357,949	268,528
CASH OUTFLOWS				
2	Retail and small business customers, of which;	585,448	393,159	53,593
3	Stable deposits	99,045	-	4,952
4	Less stable deposits	486,403	393,159	48,641
5	Unsecured debts other than real person deposits and retail deposits	206,687	121,378	121,668
6	Operational deposit	-	-	-
7	Non-operational deposits	148,948	74,646	63,929
8	Other unsecured funding	57,739	46,732	57,739
9	Secured funding			-
10	Other cash outflows	317,358	286,702	317,358
11	Derivative liabilities and collateral fulfilment obligations	197,182	174,556	197,182
12	Obligations related to structured financial products	120,176	112,146	120,176
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	343,282	55,468	24,721
16	TOTAL CASH OUTFLOWS		517,340	407,224
CASH INFLOWS				
17	Secured lending	-	-	-
18	Unsecured lending	191,800	139,141	147,575
19	Other cash inflows	233,630	157,636	233,630
20	TOTAL CASH INFLOWS	425,430	296,777	381,205
			Upper Limit Applied Value	
21	TOTAL HQLA STOCK		357,949	268,528
22	TOTAL NET CASH OUTFLOWS		136,135	138,106
23	LIQUIDITY COVERAGE RATIO (%)		262.94	194.44

(*) 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.

Prior Period

	Highest	Date	Lowest	Date
TL+FC	302.54	24/10/2025	222.46	01/11/2025
FC	230.21	09/10/2025	171.09	05/11/2025

The liquidity coverage ratio is calculated by the ratio of the high-quality liquid assets of the Group 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 Central Bank of the Republic of Türkiye, 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.

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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	Undistributed (****)	Total
Assets								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Türkiye	166,133	166,843	-	-	-	-	(1)	332,975
Banks (*)	109,887	4	4	-	-	-	(3)	109,892
Financial assets at fair value through profit and loss	36,343	4	3,432	3,426	28,153	7	9,520	80,885
Money market placements	-	-	-	-	2,043	-	-	2,043
Financial assets at fair value through other comprehensive income	727	18,426	503	39,390	78,407	9,519	-	146,972
Loans (**)	-	211,577	99,847	268,606	179,972	16,217	(2,418)	773,801
Financial assets measured at amortised cost	-	-	13,520	25,858	14,124	9,318	(15)	62,805
Other assets (***)	3,228	17,793	2	-	6,526	-	58,092	85,641
Total Assets	316,318	414,647	117,308	337,280	309,225	35,061	65,175	1,595,014
Liabilities								
Banks participation fund	8,272	-	-	-	-	-	-	8,272
Other participation fund	611,091	314,074	45,885	38,861	3,604	43	-	1,013,558
Funds provided from other financial institutions	-	139,393	9,070	37,599	32,329	16,355	-	234,746
Money market borrowings	-	43,437	-	-	-	-	-	43,437
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	8,526	4,337	-	-	-	-	-	12,863
Other liabilities (****)	-	35,032	17,261	940	1,639	161	227,106	282,139
Total Liabilities	627,889	536,273	72,216	77,400	37,572	16,558	227,106	1,595,014
Net liquidity gap	(311,571)	(121,626)	45,092	259,880	271,653	18,503	(161,931)	-
Prior Period								
Total assets	327,237	401,929	103,698	258,589	286,548	29,452	44,608	1,452,061
Total liabilities	593,042	470,994	106,996	46,532	37,427	15,194	181,876	1,452,061
Net liquidity gap	(265,805)	(69,065)	(3,298)	212,057	249,121	14,258	(137,268)	-

(*) 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.

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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 Consolidated Net Stable Funding Ratio was 127.70% (31 December 2025 - 135.09%). As of 30 June 2026, the amount of available stable funds in the consolidated Net Stable Funding Table of our Bank is TL 1,199,752 (31 December 2025 - TL 1,079,416), while the required amount of stable funds is TL 939,501 (31 December 2025 - TL 799,061) and our Consolidated Net Stable Funding Ratio is 126.14% (31 December 2025 - 133.54%).

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

Period	Ratio
30/04/2026	125.64%
31/05/2026	125.07%
30/06/2026	127.70%
3 Months Average	126.14%

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 Longer than 1 Year	
Available Stable Fund						
1	Equity Items	189,071	-	-	-	189,071
2	Tier 1 and Tier 2 capital	189,071	-	-	-	189,071
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation fund	595,227	335,278	78,023	206	951,946
5	Stable deposit/participation fund	535,895	312,201	33,421	188	837,620
6	Low stable deposit/participation fund	59,332	23,077	44,602	18	114,326
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation fund	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	14,255	190,811	52,811	-	26,406

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12	Derivative liabilities				25,571	
13	Other equity items and liabilities not included above	113,464	-	-	32,329	32,329
14	Available Stable Fund					1,199,752
	Required Stable Funding					
15	High-quality liquid assets					5,672
16	Operational deposits/participation fund deposited with credit institutions or financial institutions	-	-	-	-	-
17	Performing loans and securities	43,580	223,301	235,273	368,937	562,084
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	209,028	235,273	259,293	459,273
21	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	107,538	69,899
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	31,185	3,880	-	2,106	31,348
25	Assets equivalent to interconnected liabilities					
26	Other assets	298,507	66,799	11,889	18,428	360,665
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	267,568	-	11,889	18,428	267,568
32	Off-balance sheet payables		221,597	-	-	11,080
33	Required Stable Funding					939,501
34	Net Stable Funding Ratio (%)					127,70

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

Period		Ratio				
31 October 2025		133.09%				
30 November 2025		132.43%				
31 December 2025		135.09%				
3 Months Average		133.54%				

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 Longer than 1 Year	
Available Stable Fund						
1	Equity Items	161,825	-	-	-	161,825
2	Tier 1 and Tier 2 capital	161,825	-	-	-	161,825
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation fund	549,257	322,506	54,444	269	874,298
5	Stable deposit/participation fund	493,608	297,086	18,424	260	768,909
6	Low stable deposit/participation fund	55,649	25,420	36,020	9	105,389
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation fund	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	35,174	207,404	18,517	-	9,258
12	Derivative liabilities		-			
13	Other equity items and liabilities not included above	115,182	-	-	34,035	34,035
14	Available Stable Fund					1,079,416
Required Stable Funding						
15	High-quality liquid assets					5,402
16	Operational deposits/participation fund deposited with credit institutions or financial institutions	-	-	-	-	-
17	Performing loans and securities	32,824	192,125	199,618	326,625	484,237
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

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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	199,432	226,518	398,754
21	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	99,450	64,642
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high-quality liquid assets	22,631	-	186	657	19,718
25	Assets equivalent to interconnected liabilities					
26	Other assets	231,803	72,817	355	11,818	300,783
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				16,418	16,418
30	Derivative liabilities before deduction of variation margin				56,399	56,399
31	Other assets not included above	206,225	-	355	11,818	206,225
32	Off-balance sheet payables		172,775	-	-	8,639
33	Required Stable Funding					799,061
34	Net Stable Funding Ratio (%)					135.09

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6. Explanations on consolidated leverage ratio

6.1 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.

		Current Period (***)	Prior Period (***)
1	Total asset amount in the consolidated financial statements prepared as per TAS (*) (**)	1,578,901	1,386,440
2	The difference between the total asset amount in the consolidated financial statements prepared as per TAS (*) and the asset amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks (**)	20,678	12,772
3	The difference between the derivative financial instruments and the loan derivatives amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	-	-
4	The difference between the financial transactions with securities or goods warranty amounts in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	53,476	52,347
5	The difference between the off-balance sheet transactions amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	-	-
6	Other differences between the amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	-	-
7	Total risk amount	2,157,280	1,785,491

(*) Other Differences between the Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts.

(**) Financial statements prepared in accordance with TAS as of 30 June 2026 for the current period and 31 December 2025 for the previous period have been used.

(***) The three-month average of the amounts in the table is taken.

On-balance sheet assets (*)		Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1,580,181	1,381,772
2	(Assets deducted in determining Tier I Capital)	(14,639)	(10,014)
3	Total on-balance sheet risks (sum of lines 1 and 2)	1,565,542	1,371,758
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	3,143	4,863
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)	7,993	6,711
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	583,745	407,021
11	(Adjustments for conversion to credit equivalent amounts)	-	-
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	583,745	407,021
Capital and total risks			
13	Tier I Capital	146,941	128,054
14	Total risks (sum of lines 3, 6, 9 and 12)	2,157,280	1,785,491
Leverage ratio			
15	Leverage ratio	6.80	7.17

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

As of the Group's consolidated 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 6.80% (31 December 2025 - 7.17%). 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 15% from profit for the period, while on-balance sheet risk increased by 14%, off-balance sheet items increased by 43%. Accordingly, there is a decrease of 37 basis points in the leverage ratio in the current period compared to the previous period.

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7. Explanations on consolidated 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).

10. Explanations on consolidated 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 Parent Bank is exposed. The Board of Directors is the owner of the Parent 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 Parent Bank's Risk Management System is to identify, measure, monitor and control the risks that the Parent 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 Parent Bank's future cash flows and the level & the quality of related activities.

10.1. 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)	697,671	489,506	55,814
2	Standardised approach	697,671	489,506	55,814
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2,617	6,838	209
5	Standardised approach for counterparty credit risk	2,617	6,838	209
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	114,691	61,812	9,175
17	SA/simplified supervisory formula approach	114,691	61,812	9,175
18	Market risk	-	-	-
19	Operational risk	163,373	107,967	13,070
20	Basic indicator approach	163,373	107,967	13,070
21	Standardised 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)	978,352	666,123	78,268

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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	23,464	781,334	16,312	788,486
2	Debt Securities	-	216,949	7,157	209,792
3	Off-Balance Sheet Receivables (*)	1,362	589,954	224	591,092
4	Total	24,826	1,588,237	23,693	1,589,370

(*) Rediscouts 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	13,369	682,793	9,678	686,484
2	Debt Securities	-	198,576	5,798	192,778
3	Off-Balance Sheet Receivables (*)	1,074	432,792	240	433,626
4	Total	14,443	1,314,161	15,716	1,312,888

(*) Rediscouts 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	13,369	7,589
2	Loans and debt instruments that have defaulted since the last reporting period	21,390	18,947
3	Receivables that have not become delinquent again	-	-
4	Written-off amounts	1,422	5,276
5	Other changes	(9,873)	(7,891)
6	Amount of defaulted loans and debt instruments at the end of the reporting period (1+2-3-4±5)	23,464	13,369

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	512,285	260,771	20,194	15,430	13,099	-	-
2	Debt instruments	209,792	-	-	-	-	-	-
3	Total	722,077	260,771	20,194	15,430	13,099	-	-
4	Defaulted	3,303	3,843	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	434,495	236,966	18,794	15,023	12,750	-	-
2	Debt instruments	192,778	-	-	-	-	-	-
3	Total	627,273	236,966	18,794	15,023	12,750	-	-
4	Defaulted	1,460	2,214	22	17	13	-	-

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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	485,933	-	499,031	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	1,082	-	1,082	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	152,367	71,042	152,367	5,675	44,257	28
7	Receivables from corporate	287,761	153,305	274,680	64,255	323,195	95
8	Retail receivables	194,663	324,017	194,663	31,972	166,799	74
9	Receivables secured by residential property	57,247	10,717	57,243	5,049	21,497	35
10	Receivables secured by commercial property	97,596	31,988	97,587	15,953	78,179	69
11	Non-performing receivables	4,870	-	4,867	-	3,086	63
12	Receivables in high-risk categories	618	-	618	-	927	150
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	89,482	-	89,482	-	47,763	53
17	Stock investments	(3,302)	15,271	(3,303)	15,271	11,968	100
18	Total	1,368,317	606,340	1,368,317	138,175	697,671	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	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments and Central Banks	380,347	-	389,526	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	706	-	706	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	94,121	42,437	94,121	3,813	22,921	23
7	Receivables from corporate	194,984	96,467	185,839	39,294	219,115	97
8	Retail receivables	142,664	225,933	142,660	25,895	123,511	73
9	Receivables secured by residential property	50,447	9,353	50,441	4,421	18,857	34
10	Receivables secured by commercial property	77,102	26,947	77,091	13,176	60,320	67
11	Non-performing receivables	2,416	-	2,403	-	1,333	55
12	Receivables in high-risk categories	70	-	70	-	105	150
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	57,604	1	57,604	1	32,413	56
17	Stock investments	(2,449)	13,382	(2,449)	13,381	10,931	100
18	Total	998,012	414,520	998,012	99,981	489,506	45

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10.2.4. 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	499,031	-	-	-	-	-	-	-	-	-	499,031
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	1,082	-	-	-	-	-	-	-	-	-	1,082
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1,137	-	131,567	-	14,787	-	10,551	-	-	-	158,042
7	Receivables from corporate	3,269	-	15,292	-	11,054	-	298,742	10,578	-	-	338,935
8	Retail receivables	2,622	-	2,200	-	-	221,813	-	-	-	-	226,635
9	Receivables secured by residential property	638	-	548	-	-	-	-	-	-	61,106	62,292
10	Receivables secured by commercial property	1,163	-	1,236	-	66,418	-	44,723	-	-	-	113,540
11	Non-performing receivables	14	-	13	-	3,513	-	1,327	-	-	-	4,867
12	Receivables in high-risk categories	-	-	-	-	-	-	-	618	-	-	618
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	11,968	-	-	-	11,968
17	Other Receivables	41,719	-	-	-	-	-	47,763	-	-	-	89,482
18	Total	550,675	-	150,856	-	95,772	221,813	415,074	11,196	-	61,106	1,506,492

* 35% Risk Weight is classified under Others.

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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	389,526	-	-	-	-	-	-	-	-	-	389,526
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	706	-	-	-	-	-	-	-	-	-	706
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1,490	-	86,492	-	8,659	-	1,293	-	-	-	97,934
7	Receivables from corporate	3,440	-	3,223	-	-	-	218,470	-	-	-	225,133
8	Retail receivables	2,717	-	1,578	-	-	164,260	-	-	-	-	168,555
9	Receivables secured by residential property	770	-	502	-	-	-	-	-	-	53,590	54,862
10	Receivables secured by commercial property	1,308	-	1,073	-	55,561	-	32,325	-	-	-	90,267
11	Non-performing receivables	8	-	13	-	2,103	-	279	-	-	-	2,403
12	Receivables in high-risk categories	-	-	-	-	-	-	-	70	-	-	70
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	10,932	-	-	-	10,932
17	Other Receivables	25,192	-	-	-	-	-	32,413	-	-	-	57,605
18	Total	425,157	-	92,881	-	66,323	164,260	295,712	70	-	53,590	1,097,993

* 35% Risk Weight is classified under Others.

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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)*	1,754	3,619		1.4	7,522	2,448
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						2,448

* 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)*	6,504	2,027		1.4	11,944	6,648
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						6,648

* 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 weighted amounts	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts
Total portfolios subject to the Advanced CVA capital obligation				
1 (i) VaR component (including the 3*multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3xmultiplier)	-	-	-	-
3 All portfolios subject to the Standardized CVA capital obligation	7,522	164	11,944	141
4 Total subject to the CVA capital obligation	7,522	164	11,944	141

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10.3.3 Standard approach – CCR exposures by risk class and risk weights

Current Period – Risk Classes / Risk Weights *		0%	10%	20%	25%	50%	75%	100%	150%	200%	Others***	Total credit risk*
1	Receivables from central governments and Central Banks	45,869	-	-	-	-	-	-	-	-	-	-
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	-	-	5,775	-	148	-	711	-	-	-	1,940
7	Receivables from corporate	-	-	101	-	15	-	413	-	-	-	441
8	Retail receivables	-	-	-	-	-	90	-	-	-	-	67
9	Other Asset**	-	-	-	-	-	-	-	-	-	-	-
10	Total	45,869	-	5,876	-	164	90	1,124	-	-	-	2,448

* Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

** Other assets: Includes amounts that are not included in the counterparty credit risk reported in template KKR8.

*** 35% Risk Weight is classified in Others.

Prior Period – Risk Classes / Risk Weights *		0%	10%	20%	25%	50%	75%	100%	150%	200%	Others***	Total credit risk*
1	Receivables from central governments and Central Banks	62,260	-	-	-	-	-	-	-	-	-	-
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	-	-	5,978	-	255	-	4,945	-	-	-	6,268
7	Receivables from corporate	-	-	-	-	-	-	345	-	-	-	345
8	Retail receivables	-	-	-	-	-	46	-	-	-	-	35
9	Other Asset**	-	-	-	-	-	-	-	-	-	-	-
10	Total	62,260	-	5,978	-	255	46	5,290	-	-	-	6,648

* Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

** Other assets: Includes amounts that are not included in the counterparty credit risk reported in template KKR8.

*** 35% Risk Weight is classified in Others.

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

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13. Qualitative explanations on market risk

13.1. Risk exposures under the standardised approach

		Risk Weighted Amounts	
		Current Period	Prior Period
	Outright products	114,691	61,812
1	Profit share rate risk (general and specific)	35,262	13,942
2	Equity risk (general and specific)	5,621	4,135
3	Foreign exchange risk	33,628	14,494
4	Commodity risk	40,180	29,241
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	114,691	61,812

14. Explanations on consolidated operating segments

The Parent 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 Parent 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 Parent Bank, investment banking also supplies syndicated loans in corporate basis for the firms and groups 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 Parent 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.

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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	Group's total operation
Operating income	80,345	44,375	29,852	-	154,572
Operating expenses (-)	52,075	15,653	16,539	32,808	117,075
Transfers between segments	31,278	(26,404)	(4,874)	-	-
Net operating income / loss	59,547	2,318	8,440	(32,808)	37,497
Income from associates using equity method	-	-	-	216	216
Profit before tax	59,547	2,318	8,440	(32,592)	37,713
Provision for taxation (-)	-	-	-	7,832	7,832
Net profit for the period	59,547	2,318	8,440	(40,424)	29,881
Current Period 30 June 2026					
Segment assets	288,191	499,457	727,376	-	1,515,024
Associates, subsidiaries and joint ventures	-	-	-	9,488	9,488
Undistributed assets	-	-	-	70,503	70,503
Total assets	288,191	499,457	727,376	79,990	1,595,014
Segment liabilities	799,599	265,667	266,595	-	1,331,861
Undistributed liabilities	-	-	-	102,978	102,978
Shareholders' equity	-	-	-	160,175	160,175
Total liabilities	799,599	265,667	266,595	263,153	1,595,014
Prior Period 1 January 2025 - 30 June 2025					
Operating income	63,083	41,130	14,662	-	118,875
Operating expenses (-)	32,264	17,970	14,464	25,002	89,700
Transfers between segments	33,829	(18,669)	(15,160)	-	-
Net operating income / loss	64,648	4,491	(14,962)	(25,002)	29,175
Income from associates using equity method	-	-	-	139	139
Profit before tax	64,648	4,491	(14,962)	(24,863)	29,314
Provision for taxation (-)	-	-	-	7,086	7,086
Net profit for the period	64,648	4,491	(14,962)	(31,949)	22,228
Prior Period 31 December 2025					
Segment assets	251,876	440,743	693,108	-	1,385,727
Associates, subsidiaries and joint ventures	-	-	-	9,182	9,182
Undistributed assets	-	-	-	57,153	57,153
Total assets	251,876	440,743	693,108	66,334	1,452,061
Prior Period 31 December 2025					
Segment liabilities	745,778	236,255	225,037	-	1,207,070
Undistributed liabilities	-	-	-	108,566	108,566
Shareholders' equity	-	-	-	136,425	136,425
Total liabilities	745,778	236,255	225,037	244,991	1,452,061

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SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Explanations and notes related to consolidated assets

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/foreign currency	3,541	15,565	4,578	20,379
The Central Bank of Republic of Türkiye	65,971	216,961	86,855	219,347
Other (*)	642	30,296	13	25,564
Total	70,154	262,822	91,446	265,290

(*) As of 30 June 2026, precious metal deposit account amounting to TL 29,217 (31 December 2025 - TL 25,564) and cash in transit account amounting to TL 1,721 (31 December 2025 - TL 13) are shown here.

1.1.2 Balances with the Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	32,493	50,118	54,484	70,032
Restricted Time Deposit	-	-	-	-
Unrestricted Time Deposit	33,478	166,843	32,371	149,315
Total	65,971	216,961	86,855	219,347

1.1.3 Explanations on required reserves

The Parent Bank establishes reserve requirements for Turkish Lira and foreign currency liabilities at the Central Bank of the Republic of Türkiye (CBRT) in accordance with the CBRT's "Communiqué No: 2013/15 on Reserve Requirements". Reserve deposits can be held at the CBRT in Turkish Lira, US Dollars 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). The amount given as collateral and blocked is TL 5,607 (31 December 2025 - TL 2,803).

Positive differences related to marketable derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Futures transactions	241	169	112	279
Swap transactions	704	1,376	721	18,156
Total	945	1,545	833	18,435

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1.3 Information on Banks

1.3.1. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	14,586	95,309	17,391	76,952
Domestic	14,586	1,262	17,391	1,012
Foreign	-	94,047	-	75,940
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	14,586	95,309	17,391	76,952

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	153,400	137,513
Quoted on stock exchange	153,400	137,513
Not quoted on stock exchange	-	-
Share certificates/Investment Funds	729	687
Quoted on stock exchange	587	546
Not quoted on stock exchange	142	141
Impairment provision (-)	7,157	5,798
Total	146,972	132,402

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 66,524 (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 32,152) 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 Group

	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

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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	638,669	50,319	9,936	-
Export Loans	98,504	2,335	-	-
Import Loans	13,214	627	-	-
Corporation Loans	282,399	29,468	6,780	-
Consumer Loans	49,572	1,988	70	-
Credit Cards	122,049	14,742	733	-
Loans given to financial sector	12,508	-	-	-
Other	60,423	1,159	2,353	-
Other Receivables	64	161	-	-
Total	638,733	50,480	9,936	-

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
Loans	559,471	38,967	7,882	-
Export Loans	82,366	1,779	-	-
Import Loans	17,070	628	-	-
Corporation Loans	264,367	24,156	5,271	-
Consumer Loans	43,046	1,555	8	-
Credit Cards	84,483	9,914	538	-
Loans given to financial sector	8,679	-	-	-
Other	59,460	935	2,065	-
Other Receivables	13	231	-	-
Total	559,484	39,198	7,882	-

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

	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
	Current Period	Current Period	Prior Period	Prior Period
12 Month Expected Credit Losses	2,894	-	2,656	-
Expected Loss Provision for Other Financial Assets Measured at Amortized Cost	16	-	25	-
Significant Increase in Credit Risk	-	5,959	-	5,427
Total	2,910	5,959	2,681	5,427

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.

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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	32,264	36,088
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	321	329
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC Indexed	463	14,713	15,176
Housing Loans	393	12,614	13,006
Vehicle Loans	52	1,369	1,422
Consumer Loans	18	730	748
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	10	34	44
With Instalment	-	34	34
Without Instalment	10	-	10
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-TL	-	-	-
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	63,321	47,227	110,548

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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	5,193
Consumer Loans	1,523	1,082	2,605
Other	7	359	366
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	521	12,025	12,546
Housing Loans	474	10,423	10,897
Vehicle Loans	39	1,187	1,226
Consumer Loans	8	415	423
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	10	19	29
With Instalment	-	19	19
Without Instalment	10	-	10
Personnel Loans-TL	162	162	324
Housing Loans	1	20	21
Vehicle Loans	29	58	87
Consumer Loans	132	84	216
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	254	-	254
With Instalment	87	-	87
Without Instalment	167	-	167
Personnel Credit Cards-FC	-	-	-
With Instalment	-	-	-
Without-instalment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	41,675	40,613	82,288

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1.5.5 Information on commercial instalment loans and corporate credit cards

Current Period	Short-term	Medium and long-term	Total
Commercial Instalment 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 Instalment Loans-FC Indexed	2	39	41
Business Loans	2	-	2
Vehicle Loans	-	-	-
Consumer Loans	-	39	39
Other	-	-	-
Commercial Instalment Loans-FC	13,120	31,961	45,081
Business Loans	2,224	4,790	7,014
Vehicle Loans	217	16,891	17,108
Consumer Loans	-	-	-
Other	10,679	10,280	20,959
Corporate Credit Cards-TL	78,587	-	78,587
With Instalment	32,988	-	32,988
Without Instalment	45,599	-	45,599
Corporate Credit Cards-FC	18	1	19
With Instalment	-	-	-
Without Instalment	18	1	19
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	98,455	121,867	220,322

Prior Period	Short-term	Medium and long-term	Total
Commercial Instalment 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 Instalment Loans-FC Indexed	13	74	87
Business Loans	13	-	13
Vehicle Loans	-	-	-
Consumer Loans	-	74	74
Other	-	-	-
Commercial Instalment Loans-FC	12,672	29,387	42,059
Business Loans	993	4,430	5,422
Vehicle Loans	251	15,272	15,524
Consumer Loans	-	-	-
Other	11,428	9,685	21,113
Corporate Credit Cards-TL	57,231	-	57,231
With Instalment	21,381	-	21,381
Without Instalment	35,850	-	35,850
Corporate Credit Cards-FC	7	18	25
With Instalment	-	-	-
Without Instalment	7	18	25
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	76,922	108,114	185,036

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1.5.6. Breakdown of loans by users

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1.5.7 Breakdown of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	636,723	554,132
Foreign loans	62,426	52,432
Total	699,149	606,564

1.5.8 Loans granted to subsidiaries and associates

	Current Period	Prior Period
Loans granted directly to subsidiaries and associates	16	-
Loans granted indirectly to subsidiaries and associates	-	-
Total	16	-

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

	Current Period	Prior Period
Loans and receivables with limited collectability	3,833	1,360
Loans and receivables with doubtful collectability	4,120	3,179
Uncollectible loans and receivables	8,359	5,139
Total	16,312	9,678

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 Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V 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

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

	Group III	Group IV	Group V
	Loans and	Loans and	
	receivables with	receivables with	
	limited	doubtful	
Current Period	collectability	collectability	Uncollectible
			loans and
			receivables
Ending balance of prior period 31.12.2025	2,477	4,680	6,212
Additions in the current period (+)	7,560	6,065	7,765
Transfers from other categories of non-performing loans (+)	-	853	1,333
Transfers to other categories of non-performing loans (-)	853	1,333	-
Collections in the current period (-)	919	4,126	4,828
Write offs (-) (*)	-	-	1,422
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	8,265	6,139	9,060
Specific provisions (-)	3,833	4,120	8,359
Net balances on balance sheet	4,432	2,019	701

(*) 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 17 basis points on the defaulted conversion rate.

	Group III	Group IV	Group V
	Loans and	Loans and	
	receivables with	receivables with	
	limited	doubtful	
Prior Period	collectability	collectability	Uncollectible
			loans and
			receivables
Ending balance of prior period 31.12.2024	1,728	1,685	4,176
Additions in the current period (+)	3,612	4,385	10,950
Transfers from other categories of non-performing loans (+)	-	1,417	1,072
Transfers to other categories of non-performing loans (-)	1,417	1,072	-
Collections in the current period (-)	1,446	1,735	4,710
Write offs (-) (*)	-	-	5,276
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	2,477	4,680	6,212
Specific provisions (-)	1,360	3,179	5,139
Net balances on balance sheet	1,117	1,501	1,073

(*) In 2025, the Parent Bank has written off TL 5,276 of its receivables from its assets. As a result of this transaction, there was an effect of 74 basis points on the defaulted conversion rate.

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	876	1,002	1,806
Provision amount (-)	320	575	1,386
Net balance at the balance sheet	556	427	420
Prior Period			
Ending balance of the current period	244	802	836
Provision amount (-)	137	503	614
Net balance at the balance sheet	107	299	222

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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)	4,432	2,019	701
Loans granted to real persons and legal entities (Gross)	8,265	6,139	9,060
Specific provision (-)	3,833	4,120	8,359
Loans to real persons and legal entities (Net)	4,432	2,019	701
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
Prior Period (Net)	1,117	1,501	1,073
Loans to real persons and legal entities (Gross)	2,477	4,680	6,212
Specific provision (-)	1,360	3,179	5,139
Loans to real persons and legal entities (Net)	1,117	1,501	1,073
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

The Parent 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

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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
The Parent Bank	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
The Parent Bank	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

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

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	62,820	60,376
Quoted on a Stock Exchange	62,820	60,376
Not Quoted	-	-
Total	62,820	60,376

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

	Current Period	Prior Period
Opening Balance	60,376	58,614
Foreign Exchange Gain/Loss	2,361	5,862
Purchases During the Year	-	1,722
Disposals Through Sales and Redemptions	47	7,769
Transfers	-	1,791
Income Accrual and Rediscounts	130	156
Total	62,820	60,376

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 shares amounting to TL 563.9 (31 December 2025 – TL 530) and other shares amounting to TL 24.4 (31 December 2025 – TL 16) are classified as financial assets at fair value through other comprehensive income since the share percentages in these partnerships are below 10% and the Parent 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 Parent 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 Architech 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.

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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	Architect Bilgi 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 Ödeme ve Elektronik Para Hizmetleri A.Ş.	İstanbul/Türkiye	100	100
11	KT Sağlam Gayrimenkul A.Ş.	İstanbul/Türkiye	100	100

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	0	0	(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, and there is no capital deficiency on 30 June 2026 (31 December 2025: None).

Information on the investment funds that were consolidated according to the full consolidation method with the Parent Bank as of 30 June 2026

	Title	The Parent Bank's share ratio (%)	Group's share ratio (%)	Net Asset Value
1	KT Portföy Kuveyt Türk Yabancı Katılım Serbest Özel Fon	100	100	47
2	KT Portföy Birinci Katılım Serbest (TL) Fon	100	100	23,292
3	KT Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon	100	100	4
4	KT Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu	100	100	700
5	KT Portföy Lonca Girişim Sermayesi Yatırım Fonu	100	100	395
6	KT Portföy Neova Katılım Serbest Özel (TL) Fon	-	100	734
7	KT Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu	-	100	15
8	KT Portföy NKS Katılım Serbest (TL) Özel Fon	-	100	4,780
9	KT Portföy Birinci Katılım Serbest (Döviz-Abd Doları) Özel Fon	-	100	48
10	Kuveyt Türk Portföy NKV Kısa Vadeli Katılım Serbest Özel Fon	-	100	14,207
11	Kuveyt Türk Portföy KTYMD Kısa Vadeli Katılım Serbest Özel Fon	-	100	659

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Movement regarding the subsidiaries

	Current Period	Prior Period
Balance at the beginning of the year	8,124	124
Movements during the year	90	8,000
Purchases (*)	90	8,000
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	8,214	8,124
Capital commitments	-	-
Share percentage at the end of the year (%)	-	-

(*) 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). (The Parent Bank established the subsidiary KT Sağlam Gayrimenkul A.Ş with a capital of TL 8,000,000,000 (full amount) on 24 February 2025.)

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

Consolidated subsidiaries listed 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 Parent Bank's equity of KT Bank AG, the bank's 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. The Parent 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.

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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	50,725	40,109	47,830	37,587
1 to 4 years	38,329	34,798	34,153	31,727
More than 4 years	1,497	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
Unearned finance lease income (-)	-	-
Net Leasing Investment	76,354	70,588

1.10.3 Information on finance lease contracts

The Parent 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 Parent Bank gives the customer the option to buy the related property. According to the Financial Lease Law, if a customer does not fulfil its obligations until 60 days, the Parent Bank sends a notice to the customer and the Parent 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).

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2025 – None).

1.12. Information on tangible asset

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1.13. Information on tangible asset

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.

1.14. Explanations on investment properties

	Current Period	Prior Period
Opening Balance	229	317
Additions	274	11
Disposals (-), Net	4	99
Amortization Cost (-)	-	-
Closing Net Book Value	499	229

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1.15 Information on deferred tax asset

As of 30 June 2026, deferred tax is offset as TL 6,527 in the balance sheet (31 December 2025 – TL 1,263). The deferred tax asset is TL 8,751 (31 December 2025 – TL 7,866) and the deferred tax liability is TL 2,224 (31 December 2025 – TL 6,603).

	Current Period	Prior Period
TFRS 9 Provisions	1,871	1,640
Property, Plant and Equipment Valuation Differences	3,062	2,634
Employee Rights Liability	1,133	1,179
Deferred Income	902	755
Employment Termination Benefit Liability	593	497
Derivative Financial Instruments Rediscounts	(472)	(4,934)
Precious metal valuation differences	166	(876)
Securities Valuation Difference	(1,622)	(427)
Provision for litigation and late payment penalties	495	547
Transferred Financial Losses (*)	408	412
Other	(9)	(164)
Net Deferred Tax Asset	6,527	1,263

(*) The Group has recognised deferred tax assets amounting to TL 408 (31 December 2025 - TL 412) since it is expected that sufficient taxable income will be available to offset tax losses in the coming periods.

Table of deferred tax asset movement

	Current Period	Prior Period
As of 1 January	1,263	8,457
Deferred tax (expense)/income	4,025	(6,897)
Deferred tax accounted under equity	1,201	(385)
Other	38	88
Deferred tax asset	6,527	1,263

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 Asset	-	-
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 Group's other assets amount to TL 46,240 (31 December 2025 – TL 41,740). Other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

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2. Explanations and Notes Related to Consolidated 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	Accumulated profit sharing accounts	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	55,562	-	-	-	-	-	-	-	55,562
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	640	-	-	-	-	-	-	-	640
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	550	-	-	-	-	-	-	-	550
Participation banks	1	-	-	-	-	-	-	-	1
Other	89	-	-	-	-	-	-	-	89
IV. Profit sharing accounts-TL	-	52,402	13,054	6,527	-	26,586	426	-	98,995
Public sector	-	849	19	-	-	2,880	-	-	3,748
Commercial sector	-	50,102	11,115	6,477	-	23,230	422	-	91,346
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	118,015	-	-	-	-	-	-	-	118,015
VI. Real persons profit sharing accounts-FC	-	15,831	22,331	2,388	-	10,729	4,954	43	56,276
VII. Another current accounts-FC	64,531	-	-	-	-	-	-	-	64,531
Commercial residents in Türkiye	47,863	-	-	-	-	-	-	-	47,863
Commercial residents in Abroad	12,391	-	-	-	-	-	-	-	12,391
Banks and participation banks	4,277	-	-	-	-	-	-	-	4,277
Central Bank of Republic of Türkiye	1,131	-	-	-	-	-	-	-	1,131
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	3,139	-	-	-	-	-	-	-	3,139
Participation banks	7	-	-	-	-	-	-	-	7
Other	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	1,615	2,827	1,025	-	896	271	1	6,635
Public sector	-	-	10	-	-	-	-	-	10
Commercial sector	-	1,315	1,007	39	-	277	58	1	2,697
Other institutions	-	27	1,760	986	-	619	213	-	3,605
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 (**)	619,363	170,267	164,779	15,254	-	44,309	7,792	66	1,021,830

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

(**) 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).

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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	52,348	-	-	-	-	-	-	-	52,348
Public sector	4,254	-	-	-	-	-	-	-	4,254
Commercial sector	46,957	-	-	-	-	-	-	-	46,957
Other institutions	949	-	-	-	-	-	-	-	949
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	188	-	-	-	-	-	-	-	188
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	184	-	-	-	-	-	-	-	184
Participation banks	4	-	-	-	-	-	-	-	4
Other	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	8,547	52,276	401	-	21,092	194	-	82,510
Public sector	-	345	114	-	-	2,426	-	-	2,885
Commercial sector	-	7,424	50,645	345	-	18,528	193	-	77,135
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	121,314	-	-	-	-	-	-	-	121,314
VI. Real persons profit sharing accounts-FC	-	16,539	21,543	2,991	-	10,650	3,703	40	55,466
VII. Another current accounts-FC	64,320	-	-	-	-	-	-	-	64,320
Commercial residents in Türkiye	49,925	-	-	-	-	-	-	-	49,925
Commercial residents in Abroad	10,852	-	-	-	-	-	-	-	10,852
Banks and participation banks	3,543	-	-	-	-	-	-	-	3,543
Central Bank of Republic of Türkiye	685	-	-	-	-	-	-	-	685
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	2,852	-	-	-	-	-	-	-	2,852
Participation banks	6	-	-	-	-	-	-	-	6
Other	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	1,900	2,660	769	-	886	242	1	6,458
Public sector	-	-	17	-	-	-	-	-	17
Commercial sector	-	1,542	949	37	-	214	30	1	2,773
Other institutions	-	21	1,585	732	-	672	212	-	3,222
Commercial and other institutions	-	337	109	-	-	-	-	-	446
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	-	86	1,560	-	-	-	-	-	1,646
XIV. Profit sharing accounts investment agency pools -FC	-	-	-	-	-	-	-	-	-
XV. Profit sharing accounts investment agency pools - precious metal funds -FC	-	-	-	-	-	-	-	-	-
Total	570,343	100,987	206,768	10,093	-	38,617	7,638	63	934,509

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

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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 Parent Bank's 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 Parent 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 Parent 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	-	-

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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	186	37	185	165
Swap transactions	736	27,102	1,257	1,241
Total	922	27,139	1,442	1,406

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	16,057	124,338	13,517	123,756
From Foreign Banks, Institutions and Funds	-	77,996	-	59,941
Total	16,057	202,334	13,517	183,697

2.3.2 Presentation of loans received according to the remaining maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	15,893	170,169	13,204	149,974
Medium and Long-Term	164	32,165	313	33,723
Total	16,057	202,334	13,517	183,697

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

A large part of the loans received by the Parent Bank consists of foreign currency loans. There is no risk concentration of the Parent Bank's current and profit-sharing accounts.

2.4. Information on securities issued

None.

Current Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	-	-	-	-
Remaining Income Distribution	-	-	-	-
Book Value	-	-	-	-
Prior Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	101	-	-	-
Remaining Income Distribution	-	-	-	-
Book Value	101	-	-	-

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2.5. Information on other liabilities and miscellaneous payables

As of 30 June 2026, other liabilities amount to TL 33,742 (31 December 2025 – TL 43,170), sundry creditors amount to TL 12,863 (31 December 2025 – TL 26,473). These items are included under “Other Liabilities” in the balance sheet and do not exceed 10% of the total.

2.6 Information on finance lease payables (net)

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	107	187	96	102
1 to 4 years	405	489	550	517
More than 4 years	4,773	3,111	3,663	2,234
Total	5,285	3,787	4,309	2,853

The Group 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 uses a revised discount rate reflecting changes in the profit share rate.

2.6.1. Explanations on contract changes and the new obligations these changes bring to the Group

None (31 December 2025 – None).

2.6.1.1. Explanations on financial leasing obligations

None (31 December 2025 – None).

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

2.7 Information on hedging derivative financial liabilities

None (31 December 2025 – None).

2.8 Information on provisions

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

None.

2.8.2 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 (*)	2,588	2,630
Total	4,461	4,120

(*) The other item mainly consists of litigation provision amounting to TL 490 (31 December 2025 - TL 622), expense provision amounting to TL 6 (31 December 2025 - TL 6) and other provisions amounting to TL 1,141 (31 December 2025 - TL 1,183).

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2.8.3 Information on provisions for employee benefits

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 1,988 (31 December 2025 – TL 1,663), vacation pay liability amounting to TL 523 (31 December 2025 – TL 74), performance premium amounting to TL 1,433 (31 December 2025 – TL 2,360), 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 168 (31 December 2025 – TL 179).

Under the Turkish Labor Law, the Parent 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 Parent 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 beginning of the period	1,663	1,466
Provisions recognized during the period	374	459
Paid during the period	(48)	(60)
Actuarial loss	(1)	(202)
Balances at the end of the period	1,988	1,663

2.9 Explanations on tax liability

2.9.1 Explanations on current tax liability

2.9.1.1 Information on tax provisions

As of the balance sheet date, the Group has corporate tax liability amounting to TL 12,223 (31 December 2025: TL 9,174) and prepaid tax amounting to TL 6,749 (31 December 2025: TL 7,416). The Bank has presented the corporate tax liability and prepaid tax as net in the financial statements.

2.9.1.2 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	272
Other	21	20
Total	3,902	3,471

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2.9.1.3 Information on premiums (*)

	Current Period	Prior Period
Social Insurance Premiums-Employee	164	126
Social Insurance Premiums-Employer	230	150
Unemployment insurance-Employee	12	9
Unemployment insurance-Employer	24	19
Other	5	-
Total	435	304

(*) Included in Other Liabilities/Various Debts in the Balance Sheet.

2.9.1.4 Information on deferred tax liability

Within the scope of the relevant regulations, as of 30 June 2026, the deferred tax was netted as TL 6,527 (31 December 2025 – TL 1,263) in the balance sheet. The deferred tax asset was calculated as TL 8,751 (31 December 2025 – TL 7,866) and the deferred tax liability as TL 2,224 (31 December 2025 – TL 6,603).

2.10 Information on payables related to assets held for sale

None (31 December 2025 – None).

2.11 Information on subordinated loans

It has not been prepared in the interim period in accordance with Article 25 of the Communiqué on Financial Statements to be Disclosed to the Public by Banks and on Disclosures and Footnotes Related to Them.

2.12 Information on shareholders' equity

2.12.1 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 Parent 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.

2.12.2 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 Parent Bank.

2.12.3 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).

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

None (31 December 2025 – None).

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

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

2.12.6 Summary of privileges given to shares representing the capital

None (31 December 2025 – None).

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2.12.7 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 (*)	(6,231)	546	(4,751)	1,417
Foreign Exchange Difference	-	-	-	-
Total	(6,231)	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.

2.13 Information on minority shares

30 June 2026 – TL 395 (31 December 2025 – TL 334).

3. Explanations and Notes Related to Consolidated 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 279,779 (31 December 2025 – TL 186,790); 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 Group's has guarantees and surety ships constituting of TL 167,846 (31 December 2025 – TL 136,450) of letters of guarantee; TL 1,421 (31 December 2025 – TL 1,383) of acceptances and TL 41,236 (31 December 2025 – TL 25,805) of letters of credit. Also, the Parent Bank has other acceptances amounting to TL 10,532 (31 December 2025 – TL 8,727).

3.1.2.2 Final guarantees, provisional guarantees, sureties and similar transactions

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	217,052	170,364
Total	221,035	172,365

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.

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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 Parent 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.

4. Explanations and Notes Related to the Consolidated 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	56,390	10,414	41,919	7,779
Short-term loans	23,020	4,321	20,520	3,354
Medium and long-term loans	32,148	5,978	20,888	4,380
Profit share on non-performing loans	1,222	115	511	45
Premiums received from resource utilization support fund	-	-	-	-
Total	56,390	10,414	41,919	7,779

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	4,035	-	2,860	-
Foreign Banks	-	353	1	181
Branches and head office abroad	-	-	-	-
Total	4,043	353	2,861	181

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	4,384	204	2,701	435
Financial Assets at Fair Value Through Other Comprehensive Income	11,002	1,840	6,512	818
Financial Assets valued at Amortized Cost	5,287	1,073	4,510	1,186
Total	20,673	3,117	13,723	2,439

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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

4.2. Information on profit share expenses

4.2.1 Information on profit share given to loans used

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	476	1,551	852	1,268
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	476	77	473	53
Foreign banks	-	1,474	379	1,216
Other Institutions	2,254	2,503	52	1,860
Total	2,730	4,054	904	3,128

4.2.2 Profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Dividends paid to associates and subsidiaries	27	5

4.2.3 Profit share expense paid to securities issued

30 June 2026 – None. (1 January – 30 June 2025 – TL 1,775).

4.3 Information on dividend income

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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	-	-	-	-	-	-	-	-
Real person’s non-trading profit sharing account	8,504	18,043	438	-	520	397	3	27,905
Public-sector profit-sharing account	134	11	2	-	-	-	-	147
Commercial sector profit sharing account	2,152	6,171	142	-	-	11	-	8,476
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	120	20	-	124	45	-	400
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	7	13	2	-	45	2	-	69
Other institutions profit sharing account	3	10	9	-	6	1	-	29
Precious metal accounts.	23	9	2	-	1	-	-	35
Total	124	152	33	-	176	48	-	533
Genel Total	11,091	24,743	624	-	697	456	3	37,614

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	-	-	-	-	-	-	-	-
Real person’s non-trading profit sharing account	3,867	17,940	1,190	-	2,830	1,213	2	27,042
Public-sector profit-sharing account	1	10	1	-	8	-	-	20
Commercial sector profit sharing account	957	4,761	76	-	283	39	-	6,116
Other institutions profit sharing account	66	241	22	-	34	-	-	363
Total	4,891	22,952	1,289	-	3,155	1,252	2	33,541
FC								
Banks	-	-	-	-	-	-	-	-
Real person’s non-trading profit sharing account	70	91	20	-	101	27	-	309
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	2	7	1	-	11	-	-	21
Other institutions profit sharing account	1	2	5	-	6	2	-	16
Precious metal accounts.	13	6	1	-	1	-	-	21
Total	86	106	27	-	119	29	-	367
Grand Total	4,977	23,058	1,316	-	3,274	1,281	2	33,908

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4.5 Information on trading income/loss (Net)

	Current Period	Prior Period
Trading profit / loss (net)	5,463	8,644
Profit	375,932	113,700
Gain on capital market transactions	2,838	1,141
Gain on derivative financial instruments	41,838	25,150
Foreign exchange profit	331,256	87,409
Losses (-)	370,469	105,056
Losses on capital market transactions	111	1,259
Losses on derivative financial instruments	88,824	26,486
Foreign exchange losses	281,534	77,311

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 Group.

	Current Period	Prior Period
Insurance Premium Income	12,504	8,138
Reversal of prior period provisions	2,384	2,108
Income from sales of assets	226	860
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	238	260
Rental income	12	9
Other Income	1,043	325
Total	16,407	11,700

4.7 Provisions for loan losses and other receivables of the Bank

	Current Period (*)	Prior Period (*)
Expected Credit Loss	10,606	6,017
12 month expected credit loss (Stage 1)	348	70
Significant increase in credit risk (Stage 2)	665	198
Non-performing loans (Stage 3)	9,593	5,749
Marketable Securities Impairment Expense	145	213
Financial Assets at Fair Value through Profit or Loss	145	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 (**)	5,870	3,748
Total	16,621	9,978

(*) 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.

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4.8 Information on other operating expenses

	Current Period	Prior Period
Provision for retirement pay liability	327	228
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	1,225	775
Impairment Expenses of intangible fixed assets	-	-
Depreciation expenses of intangible assets	433	241
Depreciation expenses of assets held for sale	-	-
Other operating expenses	5,800	3,633
Lease Expenses Regarding TFRS 16 Exemptions	19	5
Maintenance expenses	1,129	917
Advertisement expenses	559	369
Communication expenses	472	286
Heating, electricity and water expenses	97	79
Cleaning expenses	61	48
Vehicle expenses	95	67
Stationery expenses	395	269
Other expenses	2,973	1,593
Losses on sales of assets	6	-
Deposit insurance fund expenses	1,482	1,079
Other (*)	10,660	6,822
Total	19,933	12,778

(*) As of 30 June 2026, the other line item primarily consists of Banking and Insurance Transactions Tax amounting to TL 1,103 (30 June 2025: TL 708), Contracted Attorney and Legal Consultancy expenses amounting to TL 772 (30 June 2025: TL 293), Financial Activity Fees amounting to TL 706 (30 June 2025: TL 393), and Banking Regulation and Supervision Agency Participation of TL 126 (30 June 2025: TL 99). It also includes Gross Claims Paid of TL 7,606 related to Neova Katılım Sigorta A.Ş. (30 June 2025: TL 4,728).

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

The Group's, current period tax provision for the period amounting to TL 11,857 (1 January – 30 June 2025 – TL 7,559), deferred tax expense of TL 4,475 (1 January – 30 June 2025 – TL 715), deferred tax income of TL 8,500 (1 January - 30 June 2025 – TL 1,188).

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 income/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 Group's performance for the period

As of 30 June 2026, net profit share income is TL 55,624 (1 January - 30 June 2025 – TL 35,563) net fees and commission income is TL 10,900 (1 January - 30 June 2025 – TL 5,983).

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

	Current Period	Prior Period
Profit / (Loss) of Minority Shares	74	26

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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 amounting to TL 25,776 (1 January - 30 June 2025 - TL 15,247) consist of credit card fees and commissions amounting to TL 11,064 (1 January - 30 June 2025 - TL 5,648), merchant POS transaction commissions amounting to TL 8,943 (1 January - 30 June 2025 - TL 5,717) and other commissions amounting to TL 5,769 (1 January - 30 June 2025 - TL 3,882).

As of 30 June 2026, other fees and commissions given amounting to TL 15,631 (1 January - 30 June 2025 - TL 9,798) consist of POS commissions and installation expenses amounting to TL 10,324 (1 January - 30 June 2025 - TL 6,805), fees and commissions paid for credit cards amounting to TL 1,112 (1 January - 30 June 2025 - TL 603) and other commissions amounting to TL 4,195 (1 January - 30 June 2025 - TL 2,390).

5. Explanations and Notes Related to the Consolidated Statement of 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 Consolidated 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 Group

7.1 The volume of transactions related to the risk group of the Group, 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 Group (*)	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	-	118	120	3	5	120
Balance at end of period	16	127	99	110	10,261	131
Profit share and commission income	-	-	6	-	1	-

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

Prior Period

Risk group of the Group (*)	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	1	77	31	105	1	4
Balance at end of period	-	118	120	3	5	120
Profit share and commission income	-	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 Group's risk group

Risk group of the Group (*)	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 account						
Balance at beginning of period	453	471	861	778	2,206	947
Balance at end of period	594	453	1,103	861	1,819	2,206
Profit share expense	27	5	40	42	33	4

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

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

Risk group of the Group	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	Risk group of the Group	Current Period	Prior Period
Transactions at Fair Value through Profit or Loss						
Balance at beginning of period	-	-	8,418	1,460	-	-
Balance at end of period	-	-	10,698	8,418	-	-
Total Profit / (Loss)	-	-	437	-	-	-
Hedging Transactions						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / (Loss)	-	-	-	-	-	-

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

Risk group of the Group	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	Risk group of the Group	Current Period	Prior Period
Borrowings						
Balance at beginning of period	-	-	17,447	14,650	-	-
Balance at end of period	-	-	31,410	17,447	-	-
Profit share expense	-	-	179,265	111	-	-

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

USD 35,000,000 (full amount) of the USD 350,000,000 (full amount) subordinated Tier-II sukuk issued by the Parent Bank on 16 September 2021 was allocated to Kuwait Finance House.

7.6 Information on remunerations provided to top management

As of 1 January - 30 June 2026, the Group has paid TL 1,110 to top management (1 January – 30 June 2025 - TL 781).

8. Information about the branches of the Group 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

LIMITED REVIEW REPORT

- 1. Explanations on the limited review report**

The consolidated 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 consolidated financial statements.

- 2. Notes and disclosures prepared by the independent auditor**

None.

SECTION EIGHT

INTERIM CONSOLIDATED ACTIVITY REPORT

- 1. The Parent Bank 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 Parent 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's 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 Parent Bank 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.

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1.2 Financial Information Summary

CONSOLIDATED BALANCE SHEET (SELECTED ITEMS)	30.06.2026	31.12.2025
CASH BALANCES AND CENTRAL BANK	332,976	356,736
BANKS	109,895	94,343
SECURITIES	290,677	223,745
LOANS AND RECEIVABLES	722,613	619,933
FINANCE LEASE RECEIVABLES (Net)	76,354	70,588
EXPECTED LOSS PROVISIONS (-)	25,185	17,791
TANGIBLE ASSETS (Net)	10,419	8,782
OTHER ASSETS	77,265	95,725
TOTAL ASSETS	1,595,014	1,452,061
PARTICIPATION FUND	1,021,830	934,509
FUNDS BORROWED	218,391	197,214
MARKETABLE SECURITIES ISSUED	-	101
FINANCE LEASE PAYABLES	3,787	2,853
SUBORDINATED LOANS	16,355	15,049
OTHER LIABILITIES	174,476	165,910
EQUITY	160,175	136,425
TOTAL LIABILITIES	1,595,014	1,452,061
CONSOLIDATED STATEMENT OF PROFIT	30.06.2026	30.06.2025
PROFIT SHARE INCOME	112,145	83,355
PROFIT SHARE EXPENSE	56,521	47,792
NET PROFIT SHARE INCOME/EXPENSE	55,624	35,563
NET FEES AND COMMISSION INCOME/EXPENSE	10,900	5,983
PERSONNEL EXPENSES	14,356	9,964
DIVIDEND INCOME	13	5
NET TRADING INCOME / LOSS	5,463	8,644
OTHER OPERATING INCOME	16,407	11,700
EXPECTED CREDIT LOSS (-)	10,606	6,017
OTHER PROVISION EXPENSES (-)	6,015	3,961
OTHER OPERATING EXPENSES (-)	19,933	12,778
PROFIT / LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING	216	139
INCOME/ LOSS BEFORE TAX	37,713	29,314
TAX PROVISION (-)	7,832	7,086
NET PROFIT/LOSS FOR THE PERIOD	29,881	22,228
RASYOLAR	30.06.2026	31.12.2025
Total Loans/Total Assets*	50.09%	47.55%
Total Loans/Participation Fund *	78.19%	73.89%
Average Equity Profit **	40.30%	41.29%
Average Assets Profit **	3.92%	3.97%
Capital Adequacy Ratio	17.86%	22.55%

* Finance Lease Receivables is included in total loans.

** Related ratios calculated by included in interim periods' profit amounts to year-end balances.

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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.

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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 42.3% compared to the same period of the previous year, reaching TL 1.2 trillion, while the amount of funds extended increased by 38.4% to TL 799 billion. We increased our net profit by 34.4% compared to the same period of the previous year, reaching TL 29,9 billion. In addition, we increased our shareholders' equity to TL 160,1 billion and total assets to TL 1,6 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

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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

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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 consolidated financial statements prepared as of 30 June 2026, our asset size reached TL 1 trillion 595 billion, while our fund disbursement was TL 798 billion 967 million and the funds we collected were TL 1 trillion 22 billion. In the first six months of 2026, our shareholders' equity increased by 17.41% to TL 160 billion 175 million with the effect of TL 29 billion 881 million profit. Our consolidated capital adequacy ratio was 17.86% as of 30 June 2026.

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.