

**KUVEYT TRK KATILIM BANKASI A.Ő.
INDEPENDENT AUDIT REPORT,
CONSOLIDATED FINANCIAL STATEMENTS AND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2025**

**(CONVENIENCE TRANSLATION OF CONSOLIDATED
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)**

**(CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AND NOTES ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL INFORMATION

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

A) Audit on the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş. (“Bank”) and its consolidated subsidiaries (together as the “Group”), which comprise the consolidated balance sheet as at 31 December 2025, 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 year then ended and, notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2025, and its consolidated financial performance and its cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation” which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for the matters not legislated by the aforementioned regulations.

2) Basis for Opinion

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Including Independence Standards) (“Code of Ethics”) published by the POA, as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="212 499 746 562"><i>Impairment of loans in accordance with TFRS 9 “Financial Assets”</i></p> <p data-bbox="212 595 791 808">Impairment of loans is a key area of judgment for the management. The Group has the total loans amounting to TL 690,520,590 thousand, which comprise 48% of the Group’s total assets in its consolidated financial statements and the total provision for impairment amounting to TL 17,761,022 thousand as at 31 December 2025.</p> <p data-bbox="212 842 791 1234">As of 1 January 2018, the Parent Bank recognizes provisions for impairment in accordance with 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 accounting policies applied are explained in detail in Note 1.6 of Section Three. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p data-bbox="212 1267 791 1447">The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans.</p> <p data-bbox="212 1480 791 1693">Not fulfilling the requirements of the TFRS 9 is a potential risk for the Group. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p data-bbox="212 1727 791 1816">Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note 1.5.</p>	<p data-bbox="799 499 1479 566">As part of our audit work, the following procedures were performed:</p> <p data-bbox="799 600 1479 757">We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p data-bbox="799 790 1479 880">We have assessed and analyzed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p data-bbox="799 913 1479 1093">We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p data-bbox="799 1126 1479 1462">We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p data-bbox="799 1496 1479 1641">We have tested historical loss data to validate the completeness and accuracy of key parameters. We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p data-bbox="799 1675 1479 1776">Based on our discussions with the Group management, we evaluated whether the key assumptions and other judgements underlying the estimations of impairments were reasonable.</p> <p data-bbox="799 1809 1479 1865">Our specialists are involved in all procedures regarding assumptions of models and individual assessments.</p> <p data-bbox="799 1899 1479 2018">We have reviewed disclosures made within the TFRS 9 framework in the consolidated financial statements of the Bank with respect to loans and receivables and related impairment provisions.</p>

Key Audit Matter	How the matter was addressed in the audit
<p><i>Information technologies audit</i></p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk based scoping.</p>	<p>Procedures within the context of our information technology audit works:</p> <ul style="list-style-type: none"> • We identified and tested the Groups’ controls over information systems as part of our audit procedures. • Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> • Security management • Change management • Operations management • We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner. • We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation. <ul style="list-style-type: none"> • Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation. • We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components. <p>Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</p>

4) Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Group Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with BRSB Accounting and Financial Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

5) Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with "Regulation on Independent Audit of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with "Regulation on Independent Audit of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

5) Auditor's Responsibilities for the Audit of the Financial Statements (cont.)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Banks's set of accounts and financial statements prepared for the period 1 January-31 December 2025 does not comply with TCC and the provisions of the Bank's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Sunay Anıktar.

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

Sunay Anıktar
Partner

İstanbul, 13 February 2026

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**THE CONSOLIDATED FINANCIAL REPORT OF KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
FOR THE PERIOD THEN ENDED 31 DECEMBER 2025**

Address of The Parent Bank’s Head Office : Büyükdere Cad. No: 129/1 34394 Esentepe Şişli / ISTANBUL
The Parent Bank’s Phone and Fax Number : 0 212 354 11 11 – 0 212 354 12 12
The Parent Bank’s Web page : www.kuveytturk.com.tr
Contact E-mail address : kuveytturk@kuveytturk.com.tr

The year-end consolidated financial report 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 comprised of the following sections.

- General Information About the Parent Bank
- Consolidated Financial Statements of The Parent Bank
- Explanations on Accounting Policies Applied in The Period
- Information on Financial Structure of the Group Which Is Under Consolidation
- Disclosures and Explanations on Consolidated Financial Statements
- Other Explanations
- Independent Auditor’s 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 Kıra 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

The accompanying year-end consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently audited.

Hamad Abdulmohsen AL-MARZOUQ

Chairman of the Board of Directors

Dr. Shadi Ahmed Yacoub
ZAHKAN

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 AKBEK

Official and International
Reporting Manager

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name-Surname / Title : Samet ÖZCAN / Associate Consolidation Manager
Tel No : 0 212 354 10 86
Fax No : 0 212 354 11 03

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands 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 Turkey (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 consolidated financial partnerships are together called “The Group”.

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

As of 31 December 2025, 57.81% of the Parent Bank’s shares are owned by Kuwait Finance House located in Kuwait, 24.49% by T.C Vakıflar Genel Müdürlüğü, 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 YACOUB ZAHRAN	Member of BOD and chairman of the Audit Committee	Master
Mohamed Hedi MEJAI (*)	Member of BOD and member of Audit Committee	Master
Boualem HAMMOUNI (*)	Member of BOD and member of Audit Committee	Master
Khaled Y E S ALSHAMLAN (**)	Member of BOD	Bachelor
Ahmad S A A ALKHARJI (**)	Member of BOD	Master
Jabr Shahein AL-JALAHMAH	Member of BOD	Bachelor
Gehad Mohamed ELBENDARY ANANY	Member of BOD	Bachelor
Sinan AKSU	Member of BOD	Bachelor
Ufuk UYAN	Member of BOD and General Manager	Master
Ahmet KARACA	Assistant General Manager, Financial Control	Master
Bilal SAYIN	Assistant General Manager, Lending	Bachelor
İrfan YILMAZ	Assistant General Manager, Banking Services	Bachelor
Dr. Ruşen Ahmet ALBAYRAK	Assistant General Manager, Corporate and Commercial Banking	Doctorate
Nurettin KOLAÇ	Assistant General Manager, Legal and Risk Follow Up	Bachelor
Aslan DEMİR	Assistant General Manager, Treasury and International Banking	Bachelor
Mehmet ORAL	Assistant General Manager, Retail Banking	Bachelor
Abdurrahman DELİPOYRAZ	Assistant General Manager, SME Banking	Bachelor
Hüseyin Cevdet YILMAZ	Head of the Risk, Control and Compliance Group	Bachelor
Dr. Okan Acar	Assistant General Manager, Digital Banking and Payment Systems	Doctorate
Bahattin Akca	Chairman of the Inspection Board	Bachelor
Semih Sel	Assistant General Manager, Human Resources and Strategy	Bachelor

The shares held by these persons in the Bank are insignificant.

(*) Boualem HAMMOUNI has been appointed to the Audit Committee and Corporate Governance Committee membership vacated by the resignation of Audit Committee Member Mohamed Hedi MEJAI on 17 June 2025.

(**) Khaled Y E S ALSHAMLAN has been appointed to the Board of Directors seat vacated by Ahmad S A A ALKHARJI's resignation dated 22 September 2025.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

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

4. Information on qualified parent bank

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	4,625,169	57.81%	4,625,169	-
T.C. Vakıflar Genel Müdürlüğü	1,958,898	24.49%	1,958,898	-
Total	6,584,067	82.3%	6,584,067	-

As of 31 December 2025, the shareholding structure of Kuwait Finance House, the main shareholder of the Parent Bank, is as follows.

Name / Commercial Name	Share rates
Kuwait Investment Authority	15.67%
The Public Institution for Social Security & Group	9.05%
The Public Authority for Minors Affairs	6.82%
Public Shares	68.46%
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 Parent Bank by collecting funds through current and profit/loss sharing accounts and lending such funds to its customers.

As of 31 December 2025, the Group is operating through 458 branches (31 December 2024 – 453) with 7,565 employees (31 December 2024 – 7,122). 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 travelers' checks, credit cards and other payment instruments, provide member business services (POS), consulting, advisory, and safe deposit box services,
- To purchase financial instruments on money and capital markets in cash or installments, sell and mediate the sale and trade on the stock exchange in accordance with legislation and principles of non-interest banking,
- To purchase, acquire and construct any kind of real estate and if necessary, lease or transfer ownership to other persons,
- To act as a representative, deputy or agent for corporations and enterprises (including insurance companies),
- To provide socially responsible aid for the benefit of the community in the light of the legislations.

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
CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet (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
- VII. Consolidated Statement of Profit Distribution Table

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025

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

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

	ASSETS	Notes	Audited Current Period 31.12.2025			Audited Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		222,421,286	428,183,320	650,604,606	128,395,216	239,151,497	367,546,713
1.1.	Cash and Cash Equivalents		125,728,773	342,238,593	467,967,366	79,201,599	194,060,570	273,262,169
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	91,446,305	265,290,072	356,736,377	59,543,446	167,156,918	226,700,364
1.1.2.	Banks	(5.1.3.)	17,390,961	76,951,504	94,342,465	12,418,838	26,907,745	39,326,583
1.1.3.	Money Markets		16,893,053	-	16,893,053	7,241,952	-	7,241,952
1.1.4.	Expected Credit Loss (-)		1,546	2,983	4,529	2,637	4,093	6,730
1.2.	Financial Assets at Fair Value Through Profit or Loss		18,520,204	12,446,920	30,967,124	7,661,871	17,265,515	24,927,386
1.2.1.	Government Debt Securities		4,772,443	4,669,649	9,442,092	775,372	11,956,887	12,732,259
1.2.2.	Equity Instruments		1,739,581	2,822	1,742,403	1,301,568	18,828	1,320,396
1.2.3.	Other Financial Assets		12,008,180	7,774,449	19,782,629	5,584,931	5,289,800	10,874,731
1.3.	Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.4.)	77,339,644	55,062,853	132,402,497	40,632,058	27,027,260	67,659,318
1.3.1.	Government Debt Securities		72,902,658	50,321,307	123,223,965	40,455,600	25,552,171	66,007,771
1.3.2.	Equity Instruments		143,859	542,291	686,150	138,727	382,853	521,580
1.3.3.	Other Financial Assets		4,293,127	4,199,255	8,492,382	37,731	1,092,236	1,129,967
1.4.	Derivative Financial Assets		832,665	18,434,954	19,267,619	899,688	798,152	1,697,840
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	832,665	18,434,954	19,267,619	899,688	798,152	1,697,840
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.)	389,647,559	343,463,231	733,110,790	264,666,995	238,755,801	503,422,796
2.1.	Loans		355,887,661	264,045,182	619,932,843	227,283,754	180,153,271	407,437,025
2.2.	Leasing Receivables	(5.1.10.)	15,038,663	55,549,084	70,587,747	15,662,731	34,843,891	50,506,622
2.3.	Other Financial Assets Measured at Amortized Cost	(5.1.6.)	32,362,327	28,013,731	60,376,058	30,961,072	27,653,350	58,614,422
2.3.1.	Government Debt Securities		32,362,327	26,478,079	58,840,406	30,961,072	26,632,039	57,593,111
2.3.2.	Other Financial Assets		-	1,535,652	1,535,652	-	1,021,311	1,021,311
2.4.	Expected Credit Loss (-)		13,641,092	4,144,766	17,785,858	9,240,562	3,894,711	13,135,273
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)	(5.1.16.)	2,011,387	-	2,011,387	522,743	-	522,743
3.1.	Held For Sale		2,011,387	-	2,011,387	522,743	-	522,743
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		9,181,768	-	9,181,768	779,060	-	779,060
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.)	8,123,680	-	8,123,680	123,680	-	123,680
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		8,123,680	-	8,123,680	123,680	-	123,680
4.3.	Investment in Joint Ventures (Net)	(5.1.9.)	1,058,088	-	1,058,088	655,380	-	655,380
4.3.1.	Joint Ventures Valued Based on Equity Method		1,058,088	-	1,058,088	655,380	-	655,380
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(5.1.12.)	8,333,220	448,534	8,781,754	5,478,616	125,113	5,603,729
VI.	INTANGIBLE ASSETS (Net)	(5.1.13.)	4,762,510	376,820	5,139,330	2,621,855	235,463	2,857,318
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		4,762,510	376,820	5,139,330	2,621,855	235,463	2,857,318
VII.	INVESTMENT PROPERTIES (Net)	(5.1.14.)	228,871	-	228,871	317,050	-	317,050
VIII.	CURRENT TAX ASSETS		-	-	-	-	-	-
IX.	DEFERRED TAX ASSETS	(5.1.15.)	851,109	411,929	1,263,038	8,169,608	286,970	8,456,578
X.	OTHER ASSETS	(5.1.17.)	39,930,798	1,808,929	41,739,727	12,386,654	956,280	13,342,934
	TOTAL ASSETS		677,368,508	774,692,763	1,452,061,271	423,337,797	479,511,124	902,848,921

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025

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

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

	LIABILITIES	Notes	Audited Current Period 31.12.2025			Audited Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
I.	FUNDS COLLECTED	(5.2.1.)	365,051,239	569,457,996	934,509,235	281,068,615	323,332,072	604,400,687
II.	FUNDS BORROWED	(5.2.3.)	13,517,469	183,696,886	197,214,355	3,549,663	118,992,632	122,542,295
III.	MONEY MARKETS		47,523,847	-	47,523,847	17,856,858	-	17,856,858
IV.	SECURITIES ISSUED (Net)		101,248	-	101,248	597,674	-	597,674
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES		1,442,666	1,406,660	2,849,326	1,319,486	1,453,023	2,772,509
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	1,442,666	1,406,660	2,849,326	1,319,486	1,453,023	2,772,509
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.7.)	-	-	-	-	-	-
VII.	LEASE PAYABLES	(5.2.6.)	2,407,839	445,237	2,853,076	1,483,109	98,706	1,581,815
VIII.	PROVISIONS	(5.2.8.)	42,346,626	1,789,494	44,136,120	24,810,535	2,230,905	27,041,440
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves for Employee Benefits		5,317,766	452,017	5,769,783	3,934,704	348,830	4,283,534
8.3.	Insurance for Technical Provision (Net)		33,936,863	309,578	34,246,441	18,891,907	51,011	18,942,918
8.4.	Other Provisions		3,091,997	1,027,899	4,119,896	1,983,924	1,831,064	3,814,988
IX.	CURRENT TAX LIABILITIES	(5.2.9.)	1,757,547	-	1,757,547	6,051,257	-	6,051,257
X.	DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(5.2.10.)	-	-	-	-	-	-
11.1.	Held for Sale		-	-	-	-	-	-
11.2.	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(5.2.11.)	-	15,048,512	15,048,512	-	14,186,285	14,186,285
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	15,048,512	15,048,512	-	14,186,285	14,186,285
XIII.	OTHER LIABILITIES	(5.2.5.)	49,170,357	20,472,857	69,643,214	13,334,101	2,625,176	15,959,277
XIV.	SHAREHOLDERS' EQUITY	(5.2.12.)	135,031,328	1,393,463	136,424,791	89,697,887	160,937	89,858,824
14.1.	Paid-in Capital		7,995,131	-	7,995,131	4,947,336	-	4,947,336
14.2.	Capital Reserves		6,376,278	-	6,376,278	6,376,655	-	6,376,655
14.2.1.	Share Premiums		6,376,278	-	6,376,278	6,374,781	-	6,374,781
14.2.2.	Share Cancellation Profits		-	-	-	1,874	-	1,874
14.2.3.	Other Capital Reserves		-	-	-	-	-	-
14.3.	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(402,260)	-	(402,260)	(543,859)	-	(543,859)
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(2,723,864)	1,388,629	(1,335,235)	(4,537,749)	273,187	(4,264,562)
14.5.	Profit Reserves		72,796,575	-	72,796,575	42,916,867	-	42,916,867
14.5.1.	Legal Reserves		5,249,341	-	5,249,341	3,029,102	-	3,029,102
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		67,212,486	-	67,212,486	39,604,749	-	39,604,749
14.5.4.	Other Profit Reserves		334,748	-	334,748	283,016	-	283,016
14.6.	Profit or Loss		50,655,884	4,834	50,660,718	40,453,683	(112,250)	40,341,433
14.6.1.	Prior Years' Profits or Losses		4,139,930	(112,250)	4,027,680	3,265,944	10,930	3,276,874
14.6.2.	Current Period Net Profit or Loss		46,515,954	117,084	46,633,038	37,187,739	(123,180)	37,064,559
14.7.	Minority Shares	(5.2.13.)	333,584	-	333,584	84,954	-	84,954
	TOTAL LIABILITIES AND EQUITY		658,350,166	793,711,105	1,452,061,271	439,769,185	463,079,736	902,848,921

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2025

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

2. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

	Notes	Audited Current Period 31.12.2025			Audited Prior Period 31.12.2024		
		TL	FC	Total	TL	FC	Total
A.							
I.							
COMMITMENTS AND CONTINGENCIES (I+II+III)		420,330,448	601,661,118	1,021,991,566	258,748,910	305,816,835	564,565,745
GUARANTEES AND WARRANTIES	(5.3.1.)	111,699,397	60,666,054	172,365,451	69,399,512	35,661,870	105,061,382
1.1. Letters of Guarantee		102,814,024	33,635,531	136,449,555	64,449,367	21,091,600	85,540,967
1.1.1. Guarantees Subject to State Tender Law		1,188,844	40,251	1,229,095	990,082	27,987	1,018,069
1.1.2. Guarantees Given for Foreign Trade Operations		4,568,484	383,466	4,951,950	2,948,213	166,991	3,115,204
1.1.3. Other Letters of Guarantee		97,056,696	33,211,814	130,268,510	60,511,072	20,896,622	81,407,694
1.2. Bank Loans		358,629	1,024,244	1,382,873	93,099	634,440	727,539
1.2.1. Import Letter of Acceptances		358,629	1,024,244	1,382,873	93,099	634,440	727,539
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		22,189	25,782,625	25,804,814	30,972	13,550,814	13,581,786
1.3.1. Documentary Letters of Credit		-	2,787,670	2,787,670	4,784	1,480,135	1,484,919
1.3.2. Other Letters of Credit		22,189	22,994,955	23,017,144	26,188	12,070,679	12,096,867
1.4. Guaranteed Refinancing		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Other Guarantees		8,504,555	223,654	8,728,209	4,826,074	385,016	5,211,090
1.7. Other Warranties		-	-	-	-	-	-
II.							
COMMITMENTS	(5.3.1.)	215,438,858	47,900,100	263,338,958	96,030,796	13,700,170	109,730,966
2.1. Irrevocable Commitments		215,438,858	47,900,100	263,338,958	96,030,796	13,700,170	109,730,966
2.1.1. Forward Asset Purchase and Sales Commitments		11,704,988	47,742,848	59,447,836	7,573,069	13,614,732	21,187,801
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	22,500	-	22,500
2.1.3. Loan Granting Commitments		7,941,429	-	7,941,429	5,708,160	-	5,708,160
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6. Payment Commitments for Checks		8,113,715	-	8,113,715	5,864,748	-	5,864,748
2.1.7. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8. Commitments for Credit Card Expenditure Limits		186,634,221	155,401	186,789,622	76,389,710	85,438	76,475,148
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		1,044,505	1,851	1,046,356	472,609	-	472,609
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III.							
DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2.)	93,192,193	493,094,964	586,287,157	93,318,602	256,454,795	349,773,397
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		93,192,193	493,094,964	586,287,157	93,318,602	256,454,795	349,773,397
3.2.1. Forward Foreign Currency Buy/Sell Transactions		22,038,540	27,887,284	49,925,824	18,287,200	20,458,168	38,745,368
3.2.1.1. Forward Foreign Currency Buy Transactions		15,936,049	9,945,802	25,881,851	12,970,429	7,075,606	20,046,035
3.2.1.2. Forward Foreign Currency Sell Transactions		6,102,491	17,941,482	24,043,973	5,316,771	13,382,562	18,699,333
3.2.2. Other Forward Buy/Sell Transactions		71,153,653	465,207,680	536,361,333	75,031,402	235,996,627	311,028,029
3.3. Other		-	-	-	-	-	-
B.							
CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		6,439,848,775	15,488,183,921	21,928,032,696	4,152,268,333	5,573,608,289	9,725,876,622
IV.							
ITEMS HELD IN CUSTODY		357,113,748	13,875,334,232	14,232,447,980	203,063,073	4,699,808,964	4,902,872,037
4.1. Customers' Securities Held		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		136,739,393	13,788,077,221	13,924,816,614	47,479,628	4,636,308,727	4,683,788,355
4.3. Checks Received for Collection		107,626,114	6,318,908	113,945,022	79,818,813	1,735,102	81,553,915
4.4. Commercial Notes Received for Collection		11,175,985	3,526,301	14,702,286	7,049,650	2,677,302	9,726,952
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	-	-	-
4.8. Custodians		101,572,256	77,411,802	178,984,058	68,714,982	59,087,833	127,802,815
V.							
PLEDGED ITEMS		6,078,887,488	1,612,199,363	7,691,086,851	3,947,957,092	873,242,903	4,821,199,995
5.1. Marketable Securities		9,173,719	7,661,581	16,835,300	5,797,660	3,150,772	8,948,432
5.2. Guarantee Notes		100,916	18,265,513	18,366,429	100,977	14,953,279	15,054,256
5.3. Commodity		187,139,333	658,876,902	846,016,235	133,357,236	54,581,832	187,939,068
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		1,342,523,458	39,446,299	1,381,969,757	914,931,926	37,315,693	952,247,619
5.6. Other Pledged Items		4,539,950,062	887,949,068	5,427,899,130	2,893,769,293	763,241,327	3,657,010,620
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI.							
ACCEPTED GUARANTEES AND WARRANTIES		3,847,539	650,326	4,497,865	1,248,168	556,422	1,804,590
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		6,860,179,223	16,089,845,039	22,950,024,262	4,411,017,243	5,879,425,124	10,290,442,367

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF 31 DECEMBER 2025

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

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

			Current Period Audited 01.01.2025-31.12.2025	Prior Period Audited 01.01.2024-31.12.2024
	INCOME AND EXPENSE TABLE	Notes		
I.	PROFIT SHARE INCOME	(5.4.1.)	181,005,926	139,602,423
1.1.	Profit Share on Loans		108,821,183	86,423,312
1.2.	Profit Share on Reserve Deposits		16,034,450	9,688,833
1.3.	Profit Share on Banks		6,050,954	6,401,623
1.4.	Profit Share on Money Market Placements		2,945,542	774,256
1.5.	Profit Share on Marketable Securities Portfolio		35,011,602	26,199,434
1.5.1.	Fair Value Through Profit or Loss		5,535,215	3,011,610
1.5.2.	Fair Value Through Other Comprehensive Income		17,447,028	12,077,246
1.5.3.	Measured at Amortised Cost		12,029,359	11,110,578
1.6.	Finance Lease Income		10,719,149	9,437,621
1.7.	Other Profit Share Income		1,423,046	677,344
II.	PROFIT SHARE EXPENSE (-)		102,790,743	80,222,984
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	70,349,211	60,265,065
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	9,447,398	7,647,681
2.3.	Profit Share Expense on Money Market Borrowings		20,310,050	7,725,835
2.4.	Expense on Securities Issued	(5.4.2.)	2,207,928	4,314,757
2.5.	Profit Share Expense on Lease		476,156	269,646
2.6.	Other Profit Share Expense		-	-
III.	NET PROFIT SHARE INCOME (I - II)		78,215,183	59,379,439
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		13,690,878	7,705,379
4.1.	Fees And Commissions Received		36,213,573	19,821,857
4.1.1.	Non-Cash Loans		1,215,002	772,906
4.1.2.	Other	(5.4.13.)	34,998,571	19,048,951
4.2.	Fees And Commissions Paid (-)		22,522,695	12,116,478
4.2.1.	Non-Cash Loans		31,020	6,131
4.2.2.	Other	(5.4.13.)	22,491,675	12,110,347
V.	DIVIDEND INCOME	(5.4.3.)	10,677	12,078
VI.	NET TRADING INCOME / LOSS (Net)	(5.4.5.)	18,105,881	4,333,112
6.1.	Capital Market Transaction Gains/Losses		1,861,074	931,223
6.2.	Gains/Losses from Derivative Financial Instruments		12,067,337	(1,613,999)
6.3.	Foreign Exchange Gains/Losses		4,177,470	5,015,888
VII.	OTHER OPERATING INCOME	(5.4.6.)	23,472,403	21,698,539
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII)		133,495,022	93,128,547
IX.	EXPECTED LOSS PROVISIONS (-)	(5.4.7.)	11,388,825	5,569,660
X.	OTHER PROVISIONS (-)	(5.4.7.)	9,829,704	1,163,399
XI.	PERSONNEL EXPENSES (-)		20,763,982	13,494,101
XII.	OTHER OPERATING EXPENSES (-)	(5.4.8.)	29,153,472	23,807,060
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		62,359,039	49,094,327
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME / LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		402,708	341,396
XVI.	INCOME / LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(5.4.9.)	62,761,747	49,435,723
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(5.4.10)	(16,045,347)	(12,342,274)
18.1.	Current Tax Provision		9,148,368	12,551,093
18.2.	Deferred Tax Expense Effect (+)		8,002,124	1,014,863
18.3.	Deferred Tax Income Effect (-)		1,105,145	1,223,682
XIX.	CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(5.4.11.)	46,716,400	37,093,449
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.)	46,716,400	37,093,449
25.1.	Group's Income/Loss		46,633,038	37,064,559
25.2.	Minority Interest Income/Loss (-)		83,362	28,890
	Earnings Per Share Income/Loss (Full TL)		6.6048	7.8137

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
INCOMEAS OF 31 DECEMBER 2025

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

4. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited Current Period 01.01.2025 - 31.12.2025	Audited Prior Period 01.01.2024 - 31.12.2024
I.	CURRENT PROFIT/LOSS	46,716,400	37,093,449
II.	OTHER COMPREHENSIVE INCOME	3,070,926	(4,218,878)
2.1	Other Comprehensive Income Not Reclassified Through Profit or Loss	141,599	(29,879)
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	202,284	(42,685)
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	(60,685)	12,806
2.2	Other Comprehensive Income Reclassified Through Profit or Loss	2,929,327	(4,188,999)
2.2.1	Foreign Currency Translation Difference	2,162,860	695,265
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	3,275,204	(6,321,413)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	(2,184,474)	(656,106)
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	(324,263)	2,093,255
III.	TOTAL COMPREHENSIVE INCOME (I+II)	49,787,326	32,874,571

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2025

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Notes	Paid-in Capital	Share Premiums	Share cancellation profits	Other Capital Reserves	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			Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity Less Minority Shares	Minority Shares	Total Shareholders' Equity	
						1	2	3	4	5	6							
I.	Prior Period (01/01/2024 - 31/12/2024)																	
II.	Prior Period Ending Balance	4,595,131	24,525	1,874	-	-	(513,980)	-	3,657,676	(1,044,709)	(2,688,530)	18,336,113	1,690,961	28,826,897	52,885,958	87,122	52,973,080	
	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)	4,595,131	24,525	1,874	-	-	(513,980)	-	3,657,676	(1,044,709)	(2,688,530)	18,336,113	1,690,961	28,826,897	52,885,958	87,122	52,973,080	
IV.	Total Comprehensive Income	-	-	-	-	-	(29,879)	-	695,265	(4,424,989)	(459,275)	-	-	37,064,559	32,845,681	28,890	32,874,571	
V.	Capital Increase by Cash	352,205	6,350,256	-	-	-	-	-	-	-	-	-	-	-	6,702,461	-	6,702,461	
VI.	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	1,379	-	-	-	-	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	(672)	-	707	(31,058)	(30,351)	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	1,586,585	(28,826,897)	(2,660,937)	-	(2,660,937)	
11.2	Transfers to Legal Reserves	-	-	-	-	-	-	-	-	-	-	-	(2,660,937)	-	(2,660,937)	-	(2,660,937)	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	24,579,375	(28,826,897)	-	-	-	
	Other	-	-	-	-	-	-	-	-	-	-	-	28,826,897	-	-	-	-	
	Balances at end of the period (III+IV+.....+X+XI)	(5.2.12.)	4,947,336	6,374,781	1,874	-	(543,859)	-	4,352,941	(5,469,698)	(3,147,805)	42,916,867	3,276,874	37,064,559	89,773,870	84,954	89,858,824	
I.	Current Period (01/01/2025 - 31/12/2025)																	
II.	Prior Period Ending Balance		4,947,336	6,374,781	1,874	-	(543,859)	-	4,352,941	(5,469,698)	(3,147,805)	42,916,867	3,276,874	37,064,559	89,773,870	84,954	89,858,824	
	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)		4,947,336	6,374,781	1,874	-	(543,859)	-	4,352,941	(5,469,698)	(3,147,805)	42,916,867	3,276,874	37,064,559	89,773,870	84,954	89,858,824	
IV.	Total Comprehensive Income		-	-	-	-	141,599	-	2,162,860	2,295,599	(1,529,132)	-	-	46,633,038	49,703,964	83,362	49,787,326	
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase by Internal Reserves		3,047,795	-	-	-	-	-	-	-	-	(3,047,795)	-	-	-	-	-	
VII.	Paid in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase / Decrease by Other Changes		-	1,497	(1,874)	-	-	-	-	-	-	-	3,844	75,252	78,719	165,268	243,987	
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	32,923,659	675,554	(37,064,559)	(3,465,346)	(3,465,346)	
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	(3,465,346)	-	(3,465,346)	-	(3,465,346)	
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	32,923,659	(32,845,145)	(78,514)	-	-	
11.3	Other		-	-	-	-	-	-	-	-	-	-	36,986,045	(36,986,045)	-	-	-	
	Balances at end of the period (III+IV+.....+X+XI)	(5.2.12.)	7,995,131	6,376,278	-	-	(402,260)	-	6,515,801	(3,174,099)	(4,676,937)	72,796,575	4,027,680	46,633,038	136,091,207	333,584	136,424,791	

1. Accumulated revaluation increases/decreases of fixed assets,
2. Accumulated remeasurement gains/losses of defined benefit plans,
3. Other (accumulated amounts of other comprehensive income items that will not be reclassified to profit or loss and other comprehensive income from equity method investments)
4. 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 represent the share of other comprehensive income from equity method investments to be reclassified to profit/loss and the accumulated amounts of other comprehensive income items to be reclassified as other profit or loss.)

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOW AS OF 31 DECEMBER 2025

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

6. CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Audited Current Period	Audited Prior Period
		01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
A.			
CASH FLOWS FROM BANKING OPERATIONS			
1.1		54,610,256	53,091,117
Operating Profit Before Changes in Assets and Liabilities from Banking Operations			
1.1.1		171,966,442	133,324,189
1.1.2		(107,930,375)	(74,863,049)
1.1.3		10,677	12,078
1.1.4		36,213,573	19,821,857
1.1.5		23,875,111	22,039,935
1.1.6		7,891,410	1,906,843
1.1.7		(19,426,732)	(12,051,415)
1.1.8		(10,394,251)	(8,860,393)
1.1.9	(5.6.3)	(47,595,599)	(28,238,928)
1.2		(22,711,277)	(1,276,391)
Changes in Assets and Liabilities from Banking Operations			
1.2.1		398,357	30,112,075
1.2.2		(69,426,230)	(31,320,171)
1.2.3		(85,592,441)	(67,100,751)
1.2.4	(5.6.3)	12,739,692	(17,651,179)
1.2.5		1,947,516	211,644
1.2.6		44,915,687	13,477,928
1.2.7		-	-
1.2.8		(26,365,692)	30,385,417
1.2.9		-	-
1.2.10	(5.6.3)	98,671,834	40,608,646
I.		31,898,979	51,814,726
Net Cash Provided From Banking Operations			
B.			
CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(67,001,258)	(5,213,480)
Net Cash Provided From Investing Activities			
2.1		(8,022,500)	(45,000)
2.2		-	-
2.3		(2,488,912)	(1,748,289)
2.4		627,564	132,761
2.5		(72,412,494)	(25,148,291)
2.6		12,505,266	24,845,926
2.7	(5.1.6.)	(1,722,460)	(2,077,703)
2.8	(5.1.6.)	7,768,913	1,408,001
2.9		(3,256,635)	(2,580,885)
C.			
CASH FLOWS FROM FINANCING ACTIVITIES			
III.		(6,619,796)	(16,050,494)
Net Cash Provided From Financing Activities			
3.1		14,750,000	25,560,000
3.2		(17,430,901)	(38,659,544)
3.3		-	-
3.4		(3,465,346)	(2,660,937)
3.5		(473,549)	(290,013)
3.6		-	-
IV.	(5.6.4)	153,590,403	36,386,313
Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents			
V.		111,868,328	66,937,065
Net Increase in Cash and Cash Equivalents			
VI.	(5.6.1)	148,500,260	81,563,195
Cash And Cash Equivalents at The Beginning of The Period			
VII.	(5.6.1)	260,368,588	148,500,260
Cash And Cash Equivalents at The End of The Period			

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
AS OF 31 DECEMBER 2025

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

7. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION

		Current Period	Prior Period
		01.01.2025 - 31.12.2025 (*)	01.01.2024 - 31.12.2024 (*)
I.	Distribution of Current Period Profit		
1.1.	Current Period Profit	54,069,175	46,257,158
1.2.	Taxes and Dues Payable (-)	13,707,086	11,603,702
1.2.1.	Corporate Tax (Income Tax)	7,865,566	12,287,240
1.2.2.	Income Tax Withholding	-	-
1.2.3.	Other Taxes and Dues Payable (**)	5,841,520	(683,538)
A.	Net Profit for the Period (1.1-1.2)	40,362,089	34,653,456
1.3.	Prior Year's Losses (-)	-	-
1.4.	First Legal Reserves (-)	-	2,079,207
1.5.	Other Reserves (-)	-	-
B.	Distributable Net Period Profit [(A-(1.3+1.4+1.5)]	40,362,089	32,574,249
1.6.	First Dividend to Shareholders (-)	-	3,465,346
1.6.1.	To Owners of Ordinary Shares	-	3,465,346
1.6.2.	To Owners of Preferred Stocks	-	-
1.6.3.	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.6.4.	To Profit Sharing Bonds	-	-
1.6.5.	To Owners of the profit and loss Sharing Certificates	-	-
1.7.	Dividend to Personnel (-)	-	-
1.8.	Dividend to Board of Directors (-)	-	-
1.9.	Second Dividend to Shareholders (-)	-	-
1.9.1.	To Owners of Ordinary Shares	-	-
1.9.2.	To Owners of Preferred Stocks	-	-
1.9.3.	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.9.4.	To Profit Sharing Bonds	-	-
1.9.5.	To Owners of the profit/loss Sharing Certificates	-	-
1.10.	Second legal reserves (-)	-	-
1.11.	Statutory Reserves (-)	-	-
1.12.	Extraordinary Reserves	-	28,827,281
1.13.	Other Reserves	-	19,012
1.14.	Special Funds	-	25,000
II.	Distribution from Reserves		
2.1.	Distributed Reserves	-	-
2.2.	Second Legal Reserves (-)	-	-
2.3.	Dividends to Shareholders (-)	-	-
2.3.1.	The Owners of Ordinary Shares	-	-
2.3.2.	The Owners of Preferred Stocks	-	-
2.3.3.	The Owners of Preferred Stocks (Preemptive Rights)	-	-
2.3.4.	The Profit-Sharing Bonds	-	-
2.3.5.	The Owners of the profit/loss Sharing Certificates	-	-
2.4.	Share to Personnel (-)	-	-
2.5.	Share to Board of Directors (-)	-	-
III.	Earnings per Share		
3.1.	To Owners of Stocks	5.71	7.30
3.2.	To Owners of Stocks (%)	570.64	729.97
3.3.	To Owners of Preferred Stocks	-	-
3.4.	To Owners of Preferred Stocks (%)	-	-
IV.	Dividend per Share		
4.1.	To Owners of Stocks	-	0.73
4.2.	To Owners of Stocks (%)	-	73
4.3.	To Owners of Preferred Stocks	-	-
4.4.	To Owners of Preferred Stocks (%)	-	-

(*) The profit distribution of the Bank is decided at the General Assembly meeting which is not yet held as of the date of the preparation of these financial statements.

(**) The amount shown in the other tax and legal liabilities line is deferred tax income/expense.

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES IN THE RELATED PERIOD

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 consolidated 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 decision dated 11 January 2024 and numbered 10825, banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation accounting as of 1 January 2025 and it was later announced that the BRSA decided not to apply inflation accounting in 2025 in accordance with its decision dated 5 December 2024 and numbered 11021. Pursuant to the temporary article added to the Tax Procedure Law by Law No. 7571 dated 24 December 2025, it has been stipulated that PPI-based inflation accounting will not be applied for the fiscal years 2025, 2026 and 2027. Accordingly, inflation accounting will not be applied in the Tax Procedure Law (“TPL”) financial statements that will form the basis for the corporate income tax returns for these periods.

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 rearranged when deemed necessary in order to comply with the presentation of the current period financial statements.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

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

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. 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 decision dated 11 January 2024 and numbered 10825, banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation accounting as of 1 January 2025 and it was later announced that the BRSA decided not to apply inflation accounting in 2025 in accordance with its decision dated 5 December 2024 and numbered 11021. Therefore, no inflation adjustment has been made in accordance with TAS 29 in the preparation of the financial statements as at 31 December 2025. Pursuant to the temporary article added to the Tax Procedure Law by Law No. 7571 dated 24 December 2025, it has been stipulated that PPI-based inflation accounting will not be applied for the fiscal years 2025, 2026 and 2027. Accordingly, inflation accounting will not be applied in the Tax Procedure Law (“TPL”) financial statements that will form the basis for the corporate income tax returns for these periods.

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 acquiree 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 regarding the accounting policy applied for 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.

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All recognized financial assets that are within the scope of TFRS 9 are required to be initially measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and profit share on the principal amount outstanding, are generally measured at Fair Value Through Other Comprehensive Income (“FVTOCI”). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment in other comprehensive income, with only dividend income generally recognized in profit or loss.

Dividends obtained from such investments are accounted in the financial statements as profit or loss unless they are evidently a part of the recoverable cost of investment.

As a result of the combination of contractual cash flow characteristics and business models, the differences in the classification of financial assets are reflected in the financial statements compared to the current classification in TAS 39.

During the first recognition of a financial asset into the financial statements, business model determined by the 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 under TFRS 9.

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.

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

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

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As of 31 December 2025, 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 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 31 December 2025. When deemed necessary, the future will review these assumptions according to the course of economic and geopolitical risks. The forecast of expected credit losses is unbiased, probabilistic-weighted and includes supportable information about past events, current conditions, and predictions of future economic conditions.

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:

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 taken into account 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 life-time 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 based on 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 shown by the tenants as liabilities in assets and leasing transactions as assets (use right). TFRS 16 Standard eliminates the dual accounting model for leasing of financial leasing transactions and the presentation of operating leases directly on the balance sheet.

The Group within the scope of TFRS 16, 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 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 31 December 2025, the Group has usage assets amounting to TL 3,903,442 classified under tangible fixed assets and TL 4,325,188 lease obligations in the balance sheet. In year-end that ended as of the same date, a financial expense of TL 486,855 and depreciation expense of TL 777,217 occurred.

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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 Türkiye converting them into Turkish Lira and valuation differences of foreign currencies have been recognized in the income statement under the net foreign exchange income/expense account.

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

3. Investments in associates and subsidiaries

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

The method determined in the "Turkish Financial Reporting Standard for Consolidated Financial Statements" ("TFRS 10") of the Group, in which the Parent Bank and Neova Katılım Sigorta A.Ş., the Parent Bank's subsidiary Kuveyt Türk Portföy Yönetimi A.Ş. is the fund founder has accounted for the mutual funds, which it controls in accordance with the procedures and principles, according to the 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)	Operation	31.12.2025	31.12.2024	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

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

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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.

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 forward transactions in order to reduce foreign currency position risk and manage foreign currency liquidity. Derivative products of the Group are classified as "Hedging Purpose" and "Financial Assets at Fair Value (FPV) at Profit or Loss". Accordingly, while some derivative transactions provide an effective protection against risks for the Group economically, those that cannot be defined as hedging purposes in accounting are accounted as "Financial Assets at Fair Value (FPV) Through Profit or Loss" and their fair values are included in the balance sheet as "Derivative Financial Assets" / Liabilities" account.

The payables and receivables arising from derivative transactions are recorded in off-balance sheet accounts at their notional amounts. Fair values of foreign currency forward transactions and swaps are calculated by using the discounted cash flow model. Differences resulting from the changes in the fair values of derivatives held for trading are accounted under 'Trading Income/Loss' line 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 31 December 2025, 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 Bank's financial position or performance. As of 31 December 2025, the Group has no hedging transactions based on the benchmark interest rate.

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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 are continued 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 "Funds Collected" account on the balance sheet.

6. Explanations on fees and commission income and expenses

Other than fees and commission income and expenses received from certain banking transactions that are recorded as income or expense in the period they are collected, fees and commission income and expenses are recognized in the income statement depending on the duration of the transaction. Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers.

Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period.

In accordance with the provisions of TAS, commission and fees collected in advance for loans 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 Group management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Group 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/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.

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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.

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 taking into account 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".

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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 has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Central Bank of the Republic of Turkey (“CBRT”) made some changes on orders for open market transactions (“OMT”) and prepared an additional frame contract for participation banks in order to present rent 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 rent certificates on their portfolio to CBRT when they are in need of funding or in attempt to evaluate the excess liquidity. In this context, OMT 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 31 December 2025, the Group has repurchased agreement amounting to TL 47,523,847 (31 December 2024 – 17,856,858).

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 component of an entity that either has been disposed of or is classified as held for sale. Discontinued operations are presented separately in the income statement. The Group has no discontinued operations.

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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 based on the duration of the license agreements.

There is no goodwill related to associates and subsidiaries.

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 include a lease transaction.

- The right to obtain almost all of the economic benefits from the use of the leased asset and,
- Whether the leased asset which has the right to manage its use is evaluated

As of 1 January 2019, that is the first application date of TFRS 16, the bank started to apply TFRS 16- Leases 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 Bank's alternative borrowing dividend. The Group has recognized the right to lease assets equal to the lease obligation by restating the previously paid or accrued lease payments.

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The right of the 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 depreciation provisions in TAS 16 Property, Plant and Equipment standard while depreciating in the right of use.

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 on the lease liability for each period of the lease term is the amount found by applying a fixed periodic profit rate to the remaining balance of the lease liability. Periodic profit rate is the Group's borrowing profit 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 on insurance technical provisions

TFRS 4 requires that all contracts issued by insurance companies be classified as either insurance contracts or investment contracts. Contracts with significant insurance risk are considered insurance contracts. Insurance risk is defined as risk, other than financial risk, transferred from the holder of a contract to the issuer. Contracts issued by insurance companies without significant insurance risk are considered investment contracts. Investment contracts are accounted for in accordance with TAS 39 "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement".

Within the framework of the current insurance regulation, insurance technical provisions accounted by insurance companies for unearned Premium claims, unexpired risk reserver, outstanding claims and life-mathematical reserves are presented in the consolidated financial statements.

Unearned premium reserve is recognized on accrued premiums without discount or commission which extends to the next period or periods on a daily basis for the current insurance contracts.

If the outstanding claim reserve is established and confirmed by approximation and if there are unpaid or unidentified compensation amounts in both prior and current accounting periods; it is separated for estimated yet unreported compensation amounts.

On the other hand, actuarial chan ladder method is used to estimate the reserve amount to be set aside in the current period by looking at the data of the past materialized losses. If the reserve amount found as a result of this method exceeds the amount of reserve for the amount of uncertain indemnity, additional reserve must be set aside for the difference.

Reinsurance companies recognize for the outstanding claims that is declared by the companies, accrued and determined on account.

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Insurance companies of the Group cede premium and risks in the normal course of business in order to limit the potential for losses arising from risks accepted Insurance premiums ceded to reinsurers on contract that are deemed to transfer significant insurance risk are recognized as an expense in a manner that is consistent with the recognition of insurance premium revenue arising from the underlying risks being protected.

Cost which varies and are directly associated with the acquisition of insurance and reinsurance contracts including brokerage, commissions, underwriting expenses and other acquisition costs are deferred and amortized over the period of contract, consistent with the earning of premium.

15. Insurance technical income and expense

In insurance companies, premium income is obtained after diminishing the shares transferred from arranged policy income to reasure.

Claims are recorded in expense on accrual basis. Outstanding loss provisions are recognized for the claims reported but not paid yet and for the claims that incurred but not reported. Reassurer' shares of outstanding and paid claims are offset in the 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 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 fulfill 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. 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 Parent Bank 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.

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, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased from 25% to 30% to be applied to the earnings of the institutions in 2023 and the following taxation periods.

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

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

With the Presidential Decree No. 9286 published in the Official Gazette dated 22 December 2024, the withholding tax rates specified in the annex to the Council of Ministers' Decision regarding Article 94 of the Income Tax Law No. 193 and in the annexed to the Council of Ministers' Decisions regarding Articles 15 and 30 of the Corporate Tax Law No. 5520 have been amended, and accordingly, the withholding tax rate applied by resident companies on dividends distributed to resident individuals, persons who are not income or corporate taxpayers, and persons exempt from income tax; to non-resident individuals and non-resident persons exempt from income tax; to tax-exempt institutions; to non-resident companies and non-resident companies exempt from corporate tax (excluding those earning dividends through a permanent establishment or representative in Türkiye); and on amounts transferred by non-resident companies filing annual or special returns from their corporate earnings (after deduction of calculated corporate tax but before deductions and exemptions) to their headquarters has been increased from 10% to 15%. The Decree entered into force on 22 December 2024, and in the application of withholding tax rates on dividend distributions to non-resident companies and individuals, the provisions of the relevant double taxation avoidance agreements are also taken into consideration, while the addition of profits to the share capital is not deemed a dividend distribution and is therefore not subject to withholding tax. 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 Repeated Article 298/A of the Tax Procedure Law ("TPL"), non-monetary items included in the statutory financial statements are required to be subject to inflation adjustment. In accordance with Temporary Article 33 of the TPL, it was envisaged that inflation adjustment would be applied to the financial statements of institutions as of 31 December 2023; however, with Law No. 7491 published on 28 December 2023, it was stipulated that banks, insurance companies, and other financial institutions would not take into account the profit or loss differences arising from inflation adjustment to be applied in the 2024 and 2025 accounting periods in the determination of taxable income. The financial statements prepared under the TPL as of 31 December 2023 were subject to inflation adjustment. The profit or loss difference arising from inflation adjustment was presented in prior years' profit/loss accounts but did not affect the corporate tax base. In the 2024 accounting period, including interim tax periods, the profit or loss differences arising from inflation adjustment were not taken into account in the determination of taxable income. With Law No. 7571 published in the Official Gazette dated 25 December 2025 and numbered 33118, through Temporary Article 37 added to the TPL, institutions will 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. Institutions may apply revaluation to assets falling within the scope pursuant to paragraph (Ç) of Repeated Article 298 for the accounting periods in which inflation adjustment is not applied.

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

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

In Türkiye, there is no procedure for a final and definite agreement on tax assessments.

Profit/loss difference arising from inflation adjustment made by banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law dated 21 November 2021 and numbered 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods, including temporary tax periods, will not be taken into account in the determination of earnings.

Global Tax

With the Law No. 7524 on the Amendment of Tax Laws and Certain Other Laws and Decree Law No. 375, which was published in the Official Gazette dated 2 August 2024 and numbered 32620 and entered into force, an Additional Article 11 was added to the Corporate Tax Law ("CTL"), introducing the "Domestic and Global Minimum Top-up Corporate Tax." As a result of the studies carried out in connection with the relevant regulations, the Bank's management continues to evaluate the potential occurrence of an additional tax liability for the Bank arising from the subsidiaries of the Bank's parent company, KFH (Kuwait Finance House), in other countries. In this context, legislative developments in Türkiye and in the other countries where Kuveyt Türk Participation Bank operates are being closely monitored.

In Bahrain, the tax applied to corporate profits has been set at a rate of 15% pursuant to the Domestic Minimum Top-up Tax (DMTT) Law, which entered into force as of 1 January 2025. The DMTT applies to branches, subsidiaries, and similar entities operating in Bahrain of multinational companies with consolidated revenues exceeding EUR 750 million. Enacted in line with the OECD Pillar Two rules, the relevant law aims to top up any favorable difference between the local tax rate and the global minimum tax rate and requires entities to pay an additional tax based on the residual commercial profit calculated by taking into account the exemptions and deductions projected under local legislation. Considering the Bank's consolidated revenue level, the Bahrain Branch falls within the scope of the tax law, and accordingly, a Domestic Minimum Top-up Tax liability has arisen at the level of the Bahrain Branch as of 31 December 2025.

Deferred tax

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

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Revaluations of immovable and depreciable economic assets are subject to deferred tax within the scope of Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law.

With the regulation published by the Public Oversight Authority (POA) in September 2023, a revision was made to TAS 12 Income Taxes within the scope of the OECD Pillar Two model rules. Through this revision, a temporary and mandatory exception was introduced regarding the recognition (accounting) of deferred tax assets and liabilities arising from global minimum tax regulations in the financial statements. In accordance with this amendment, the financial effects of Pillar Two tax legislation that has been enacted or is substantively enacted will not be reported as deferred tax items. Entities are required to disclose in the notes to the financial statements that they have applied this exception, and this application has entered into force as of the publication date.

19. Explanations on additional disclosures on borrowings

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

The Bank has not issued convertible bonds.

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 have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of 31 December 2025, the Group's total shareholders' equity is calculated as TL 150,186,817 (31 December 2024 – TL 104,292,753), capital adequacy ratio is 22.55% (31 December 2024 – 24.81%).

In accordance with the Regulation on the Measurement and Assessment of Capital Adequacy of Banks, published in the Official Gazette No. 29511 on 23 October 2015, and outlined in the Banking Regulation and Supervision Agency (BRSA) Board Decision No. 10747, dated 12 December 2023, for the calculation of the credit risk-weighted amount, the values and related specific provisions for monetary and non-monetary assets, excluding foreign currency items measured at historical cost, shall be calculated based on the values determined in accordance with the Turkish Accounting Standards. The implementation allowing the use of the exchange rate of the Central Bank of the Republic of Türkiye (CBRT) on 26 June 2023, for this purpose will continue until a contrary decision is made by the Board, with the implementation of using the CBRT exchange rate of 28 June 2024, starting from 1 January 2025, as per the decision dated 19 December 2024,

Furthermore, within the scope of the regulations announced by the BRSA on 12 December 2021, if the net valuation differences of the securities in the portfolio of marketable securities accounted for in other comprehensive income are negative, the possibility has been granted to not take into account these differences in the equity amount to be used for the capital adequacy ratio.

The Group's legal capital adequacy ratio calculation has been made by taking into account the regulation changes mentioned above as of 31 December 2025.

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1.1 Explanations on the components of shareholder's equity

	Current Period Amount	Prior Period Amount
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation After All Creditors	8,000,000	4,952,205
Share Premium	6,376,278	6,374,781
Reserves	72,796,575	42,916,867
Gains recognized in equity as per Turkish Accounting Standards (TAS)	3,474,553	1,542,767
Profit	50,660,718	40,341,433
Current Period Profit	46,633,038	37,064,559
Prior Period Profit	4,027,680	3,276,874
Minority Shares	333,584	84,954
Shares acquired free of charge from associates, subsidiaries and joint ventures and cannot be recognized within profit for the period	-	-
Common Equity Tier I Capital Before Deductions	141,641,708	96,213,007
Deductions From Common Equity Tier I 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	3,375,149	5,761,052
Improvement costs for operating leasing	654,311	429,260
Goodwill remaining after offsetting with the relevant deferred tax liability	-	-
Other intangible assets remaining after offsetting with the related deferred tax liability, excluding the rights to provide mortgage service	5,139,330	2,758,041
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	411,929	286,970
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	402,260	543,859
Direct and indirect investments of the Bank in its own Common Equity	4,869	4,869
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
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	9,987,848	9,784,051
Total Common Equity Tier I Capital	131,653,860	86,428,956

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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	-	1,763,557
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	1,763,557
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 I 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 I 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	-	1,763,557
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	131,653,860	88,192,513
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	15,008,658	12,344,896
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	5,581,969	3,945,256
Tier II Capital Before Deductions	20,590,627	16,290,152
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	20,590,627	16,290,152
Total Capital (The sum of Tier I Capital and Tier II Capital)	152,244,487	104,482,665

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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	19,644	180,626
Other items to be defined by the BRSA	2,038,026	9,286
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Portion of 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 Not Deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per The Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Total of Net Long Positions of The Investments In Equity Items of Unconsolidated Banks and Financial Institutions Where The Bank Owns More Than 10% of The Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted From Additional Tier I Capital or Tier II Capital as per The Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where The Bank Owns More than 10% of The Issued Share Capital, of The Net Deferred Tax Assets Arising From Temporary Differences and of The Mortgage Servicing Rights Not Deducted from Tier I Capital as per The Temporary Article 2, Clause 2, Paragraph (1) And (2) and Temporary Article 2, Clause 1 of The Regulation (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	150,186,817	104,292,753
Total Risk Weighted Assets	666,122,708	420,359,547
CAPITAL ADEQUACY RATIOS		
CET1 Capital Ratio (%)	19.76	20.56
Tier I Capital Ratio (%)	19.76	20.98
Capital Adequacy Ratio (%)	22.55	24.81
BUFFERS		
Total additional core capital requirement ratio	2.56	2.56
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific countercyclical buffer requirement (%)	0.06	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	13.76	14.98
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 More than 10% 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 Ten Thousand)	5,581,969	4,918,196
General Loan Provisions For Exposures in Standard Approach Limited By 1.25% of Risk Weighted Assets	5,581,969	3,945,256
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk By Internal Ratings Based Approach, Limited By 0.6% Risk Weighted Assets	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1 , 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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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 I Capital)
Amount taken into account in equity calculation (as of last reporting date-TL million)	15,009
Nominal value of the Instrument (TL million)	15,009
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 (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 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 interest 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

Credit risk means the risks and damages to arise as a result of partial or complete non-fulfillment of the obligations timely by non-compliance of the counter party with the requirements of the agreement concluded with the Group.

With regards to the credit risk, the debtor or the group of debtors is subjected to risk limitation. The upper limit of the rate of the credits granted to the companies in one sector to the total credits is determined annually by the Board of Directors and is updated as required.

The credit risk which the Group is subjected to outside of Türkiye is followed up by the Board of Directors within the frame of the determined limits on the basis of countries and regions. Within this scope, the total risk which the Group had taken in the foreign country or region, the total of the credit risk taken by the banks residing abroad and/or their branches in Turkey, the total risks of the credits generated to the people residing abroad or with foreign nationally, the risk total taken over the corporate customers and/or banks to which the partners residing in Turkey but of which the principal shareholder or shareholders reside in another country, had given guarantee and in required cases, the risk total taken by the Bank in Turkey should be followed up.

The risks and limits arising of the treasury transactions and customer based commercial transactions are followed up daily. Moreover, the control of the limits allocated as based on the degrees of the correspondent banks and the maximum risk that the Group can take within its equities are also performed daily. The risk limits relevant to the transactions performed daily are determined and the risk intensity relevant to off the balance sheet transactions are being followed up.

As provided for in the Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for the Loans, the credit worthiness of the debtors of the loans and the other receivables are followed up at regular intervals, in case of early determination of a probable repayment problem, the credit limits redefined, and additional guarantees are taken and this way the prevention of the bank's loss is aimed. The account statement documents for the loan generations are taken as defined in the legislation. The guarantees are taken within the frame of the relevant legislation, by consideration of the quality of the credit and the financial structure of the company and as based on the allocation decision taken by the credit committee.

Futures and option contracts and other similar contract positions are not held.

The indemnified non-cash loans are subject to the same risk weight as the unpaid credits, in accordance with the "Regulation on the Procedures and Principles for the Determination of the Qualifications of Credits and Other Receivables in Banks and the Provisions to be Forded". Renewed and restructured loans are monitored in accordance with the methods set out in the relevant legislation.

Foreign trade financing and inter-banks loan transactions are performed by a wide network of correspondents and the country risks, limits, correspondent risks and limits are regularly evaluated within this scope.

There is no important credit risk concentration when evaluated together with the financial activities of the other financial institutes.

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The Parent Bank's top 100 and 200 cash loan customers represents 7% and 9% of the total cash loan portfolio, respectively.

The Parent Bank's top 100 and 200 non-cash loan customers represent 10% and 16% of the total non-cash loan portfolio, respectively.

The Parent Bank's top 100 and 200 cash and non-cash loan customers represent 6% and 8% of the total cash and non-cash loan portfolio, respectively.

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount (**)
Conditional and unconditional receivables from central governments or Central Banks	442,607,411	397,587,716
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional receivables from multilateral development banks	705,674	707,645
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	109,112,145	75,160,869
Conditional and unconditional receivables from corporates	234,622,408	229,902,020
Conditional and unconditional receivables from retail portfolios	168,605,761	113,001,781
Conditional and unconditional receivables secured by mortgages	145,145,802	126,493,044
Past due receivables	2,415,655	1,931,978
Receivables defined under high-risk category by BRSA	70,366	595,701
Guaranteed securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	10,932,415	9,541,715
Other Receivables	57,604,621	43,905,019
Total	1,171,822,258	998,827,488

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank.

Risk Classifications	Prior Period Risk Amount (*)	Average Risk Amount (**)
Conditional and unconditional receivables from central governments or Central Banks	280,103,773	249,383,572
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional receivables from multilateral development banks	283,373	874,194
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	46,109,786	53,132,751
Conditional and unconditional receivables from corporates	180,085,963	142,099,406
Conditional and unconditional receivables from retail portfolios	85,840,345	69,245,545
Conditional and unconditional receivables secured by mortgages	101,796,609	77,476,549
Past due receivables	518,076	330,768
Receivables defined under high-risk category by BRSA	1,954,150	31,916,201
Guaranteed securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	1,322,989	1,164,163
Other receivables	28,843,426	29,539,827
Total	726,858,490	655,162,976

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank.

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2.1. Profile of significant exposures in major regions

Current Period (*)	Conditional and unconditional receivables from central governments to Central Banks	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high-risk category by BRSA	Investments similar to collective investment funds	Stock Investments	Other Receivables	Total
	Domestic	439,824,686	-	49,836,182	217,586,776	159,911,997	143,309,365	2,329,027	8,389	-	-	-
European Union Countries	2,782,725	-	1,085,766	13,276,622	8,451,910	175,272	86,320	61,977	-	-	-	25,920,592
OECD Countries (**)	-	-	39,175,069	12,941	26,411	114,778	73	-	-	-	-	39,329,272
Off-Shore Regions	-	-	671,489	2,989,725	18,450	1,221,336	-	-	-	-	-	4,901,000
USA, Canada	-	-	12,804,399	6,765	9,931	8,264	12	-	-	-	-	12,829,371
Other Countries	-	705,674	5,539,240	749,579	187,062	316,787	223	-	-	-	-	7,498,565
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	10,932,415	-	-	10,932,415
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	57,604,621	57,604,621
Total	442,607,411	705,674	109,112,145	234,622,408	168,605,761	145,145,802	2,415,655	70,366	-	10,932,415	57,604,621	1,171,822,258

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Includes OECD countries other than EU countries, USA and Canada

(***) Includes assets and liability items that cannot be allocated on a consistent basis

(****) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Prior Period (*)	Conditional and unconditional receivables from central governments to Central Banks	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high-risk category by BRSA	Investments similar to collective investment funds	Stock Investments	Other Receivables	Total
	Domestic	270,429,012	-	24,744,422	177,670,096	80,670,857	100,697,015	517,772	1,593,687	-	-	-
European Union Countries	9,674,761	283,373	575,349	12,644	5,019,204	100,972	83	360,463	-	-	-	16,026,849
OECD Countries (**)	-	-	8,794,189	9,990	15,138	36,010	132	-	-	-	-	8,855,459
Off-Shore Regions	-	-	2,357	1,672,058	19,691	801,632	-	-	-	-	-	2,495,738
USA, Canada	-	-	7,780,643	1,669	7,790	8,443	1	-	-	-	-	7,798,546
Other Countries	-	-	4,212,826	719,506	107,665	152,537	88	-	-	-	-	5,192,622
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	1,322,989	-	-	1,322,989
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	28,843,426	28,843,426
Total	280,103,773	283,373	46,109,786	180,085,963	85,840,345	101,796,609	518,076	1,954,150	-	1,322,989	28,843,426	726,858,490

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Includes OECD countries other than EU countries, USA and Canada

(***) Includes assets and liability items that cannot be allocated on a consistent basis

(****) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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2.2 Risk profile by sectors or counterparties

Current Period	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from Corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by Mortgages	Past due receivables	Receivables defined in high-risk category by BRSA	Guaranteed securities	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Stock Investments	Other receivables	TL	FC	Total (*)
Agriculture	-	-	-	-	-	-	6,377,794	2,086,859	3,148,105	39,397	47	-	-	-	-	-	9,177	7,167,093	4,494,286	11,661,379
Farming and Stockbreeding	-	-	-	-	-	-	5,130,533	1,403,196	2,878,735	34,108	47	-	-	-	-	-	7,545	6,213,545	3,240,619	9,454,164
Forestry	-	-	-	-	-	-	1,039,344	667,148	258,968	5,289	-	-	-	-	-	-	1,620	923,935	1,048,434	1,972,369
Fishery	-	-	-	-	-	-	207,917	16,515	10,402	-	-	-	-	-	-	-	12	29,613	205,233	234,846
Manufacturing	-	-	-	-	-	-	91,741,029	26,936,486	37,357,681	875,229	530	-	-	-	-	-	121,099	55,192,298	101,839,756	157,032,054
Mining and Quarrying	-	-	-	-	-	-	25,422,942	5,398,809	6,100,175	173,278	-	-	-	-	-	-	11,953	11,977,480	25,129,677	37,107,157
Production	-	-	-	-	-	-	55,680,947	19,984,839	29,786,993	675,123	530	-	-	-	-	-	102,655	41,008,689	65,222,398	106,231,087
Electricity, Gas and Water	-	-	-	-	-	-	10,637,140	1,552,838	1,470,513	26,828	-	-	-	-	-	-	6,491	2,206,129	11,487,681	13,693,810
Construction	-	-	-	-	-	-	34,249,641	15,931,697	21,051,398	210,760	889	-	-	-	-	-	28,488	44,674,946	26,797,927	71,472,873
Services	442,607,411	-	-	705,674	-	109,112,145	67,183,630	42,651,970	41,728,124	671,801	4,451	-	-	-	-	10,932,415	39,891,721	428,121,193	327,368,149	755,489,342
Wholesale and Retail Trade	-	-	-	-	-	-	39,783,427	21,960,043	26,223,706	412,932	16	-	-	-	-	-	656,700	46,375,347	42,661,477	89,036,824
Accommodation and Dining	-	-	-	-	-	-	739,752	1,266,073	1,812,010	11,929	302	-	-	-	-	-	9,740	2,603,967	1,235,839	3,839,806
Transportation and Telecom.	-	-	-	-	-	-	15,267,637	13,534,882	6,744,538	143,449	4,133	-	-	-	-	-	250,507	14,040,616	21,904,530	35,945,146
Financial Institutions	442,607,411	-	-	705,674	-	107,977,964	73,178	67,033	110,902	-	-	-	-	-	-	10,929,660	38,957,509	349,766,039	251,663,292	601,429,331
Real Estate and Rental Services	-	-	-	-	-	1,134,181	6,187,058	2,089,149	2,618,700	82,773	-	-	-	-	-	-	3,469	7,072,494	5,042,836	12,115,330
Professional Services	-	-	-	-	-	-	6,332	287	4,986	1,833	-	-	-	-	-	-	22	2,161	11,299	13,460
Educational Services	-	-	-	-	-	-	154,389	261,795	337,532	3,969	-	-	-	-	-	-	3,025	647,360	113,350	760,710
Health and Social Services	-	-	-	-	-	-	4,971,857	3,472,708	3,875,750	14,916	-	-	-	-	-	2,755	10,749	7,613,209	4,735,526	12,348,735
Others	-	-	-	-	-	-	35,070,314	80,998,749	41,860,494	618,468	64,449	-	-	-	-	-	17,554,136	168,573,419	7,593,191	176,166,610
Total	442,607,411	-	-	705,674	-	109,112,145	234,622,408	168,605,761	145,145,802	2,415,655	70,366	-	-	-	-	10,932,415	57,604,621	703,728,949	468,093,309	1,171,822,258

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(**) Stands for the risk categories listed in Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks were taken into consideration.

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Prior Period	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from Corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by Mortgages	Past due receivables	Receivables defined in high-risk category by BRSA	Guaranteed securities	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Stock Investments	Other receivables	TL	FC	Total (*)
Agriculture	-	-	-	-	-	-	2,210,209	1,025,749	2,376,730	9,450	1,334	-	-	-	-	-	3,215	2,998,302	2,628,385	5,626,687
Farming and Stockbreeding	-	-	-	-	-	-	1,655,795	670,832	2,158,964	2,534	-	-	-	-	-	-	2,804	2,441,463	2,049,466	4,490,929
Forestry	-	-	-	-	-	-	475,396	341,428	205,511	6,909	1,334	-	-	-	-	-	410	532,011	498,977	1,030,988
Fishery	-	-	-	-	-	-	79,018	13,489	12,255	7	-	-	-	-	-	-	1	24,828	79,942	104,770
Manufacturing	-	-	-	-	-	-	72,141,313	14,220,175	27,915,706	166,633	777,642	-	-	-	-	-	44,108	41,205,449	74,060,128	115,265,577
Mining and Quarrying	-	-	-	-	-	-	16,392,375	2,637,857	4,223,184	19,926	18,904	-	-	-	-	-	7,564	7,318,069	15,981,741	23,299,810
Production	-	-	-	-	-	-	47,312,911	10,756,682	22,069,903	144,552	758,645	-	-	-	-	-	19,766	32,081,211	48,981,248	81,062,459
Electricity, Gas and Water	-	-	-	-	-	-	8,436,027	825,636	1,622,619	2,155	93	-	-	-	-	-	16,778	1,806,169	9,097,139	10,903,308
Construction	-	-	-	-	-	-	26,101,906	7,364,918	15,882,155	49,074	39,135	-	-	-	-	-	16,681	32,423,707	17,030,162	49,453,869
Services	280,103,773	-	-	283,373	-	46,109,786	56,324,255	21,480,372	31,054,254	153,135	629,655	-	-	-	-	1,322,989	23,493,588	253,010,732	207,944,448	460,955,180
Wholesale and Retail Trade	-	-	-	-	-	-	35,465,966	12,259,202	20,501,281	96,301	208,458	-	-	-	-	-	82,522	36,026,664	32,587,066	68,613,730
Accommodation and Dining	-	-	-	-	-	-	973,079	668,102	1,254,309	22,561	1,255	-	-	-	-	-	3,047	2,050,848	871,505	2,922,353
Transportation and Telecom.	-	-	-	-	-	-	11,622,060	5,556,287	4,566,462	19,672	185,418	-	-	-	-	-	37,152	8,010,473	13,976,578	21,987,051
Financial Institutions	280,103,773	-	-	283,373	-	45,947,804	469,307	30,102	145,310	-	-	-	-	-	-	1,320,234	23,364,642	195,492,212	156,172,333	351,664,545
Real Estate and Rental Services	-	-	-	-	-	161,982	4,206,718	974,624	2,078,007	4,039	177,852	-	-	-	-	-	2,401	5,575,716	2,029,907	7,605,623
Professional Services	-	-	-	-	-	-	21,832	4,016	5,522	-	-	-	-	-	-	-	283	12,553	19,100	31,653
Educational Services	-	-	-	-	-	-	176,762	151,114	189,897	-	-	-	-	-	-	-	662	408,287	110,148	518,435
Health and Social Services	-	-	-	-	-	-	3,388,531	1,836,925	2,313,466	10,562	56,672	-	-	-	-	2,755	2,879	5,433,979	2,177,811	7,611,790
Others	-	-	-	-	-	-	23,308,280	41,749,131	24,567,764	139,784	506,384	-	-	-	-	-	5,285,834	93,023,937	2,533,240	95,557,177
Total	280,103,773	-	-	283,373	-	46,109,786	180,085,963	85,840,345	101,796,609	518,076	1,954,150	-	-	-	-	1,322,989	28,843,426	422,662,127	304,196,363	726,858,490

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(**) Stands for the risk categories listed in Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks were taken into consideration.

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2.3. Analysis of maturity-bearing exposures according to remaining maturities

Risk Categories (*) – Current Period	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or Central Banks	97,849,659	-	9,095,044	2,289,330	333,373,378
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	705,674	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	103,514,381	3,600,995	213,612	1,049,792	733,365
Conditional and unconditional receivables from corporates	33,529,749	30,778,672	26,708,286	45,208,660	98,397,041
Conditional and unconditional receivables from retail portfolios	32,658,834	36,732,968	20,364,721	24,775,198	54,074,040
Conditional and unconditional receivables secured by mortgages	14,007,095	19,846,410	15,562,648	28,113,494	67,616,155
Past due receivables	1,622,314	149,830	215,704	177,216	250,591
Receivables defined under high-risk category by BRSA	70,366	-	-	-	-
Guaranteed securities	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	10,932,415
Other Receivables	51,149,855	4,399	5,698	6,290	6,438,379
Total	332,779,939	90,963,444	71,950,009	102,148,438	571,564,773

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Stands for the risk categories listed in Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks were taken into consideration.

Risk Categories (*) – Prior Period	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or Central Banks	49,055,090	-	1,930,837	4,789,491	224,328,355
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	283,373	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	43,720,362	1,162,294	279,865	43,330	903,935
Conditional and unconditional receivables from corporates	24,408,696	27,048,175	22,407,080	31,240,736	74,981,276
Conditional and unconditional receivables from retail portfolios	16,969,227	20,470,720	9,807,600	14,018,096	24,574,702
Conditional and unconditional receivables secured by mortgages	9,394,840	16,453,092	13,535,644	19,676,587	42,736,446
Past due receivables	299,676	72,631	27,503	48,468	69,798
Receivables defined under high-risk category by BRSA	733,483	334,823	192,635	269,808	423,401
Guaranteed securities	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	1,322,989
Other Receivables	24,139,962	1,957	2,607	4,013	4,694,887
Total	168,421,660	65,471,061	48,156,268	70,325,434	373,965,991

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Stands for the risk categories listed in Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks were taken into consideration.

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2.4. Exposure Categories

In compliance with the 7th Article of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks, determination of the risk weights in calculation of the risk weighted sums is performed based on the credit ratings provided by the rating companies.

The ratings of an international credit rating agency are used for the Banks and Corporate Receivables asset class, which is limited to the receivables that are resident abroad. Receivables from banks are analyzed in two separate receivable classes according to their original maturity. If the original maturity is 3 months or less, they are assigned to “Short Term Receivables from Banks and Intermediary Institutions”, if it is more than 3 months it is assigned to “Receivables from Banks and Intermediary Institutions”. The banks and institutions established within the country are evaluated as unrated.

The ratings given by the international credit rating agency are used to determine the risk weighted asset class. The ratings of the credit rating agency are being used for Banks and Corporate Receivables asset class limited to the counterparties which are resident abroad.

The “Credit Quality Grades” corresponding to the ratings of the credit rating agency are given in the table below.

Credit Quality Grade	Fitch Rating Risk	Exposure Categories			
		Exposures to Central Governments or Central Banks Exposure Categories	Exposures from Banks and Brokerage Houses		Exposures to Corporates
			Receivables With Original Maturity Less Than 3 Months	Receivables with Original Maturity greater than 3 Months	
1	AAA AA+ AA AA-	0%	20%	20%	20%
2	A+ A A-	20%	20%	50%	50%
3	BBB+ BBB BBB-	50%	20%	50%	100%
4	BB+ BB BB-	100%	50%	100%	100%
5	B+ B B-	100%	50%	100%	150%
6	CCC+ CCC CCC- CC C D	150%	150%	150%	150%
Unrated	Unrated	100%	20% (*)	50% (*)	100%

(*) This is used under the condition of not being less than the implemented one in the centralized management of the Parent Bank’s located country.

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2.5. Credit risk using the standard approach

2.5.1. Credit risk exposed and credit risk mitigation effects

	Current Period	Credit conversion rate and credit risk amount receivable before reduction		Credit conversion rate and credit risk amount of receivable after reduction		Risk weighted amount and risk weighted amount concentration	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Receivables from central governments and Central Banks	380,347,416	-	389,525,806	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	705,674	-	705,674	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	94,120,678	42,436,936	94,120,678	3,813,459	22,920,953	23
7	Receivables from corporate	194,984,306	96,467,360	185,839,772	39,293,575	219,114,919	97
8	Retail receivables	142,663,806	225,933,146	142,659,312	25,895,481	123,510,608	73
9	Receivables secured by residential property	50,446,946	9,353,033	50,440,828	4,421,646	18,857,114	34
10	Receivables secured by commercial property	77,101,853	26,947,411	77,091,090	13,175,357	60,319,796	67
11	Non-performing receivables	2,415,655	-	2,403,174	-	1,332,790	55
12	Receivables in high-risk categories	70,365	-	70,366	-	105,283	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	57,603,578	1,043	57,603,578	1,043	32,412,619	56
17	Stock investments	(2,448,197)	13,380,612	(2,448,197)	13,380,612	10,932,415	100
18	Total	998,012,080	414,519,541	998,012,081	99,981,173	489,506,497	45

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	Prior Period	Credit conversion rate and credit risk amount receivable before reduction		Credit conversion rate and credit risk amount of receivable after reduction		Risk weighted amount and risk weighted amount concentration	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Receivables from central governments and Central Banks	256,739,704	-	264,420,063	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	283,373	-	283,373	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	43,025,612	18,448,093	43,025,612	874,659	11,374,631	26
7	Receivables from corporate	153,736,695	63,394,137	146,173,380	25,723,138	162,203,709	94
8	Retail receivables	73,427,217	93,763,345	73,380,858	12,394,908	61,959,510	72
9	Receivables secured by residential property	31,639,883	6,542,890	31,611,565	3,026,661	11,800,937	34
10	Receivables secured by commercial property	58,068,390	18,902,800	58,037,711	9,061,675	44,692,821	67
11	Non-performing receivables	518,076	-	506,388	-	254,415	50
12	Receivables in high-risk categories	1,954,149	-	1,954,150	-	8,509,123	435
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	28,843,426	-	28,843,426	-	11,863,802	41
17	Stock investments	(2,819,223)	4,142,212	(2,819,223)	4,142,212	1,322,989	100
18	Total	645,417,302	205,193,477	645,417,303	55,223,253	313,981,937	45

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2.5.2. Exposures by risk classes and risk weights

Risk Classifications/Risk Weights (*) (Current Period)	0%	10%	20%	50%	75%	100%	150%	200%	Other (*)	Total risk amount (post-CCF and CRM)
1 Receivables from central governments and Central Banks	389,525,806	-	-	-	-	-	-	-	-	389,525,806
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4 Receivables from multilateral development banks	705,674	-	-	-	-	-	-	-	-	705,674
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	1,490,320	-	86,491,527	8,659,283	-	1,293,007	-	-	-	97,934,137
7 Receivables from corporate	3,440,294	-	3,222,667	-	-	218,470,386	-	-	-	225,133,347
8 Retail receivables	2,716,865	-	1,577,888	-	164,260,040	-	-	-	-	168,554,793
9 Receivables secured by residential property	769,709	-	502,357	-	-	-	-	-	53,590,408	54,862,474
10 Receivables secured by commercial property	1,307,713	-	1,073,031	55,561,025	-	32,324,678	-	-	-	90,266,447
11 Non-performing receivables	8,021	-	13,696	2,102,813	-	278,644	-	-	-	2,403,174
12 Receivables in high-risk categories	126	-	59	-	-	-	70,181	-	-	70,366
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
16 Stock investments	-	-	-	-	-	10,932,415	-	-	-	10,932,415
17 Other receivables	25,192,003	-	-	-	-	32,412,618	-	-	-	57,604,621
18 Total	425,156,531	-	92,881,225	66,323,121	164,260,040	295,711,748	70,181	-	53,590,408	1,097,993,254

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

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Risk Classifications/Risk Weights (*) (Prior Period)		0%	10%	20%	50%	75%	100%	150%	200%	Other (*)	Total risk amount (post-CCF and CRM)
1	Receivables from central governments and Central Banks	264,420,063	-	-	-	-	-	-	-	-	264,420,063
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	283,373	-	-	-	-	-	-	-	-	283,373
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	961,894	-	37,073,040	3,810,628	-	2,054,709	-	-	-	43,900,271
7	Receivables from corporate	7,042,323	-	3,313,108	-	-	161,541,087	-	-	-	171,896,518
8	Retail receivables	2,609,200	-	755,298	-	82,411,268	-	-	-	-	85,775,766
9	Receivables secured by residential property	743,392	-	415,032	-	-	-	-	-	33,479,802	34,638,226
10	Receivables secured by commercial property	1,480,773	-	1,115,427	40,066,902	-	24,436,284	-	-	-	67,099,386
11	Non-performing receivables	4,664	-	577	493,694	-	7,453	-	-	-	506,388
12	Receivables in high-risk categories	-	-	-	-	-	-	360,465	-	1,593,685	1,954,150
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	1,322,989	-	-	-	1,322,989
17	Other receivables	16,979,485	-	174	-	-	11,863,767	-	-	-	28,843,426
18	Total	294,525,167	-	42,672,656	44,371,224	82,411,268	201,226,289	360,465	-	35,073,487	700,640,556

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

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2.6. Risk amounts according to risk weights

Current Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Risk Weights												
Exposures before Credit Risk Mitigation	407,735,413	-	86,491,527	-	54,868,592	67,821,202	168,559,287	312,446,866	70,366	-	-	-
Exposures after Credit Risk Mitigation	425,156,531	-	92,881,225	-	53,590,408	66,323,121	164,260,040	295,711,748	70,181	-	-	-
Prior Period												
Risk Weights												
Exposures before Credit Risk Mitigation	274,964,456	-	37,073,214	-	34,666,544	45,923,442	85,822,125	220,236,625	360,465	-	1,593,685	-
Exposures after Credit Risk Mitigation	294,525,167	-	42,672,656	-	33,479,802	44,371,224	82,411,268	201,226,289	360,465	-	1,593,685	-

2.7. Information by major sectors and type of counterparties

Impaired Loans; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their creditworthiness according to TFRS 9 Financial Instruments. For such credits, “expected credit loss provisions” are allocated as TFRS 9 suggests.

Past Due Loans; are the credits that overdue up to 90 days but not impaired. For such credits, “general provisions” are allocated within the scope of TFRS 9.

	Loans	Provisions	
	Impaired Loans		
Current Period (**)	Significant Increase in Credit Risk (Stage II)	Default (Stage III)	
		Expected Credit Loss Provisions (*)	
Agriculture	1,133,351	215,826	268,587
Farming and Stockbreeding	976,982	171,281	202,124
Forestry	153,086	44,545	66,231
Fishery	3,283	-	232
Manufacturing	12,292,253	5,329,941	5,571,050
Mining and Quarrying	2,465,154	814,645	849,862
Production	9,352,669	4,245,301	4,353,216
Electricity, Gas and Water	474,430	269,995	367,972
Construction	6,457,644	1,409,626	1,457,511
Services	14,258,068	4,315,817	4,646,187
Wholesale and Retail Trade	7,310,567	2,430,415	2,581,090
Accommodation and Dining	692,895	92,025	165,480
Transportation and Telecommunication	3,135,602	864,276	845,361
Financial Institutions	44,036	-	9,274
Real Estate and Rental Services.	2,026,919	782,424	767,991
Professional Services	2,731	12,072	8,217
Educational Services	113,986	33,221	33,144
Health and Social Services	931,332	101,384	235,630
Others	12,939,226	2,097,670	3,161,284
Total	47,080,542	13,368,880	15,104,619

(*) Provisions for expected credit loss include Stage II and Stage III provisions.

(**) Financial lease receivables are not included.

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Prior Period (**)	Loans		Provisions
	Impaired Loans		
	Significant Increase in Credit Risk (Stage II)	Default (Stage III)	Expected Credit Loss Provisions (*)
Agriculture	473,223	74,574	105,630
Farming and Stockbreeding	409,994	18,119	46,170
Forestry	57,804	56,083	59,043
Fishery	5,425	372	417
Manufacturing	8,636,100	2,401,059	3,970,969
Mining and Quarrying	2,128,913	460,970	1,263,860
Production	5,804,397	1,920,979	2,477,867
Electricity, Gas and Water	702,790	19,110	229,242
Construction	4,670,697	1,709,077	1,577,918
Services	8,142,894	2,458,665	3,057,030
Wholesale and Retail Trade	4,802,827	1,181,653	1,463,197
Accommodation and Dining	282,948	155,666	177,398
Transportation and Telecommunication	1,112,858	548,557	487,447
Financial Institutions	1,599	193,113	31
Real Estate and Rental Services.	1,078,804	292,369	708,716
Professional Services	817	-	3,802
Educational Services	161,407	1,233	108,444
Health and Social Services	701,634	86,074	107,995
Others	6,727,777	945,478	1,605,101
Total	28,650,691	7,588,853	10,316,648

(*) Provisions for expected credit loss include Stage II and Stage III provisions.

(**) Financial lease receivables are not included.

2.8. Movements in value adjustments and provisions

Current Period (*****)	Opening Balance	Provisions for the period	Provision Reversals (***)	Other Adjustments (****)	Closing Balance
Stage 3 Provisions (*)	6,058,102	9,456,302	560,175	5,276,631	9,677,598
Stage 1&2 Provisions (**)	7,014,147	1,932,524	863,247	-	8,083,424

Prior Period	Opening Balance	Provisions for the period	Provision Reversals (***)	Other Adjustments (****)	Closing Balance
Stage 3 Provisions (*)	3,449,064	5,268,594	1,264,153	1,395,403	6,058,102
Stage 1&2 Provisions (**)	14,498,025	301,066	7,784,944	-	7,014,147

(*) Represents Stage 3 Expected Loss Provision.

(**) Represents Stage 1 and Stage 2 Expected Loss Provision.

(***) Includes provision reversals and exchange rate differences.

(****) Represents loans written off from assets.

(*****) It does not include provisions for non-cash loans.

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2.9. Risk involved in counter cyclical capital buffer calculation

Current Period

Country	RWAs of Banking Book for Private Sector Lending	RWA of calculated within Trading Accounts	Total
Türkiye	399,097,009	-	399,097,009
Germany	19,547,626	-	19,547,626
Marshall Islands	3,353,329	-	3,353,329
Liberia	725,069	-	725,069
Malta	191,609	-	191,609
Saint Kitts and Nevis	133,367	-	133,367
Albania	106,659	-	106,659
England	79,185	-	79,185
Netherlands	65,444	-	65,444
Italy	57,153	-	57,153
Other	263,444	-	263,444

Prior Period

Country	RWAs of Banking Book for Private Sector Lending	RWA of calculated within Trading Accounts	Total
Türkiye	273,160,424	-	273,160,424
Germany	13,768,377	-	13,768,377
Marshall Islands	1,934,000	-	1,934,000
Liberia	581,847	-	581,847
Other	205,329	-	205,329
Malta	102,146	-	102,146
Albania	87,817	-	87,817
Italy	28,996	-	28,996
England	27,211	-	27,211
Saudi Arabia	21,007	-	21,007
Qatar	164,162	-	164,162

2.10. Information of cash and noncash loans according to parent bank risk rating system

Risk Management Department improves rating models for corporate and individual portfolios based on statistical methods. As of 31 December 2025, the classes of performing loans are given in the table below:

Current Period	Cash Loans	Non-Cash Loans	Total
High Quality	52.19%	78.20%	57.44%
Medium Quality	35.76%	17.93%	32.16%
Average	8.77%	3.15%	7.64%
Below Average	3.28%	0.72%	2.76%

Prior Period	Cash Loans	Non-Cash Loans	Total
High Quality	52.90%	76.49%	57.34%
Medium Quality	35.23%	18.53%	32.09%
Average	8.97%	4.36%	8.10%
Below Average	2.90%	0.62%	2.47%

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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 31 December 2025, the Group has a net foreign currency open position of TL 1,632,877 (31 December 2024 – TL 4,605,112 open) comprising of TL 32,415,152 off balance sheet closed position (31 December 2024 - TL 22,788,455 open) and TL 34,048,029 balance sheet open position (31 December 2024 – TL 18,183,343 closed).

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

	24/12/2025	25/12/2025	26/12/2025	29/12/2025	30/12/2025	Balance Sheet Valuation Rate
USD	42.76841	42.79071	42.80198	42.89304	42.90284	42.88188
EUR	50.43812	50.35722	50.40867	50.48451	50.49503	50.33764
GBP	57.79922	57.71951	57.75003	57.86263	57.95495	57.67883
CHF	54.33591	54.02547	54.22719	54.33326	54.3724	54.07465
JPY	0.27436	0.27346	0.27374	0.2745	0.27505	0.27379

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):

	Monthly Average FC Purchase Rate
USD	42.63594
EUR	49.94335
GBP	57.08485
CHF	53.53831
JPY	0.27344

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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 (***)	39,486,421	71,955,265	153,846,716	265,288,402
Banks (****)	(574,157)	15,577,672	61,946,676	76,950,191
Financial assets at fair value through profit and loss	32,321	6,596,431	5,818,168	12,446,920
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	429,503	54,633,350	-	55,062,853
Loans and finance lease receivables (*)	156,813,804	158,987,440	147,547	315,948,791
Subsidiaries, associates and joint ventures	-	-	-	-
Financial assets at amortized cost	1,011,197	26,991,140	-	28,002,337
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	444,802	3,732	-	448,534
Intangible assets	376,644	176	-	376,820
Other assets	814,401	1,383,783	12,656	2,210,840
Total Assets	198,834,936	336,128,989	221,771,763	756,735,688
Liabilities				
Current account and funds collected from Banks via participation accounts	3,193,810	1,082,834	2,363,681	6,640,325
Current and profit-sharing accounts FC	94,365,384	140,826,492	327,625,795	562,817,671
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	29,355,961	148,440,276	20,949,161	198,745,398
Marketable securities issued	-	-	-	-
Miscellaneous payables	2,982,204	16,036,225	125,087	19,143,516
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (****)	1,557,041	1,714,756	165,010	3,436,807
Total Liabilities	131,454,400	308,100,583	351,228,734	790,783,717
Net balance sheet position	67,380,536	28,028,406	(129,456,971)	(34,048,029)
Net off-balance sheet position	(69,414,881)	(29,574,661)	131,404,694	32,415,152
Financial derivative assets	9,353,925	86,518,077	190,754,480	286,626,482
Financial derivative liabilities	78,768,806	116,092,738	59,349,786	254,211,330
Non-cash loans (**)	16,385,248	35,998,974	8,281,832	60,666,054
Prior Period				
Total assets	123,622,270	254,948,933	101,077,789	479,648,992
Total liabilities	81,959,109	230,034,776	149,471,764	461,465,649
Net balance sheet position	41,663,161	24,914,157	(48,393,975)	18,183,343
Net off-balance sheet position	(43,438,247)	(28,575,076)	49,224,868	(22,788,455)
Financial derivative assets	4,311,290	41,701,105	77,628,141	123,640,536
Financial derivative liabilities	47,749,537	70,276,181	28,403,273	146,428,991
Non-cash loans (**)	9,922,037	20,082,670	5,657,163	35,661,870

(*) Includes foreign currency indexed loans amounting to TL 487,897 (31 December 2024 – TL 939,403) followed as TL on the balance sheet and expected credit loss amounting to TL 4,133,372.

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

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

(****) Other liabilities at fair value through profit or loss TL 142,670 in the calculation of profit / loss of securities are not included in the foreign currency risk of impairment provisions. It also includes a provision for foreign currency indexed loans amounting to TL 15,406.

(*****) Includes provisions for expected losses amounting to TL 2,983 were deducted from the cash values and the relevant lines from the Central Bank and Banks accounts.

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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 18,434,954 (31 December 2024 – TL 798,152)
- Prepaid expenses: TL 10,018 (31 December 2024 – TL 3,383)
- Derivative financial liabilities held for trading: TL 1,406,660 (31 December 2024 – TL 1,453,023)
- Marketable securities of FC revaluation reverse: TL (1,417,016) (31 December 2024 – TL (301,804))

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

- Forward foreign currency purchase transactions TL 26,368,792 (31 December 2024 – TL 6,970,583)
- Forward foreign currency sale transactions: TL 21,374,056 (31 December 2024 – TL 6,644,149)
- Precious metal purchase transactions: TL 171,957,203 (31 December 2024 – TL 72,552,364)
- Precious metal sale transactions: TL 38,777,712 (31 December 2024 – TL 26,609,412)

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
USD	10%	(154,626)	(366,092)	(818,693)	(552,671)
EURO	10%	(203,435)	(177,509)	106,010	14,817
Gold	10%	2,312,008	972,593	2,312,008	972,593

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4. Explanations related to stock position risk

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

The 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	686,150	-	686,150
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	8,123,680	-	-
Quoted Securities	-	-	-
Other	1,058,088	-	-
Quoted Securities	-	-	-

Prior Period		Comparison	
Equity Securities Investments	Carrying Value	Fair Value	Market Value
Securities at Fair Value Through Other Comprehensive Income	521,580	-	521,580
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	123,680	-	-
Quoted Securities	-	-	-
Other	655,380	-	-
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 fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities. It has been evaluated in two main categories:

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

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

Liquidity risk is managed by the Asset - Liability Committee (ALCO) and related business units within the framework of the Liquidity Risk Policy and risk appetite approved by the Board of Directors. In liquidity risk management, the measures to be taken and the practices to be carried out are determined by taking into account normal economic conditions and stress conditions. The 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 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 is deemed high. The Bank also has limits available for use at Central Bank of Turkey and other financial institutions.

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

For the management of liquidity risk, the Risk Management Department follows the funding and liquidity risks, market conditions, in the participating accounts, the distribution of different currencies, maturity, cost and expected future cash flow requirements (particularly with regard to large deposits). Reports on the liquidity gap analysis prepared weekly by Budget and Management Reporting and monitored by the Asset and Liability Committee. These units also estimate the possible liquidity needs of the 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, American 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 Turkish Republic 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 Turkish substantially.

5.5 Information on liquidity risk mitigation techniques

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

5.6 Information on the use of stress tests

In order to analyze the source of the possible liquidity insufficiencies and whether conformably move exists on existing off-balance sheet and balance sheet positions relevant with liquidity risk expectation, 3 types 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 of the situations. Stress tests related with liquidity risk are repeated at monthly periods. Results are tracked with key risk indicators and monitored by Senior Management.

5.7 General information about the contingency funding plan

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

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5.8 Analysis of financial liabilities by remaining contractual maturities

The following table is prepared before the Group's liabilities are undiscounted and based on the earliest date to the payment. Adjustment column shows the items that give rise to probable cash exit according to contractual terms at later period. The items that are mentioned are included the maturity analysis however they are not included in the balance sheet value of financial liabilities at the balance sheet.

	Up to 1 months	1-3 months	3-12 months	1-5 years	Above 5 years	Total	Adjustments	Balance Sheet Value
31 December 2025								
Funds Collected	844,698,636	63,969,936	23,775,608	2,018,550	46,505	934,509,235	-	934,509,235
Other Fundings	121,786,098	24,861,039	16,849,239	41,551,301	15,008,658	220,056,335	(7,793,468)	212,262,867
Debts from lease transaction	110,826	176,351	659,205	1,365,222	98,285	2,409,889	443,187	2,853,076
Securities issued	-	108,332	-	-	-	108,332	(7,084)	101,248
Funds from repo transaction	32,758,730	10,500,000	3,500,000	-	-	46,758,730	765,117	47,523,847
Total	999,354,290	99,615,658	44,784,052	44,935,073	15,153,448	1,203,842,521	(6,592,248)	1,197,250,273
31 December 2024								
Funds Collected	510,505,485	56,386,635	33,144,897	4,342,427	21,243	604,400,687	-	604,400,687
Other Fundings	79,466,771	15,313,083	24,365,539	10,454,777	12,344,896	141,945,066	(5,216,486)	136,728,580
Debts from lease transaction	69,081	137,822	472,249	1,471,007	296,208	2,446,367	(864,552)	1,581,815
Securities issued	601,712	-	-	-	-	601,712	(4,038)	597,674
Funds from repo transaction	18,197,426	-	-	-	-	18,197,426	(340,568)	17,856,858
Total	608,840,475	71,837,540	57,982,685	16,268,211	12,662,347	767,591,258	(6,425,644)	761,165,614

Maturity analysis for guarantees and contingencies

	Demand	Up to 1 months	1-3 months	3-12 months	1-5 years	Above 5 years	Unallocated	Total
31 December 2025								
Letters of Guarantee	54,700,967	2,461,035	9,536,465	44,068,970	24,551,703	1,130,415	-	136,449,555
Bills of Exchange and Bank Acceptances	88,764	235,963	242,146	816,000	-	-	-	1,382,873
Letters of Credit	11,502,695	2,128,783	5,382,881	6,249,780	540,675	-	-	25,804,814
Other guarantees	1,789,835	2,321,392	3,489,138	1,122,460	5,222	162	-	8,728,209
Total	68,082,261	7,147,173	18,650,630	52,257,210	25,097,600	1,130,577	-	172,365,451
31 December 2024								
Letters of Guarantee	35,673,807	1,336,765	5,108,085	28,257,276	14,613,349	551,685	-	85,540,967
Bills of Exchange and Bank Acceptances	82,456	133,279	115,451	396,353	-	-	-	727,539
Letters of Credit	6,019,021	1,702,757	2,935,119	2,767,865	157,024	-	-	13,581,786
Other guarantees	681,110	2,784,982	1,454,032	286,576	4,168	222	-	5,211,090
Total	42,456,394	5,957,783	9,612,687	31,708,070	14,774,541	551,907	-	105,061,382

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Contractual maturity analysis of derivative instruments

31 December 2025	Up to 1 months	1-3 months	3-12 months	1-5 years	5 years and over	Total
Derivatives financial assets held for trading						
Foreign exchange derivatives:						
Inflow	187,411,079	95,759,446	15,876,154	-	-	299,046,679
Outflow	178,903,918	92,370,717	15,965,843	-	-	287,240,478
Hedging purposes financial assets						
Foreign exchange derivatives:						
Inflow	-	-	-	-	-	-
Outflow	-	-	-	-	-	-
Total Cash Inflow	187,411,079	95,759,446	15,876,154	-	-	299,046,679
Total Cash Outflow	178,903,918	92,370,717	15,965,843	-	-	287,240,478
31 December 2024						
	Up to 1 months	1-3 months	3-12 months	1-5 years	5 years and over	Total
Derivatives financial assets held for trading						
Foreign exchange derivatives:						
Inflow	101,302,932	55,603,633	13,305,891	2,998,717	-	173,211,173
Outflow	101,576,368	57,104,673	13,029,038	4,852,145	-	176,562,224
Hedging purposes financial assets						
Foreign exchange derivatives:						
Inflow	-	-	-	-	-	-
Outflow	-	-	-	-	-	-
Total Cash Inflow	101,302,932	55,603,633	13,305,891	2,998,717	-	173,211,173
Total Cash Outflow	101,576,368	57,104,673	13,029,038	4,852,145	-	176,562,224

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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 (HQLA)			357,949,344	268,527,767
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	585,448,062	393,159,355	53,592,558	39,315,936
3	Stable deposits	99,044,948	-	4,952,247	-
4	Less stable deposits	486,403,114	393,159,355	48,640,311	39,315,936
5	Unsecured wholesale funding, of which:	206,687,201	121,377,465	121,667,944	78,284,521
6	Operational deposits	-	-	-	-
7	Non-operational deposits	148,947,944	74,645,942	63,928,687	31,552,998
8	Other unsecured funding	57,739,257	46,731,523	57,739,257	46,731,523
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	317,358,103	286,702,017	317,358,103	286,702,017
11	Derivative liabilities and collateral fulfilment obligations	197,181,656	174,555,843	197,181,656	174,555,843
12	Obligations related to structured financial products	120,176,447	112,146,174	120,176,447	112,146,174
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	343,282,475	55,468,327	24,721,040	2,921,053
16	TOTAL CASH OUTFLOWS			517,339,645	407,223,527
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	191,799,805	139,140,538	147,574,722	111,481,032
19	Other cash inflows	233,629,839	157,636,144	233,629,839	157,636,144
20	TOTAL CASH INFLOWS	425,429,644	296,776,682	381,204,561	269,117,176
21	TOTAL HQLA			357,949,344	268,527,767
22	TOTAL NET CASH OUTFLOWS			136,135,084	138,106,351
23	LIQUIDITY COVERAGE RATIO (%)			262.94	194.44

(*) The average calculated for the last three months of the liquidity coverage ratio calculated by taking the monthly simple arithmetic average.

The table below presents highest, lowest and average liquidity coverage ratios for 1 October – 31 December 2025, on a monthly basis.

Current 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 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 (HQLA)			208,359,913	133,685,065
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	203,342,898	22,844,938	17,644,426	2,284,494
3	Stable deposits	53,797,292	-	2,689,865	-
4	Less stable deposits	149,545,606	22,844,938	14,954,561	2,284,494
5	Unsecured wholesale funding, of which:	138,221,942	83,716,274	76,471,423	49,393,475
6	Operational deposits	-	-	-	-
7	Non-operational deposits	108,779,609	60,069,357	47,029,090	25,746,558
8	Other unsecured funding	29,442,333	23,646,917	29,442,333	23,646,917
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	176,340,684	166,583,550	176,340,684	166,583,550
11	Derivative liabilities and collateral fulfilment obligations	97,120,404	87,722,709	97,120,404	87,722,709
12	Obligations related to structured financial products	79,220,280	78,860,841	79,220,280	78,860,841
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	182,276,391	34,445,464	15,225,487	2,356,927
16	TOTAL CASH OUTFLOWS			285,682,020	220,618,446
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	119,986,419	83,017,248	86,297,443	64,834,796
19	Other cash inflows	112,641,506	69,741,215	112,641,506	69,741,215
20	TOTAL CASH INFLOWS	232,627,925	152,758,463	198,938,949	134,576,011
				Upper Limit Applied Value	
21	TOTAL HQLA			208,359,913	133,685,065
22	TOTAL NET CASH OUTFLOWS			86,743,071	86,042,435
23	LIQUIDITY COVERAGE RATIO (%)			240.20	155.37

(*) The average calculated for the last three months of the liquidity coverage ratio calculated by taking the monthly simple arithmetic average.

The table below presents highest, lowest and average liquidity coverage ratios for 1 October – 31 December 2024, on a monthly basis.

Prior Period

	Highest	Date	Lowest	Tarih
TL+FC	295.63	01/11/2024	215.42	27/11/2024
FC	221.17	29/10/2024	175.28	25/10/2024

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 TC Central Bank, 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

Current Period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated (***)	Total
Assets								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Türkiye (*)	207,421,891	149,314,486	-	-	-	-	(1,542)	356,734,835
Banks (**)	94,329,746	4,027	8,692	-	-	-	(2,987)	94,339,478
Financial assets at fair value through profit and loss	21,961,086	407	2,003,662	1,832,130	9,389,690	5,848,764	(10,068,615)	30,967,124
Money market placements	-	16,893,053	-	-	-	-	-	16,893,053
Financial assets at fair value through other comprehensive income	686,150	32,152,367	2,256,009	15,862,203	77,729,864	3,715,904	-	132,402,497
Loans (**)	-	165,034,459	99,401,521	240,852,265	156,565,468	15,546,866	(4,641,011)	672,759,568
Financial assets measured at amortized cost	-	14,393,265	-	42,815	41,600,005	4,339,973	(24,836)	60,351,222
Other assets (***)	2,838,139	24,136,615	27,669	-	1,263,038	-	59,348,033	87,613,494
Total assets	327,237,012	401,928,679	103,697,553	258,589,413	286,548,065	29,451,507	44,609,042	1,452,061,271
Liabilities								
Current account and funds collected from banks via participation accounts	6,828,120	281	-	-	-	-	-	6,828,401
Current and profit sharing accounts	563,514,794	274,355,441	63,969,936	23,775,608	2,018,550	46,505	-	927,680,834
Funds provided from other financial institutions	-	121,678,927	26,336,760	15,163,557	34,035,111	15,048,512	-	212,262,867
Money market borrowings	-	32,238,730	11,020,000	3,500,000	-	-	765,117	47,523,847
Marketable securities issued	-	-	101,248	-	-	-	-	101,248
Miscellaneous payables	22,699,408	3,774,009	-	-	-	-	-	26,473,417
Other Liabilities (****)	-	38,946,469	5,567,719	4,093,405	1,373,152	98,285	181,111,628	231,190,658
Total Liabilities	593,042,322	470,993,857	106,995,663	46,532,570	37,426,813	15,193,302	181,876,744	1,452,061,271
Net liquidity gap	(265,805,310)	(69,065,178)	(3,298,110)	212,056,843	249,121,252	14,258,205	(137,267,702)	-
Prior period								
Total assets	176,957,053	225,085,112	81,600,447	177,173,686	188,619,549	38,189,877	15,223,197	902,848,921
Total liabilities	334,491,574	290,164,089	80,546,846	56,419,407	11,726,216	12,470,622	117,030,167	902,848,921
Net liquidity gap	(157,534,521)	(65,078,977)	1,053,601	120,754,279	176,893,333	25,719,255	(101,806,970)	-

(*) 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.

The simple arithmetic average of the Net Stable Funding Rate for the period 31 December 2025 was 135.09% (31 December 2024 - 132.93%). As of 31 December 2025, the current stable fund amount in our bank's consolidated Net Stable Funding Table is TL 1,079,415,809 (31 December 2024 - TL 697,755,893), while the required stable fund amount is TL 799,061,092 (31 December 2024 - TL 524,920,013) and our Simple arithmetic average of the Net Stable Funding Ratio for the last three months, including the December 2025 period is 133.54% (31 December 2024 - 129.73%).

The consolidated NSFR development for the last three months of 2025 is as follows.

Period	Rate
31 October 2025	133.09%
30 November 2025	132.43%
31 December 2025	135.09%
3 Month Average	133.54%

Current Period		a	b	c	ç	d
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand*	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
Available Stable Fund						
1	Equity Items	161,825,206	-	-	-	161,825,206
2	Tier 1 and Tier 2 capital	161,825,206	-	-	-	161,825,206
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	549,256,630	322,506,007	54,444,117	269,155	874,297,197
5	Stable deposit/participation fund	493,607,674	297,085,999	18,424,044	259,837	768,908,676
6	Low stable deposit/participation fund	55,648,956	25,420,008	36,020,073	9,318	105,388,521
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	35,174,147	207,403,882	18,516,594	-	9,258,299

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12	Derivative liabilities				-	
13	Other equity items and liabilities not included above	115,181,858	-	-	34,035,107	34,035,107
14	Available Stable Fund					1,079,415,809
Required Stable Funding						
15	High-quality liquid assets					5,402,226
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	32,823,764	192,125,031	199,617,558	326,624,870	484,237,299
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	53,603	7,435,654	-	-	1,123,389
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	10,138,697	184,689,377	199,431,216	226,517,404	398,753,138
21	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	99,450,447	64,642,791
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	22,631,464	-	186,342	657,019	19,717,981
25	Assets equivalent to interconnected liabilities					
26	Other assets	231,802,394	72,817,063	354,598	11,817,868	300,782,801
27	Commodities with physical delivery including gold	25,577,705				21,741,049
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				16,418,293	16,418,293
30	Derivative liabilities before deduction of variation margin				56,398,770	56,398,770
31	Other assets not included above	206,224,689	-	354,598	11,817,868	206,224,689
32	Off-balance sheet payables		172,775,311	-	-	8,638,766
33	Required Stable Funding					799,061,092
34	Net Stable Funding Ratio (%)					135.09

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The consolidated NSFR development for the last three months of 2024 is as follows.

Period	Rate
31 October 2024	125.97%
30 November 2024	130.28%
31 December 2024	132.93%
3 Month Average	129.73%

Prior Period		a	b	c	ç	d
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand*	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
Available Stable Fund						
1	Equity Items	113,717,868	-	-	-	113,717,868
2	Tier 1 and Tier 2 capital	113,717,868	-	-	-	113,717,868
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	318,854,051	235,645,818	46,003,817	1,331,488	567,863,224
5	Stable deposit/participation fund	279,608,939	216,996,863	26,762,022	863,533	498,019,789
6	Low stable deposit/participation fund	39,245,112	18,648,955	19,241,795	467,955	69,843,435
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	6,459,329	123,979,486	19,725,094	-	9,862,547
12	Derivative liabilities				1,074,669	
13	Other equity items and liabilities not included above	88,192,294	-	-	6,312,250	6,312,254
14	Available Stable Fund					697,755,893
Required Stable Funding						
15	High-quality liquid assets					3,410,497
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	20,234,040	7,242,617	180,524,192	275,487,654	342,958,673
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	2,075	3,220,597	-	-	483,401

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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	4,013,663	4,013,663	179,827,838	254,445,364	314,407,547
21	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	20,126,195	13,082,027
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	16,218,302	8,357	696,354	916,095	14,985,698
25	Assets equivalent to interconnected liabilities					
26	Other assets	142,035,086	33,073,813	-	32,788,304	173,292,423
27	Commodities with physical delivery including gold	12,109,841				10,293,365
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				-	-
30	Derivative liabilities before deduction of variation margin				33,073,813	33,073,813
31	Other assets not included above	129,925,245	-	-	32,788,304	129,925,245
32	Off-balance sheet payables		105,168,427	-	-	5,258,421
33	Required Stable Funding					524,920,013
34	Net Stable Funding Ratio (%)					132.93

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6. Explanations on leverage ratio

Disclosure of leverage ratio template

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

		Current Period (***)	Prior Period (***)
1	Total assets amount included in the consolidated financial statements prepared in accordance with TAS (*) (**)	1,386,440,067	889,453,479
2	The difference between the asset amount (*) included in the consolidated financial statements prepared in accordance with TAS and the asset amount included in the consolidated financial statements prepared under the Communiqué on the Preparation of Consolidated Financial Statements of Banks (**)	12,772,094	2,086,452
3	The difference between the amounts and risk amounts included in the consolidated financial statements prepared under the Communiqué on the Preparation of Banks' Consolidated Financial Statements with respect to derivative financial instruments and credit derivatives	-	1,073
4	The difference between the amounts and risk amounts included in the consolidated financial statements prepared under the Communiqué on the Preparation of Banks' Consolidated Financial Statements for securities or commodity-backed financing transactions	63,199,640	27,520,982
5	The difference between the amounts included in the consolidated financial statements prepared under the Communiqué on the Preparation of Banks' Consolidated Financial Statements and the risk amounts	-	(153,868,221)
6	Other differences between the amount and the risk amount in the consolidated financial statements prepared under the Communiqué on the Preparation of Banks' Consolidated Financial Statements	-	-
7	Total risk amount	1,774,637,654	1,106,156,930

(*) Consolidated financial statements prepared in accordance with the paragraph six of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements by Banks.

(**) Financial statements prepared in accordance with TAS as of 31 December 2025 for the current period and 31 December 2024 for the previous period have been used.

(***) The amounts presented in the table are calculated based on the three-month average.

On-balance sheet assets (*)		Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1,381,771,563	893,103,141
2	(Assets deducted in determining Tier I Capital)	(10,013,811)	(10,991,117)
3	Total on-balance sheet risks (sum of lines 1 and 2)	1,371,757,752	882,112,024
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	4,863,484	1,673,693
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	1,847,890	1,271,782
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	6,711,374	2,945,475
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	(10,852,931)	(2,341,046)
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	(10,852,931)	(2,341,046)
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	407,021,459	377,308,698
11	(Adjustments for conversion to credit equivalent amounts)	-	(153,868,221)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	407,021,459	223,440,477
Capital and total risks			
13	Tier I Capital	128,053,601	85,072,097
14	Total risks (sum of lines 3, 6, 9 and 12)	1,774,637,654	1,106,156,930
Leverage ratio			
15	Leverage ratio	7.22	7.68

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

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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 7.22% (31 December 2024 - 7.68%). 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 51% from profit for the period, while on-balance sheet risk increased by 56%, off-balance sheet items increased by 82%. Accordingly, there is a decrease of 46 basis points in the leverage ratio in the current period compared to the previous period.

7. Explanations on consolidated fair values of financial assets and liabilities

The table summarizes the book value and fair value of the financial assets and liabilities that were not accounted by the values in Group's financial statements. Book value is the sum of the acquisition value and accumulated profit share accruals.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial assets				
Banks	94,342,465	39,326,583	94,342,465	39,326,583
Financial Assets at Fair Value Through Other Comprehensive Income	132,402,497	67,659,318	132,402,497	67,659,318
Financial Assets Valued at Amortized Cost	60,376,058	58,614,422	55,947,700	53,811,274
Loans and Lease Receivables	677,151,710	450,354,794	677,531,604	453,700,836
Financial liabilities				
Current account and funds collected from banks via participation accounts.	6,828,401	3,193,106	6,828,401	3,193,106
Other current and profit-sharing accounts	927,680,834	601,207,581	927,680,834	601,207,581
Money market borrowings	47,523,847	17,856,858	46,758,730	17,379,250
Funds provided from other financial institutions	212,262,867	136,728,580	213,659,089	137,305,735
Issued securities	101,248	597,674	108,333	601,712
Other Liabilities	69,643,214	15,959,277	69,643,214	15,959,277
Leasing payables	2,853,076	1,581,815	2,853,076	1,581,815

The estimated fair value of the loans is calculated by discounting future cash flows by using current market rates of profit share. The fair value of financial assets and liabilities carried at amortized cost other than loans, available for sales financial assets and funds provided from other financial institutions approximates to their book values since they are short term in nature and their effective profit share rates are similar with current effective profit rates.

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

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

9. Explanations on hedge accounting practices

None (31 December 2024 – 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.

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10.1. Explanations on Risk Management and Risk Weighted Amounts

10.1.1. GBA – Bank’s risk management and risk approach

What kind of an interaction does the Parent Bank’s risk profile has with the management board’s risk appetite and how does the business model determine the Parent Bank’s risk profile and how it interacts with it (i.e., Key risks regarding the business model and each one of these risks’ effect on the explanations).

Kuveyt Türk’s business model fundamentally consisted of two main operating areas. These main areas are current accounts in accordance with the non-interest banking rules, collecting funds through profit/loss participation accounts and providing the usage of funds to its clients through these funds and equity. The business model of the Bank occurs an exposure of some significant risks. These significant risks are evaluated and identified by the Parent Bank’s Internal Capital Competence Evaluation Process. Parent Bank’s risk strategy for all significant risks is formed in writing. Parent Banks are required to form a structure which is composed of the policies and processes regarding determining the risk appetite and following its units’ compliance because of the regulation regarding the Parent Banks Internal Systems and Internal Capital Competence Evaluation Process, numbered 29057 and published by the Official Gazette on July 11, 2014. In order to comply with this regulation Risk Appetite Policy is published by the Risk Management Leadership and approved by the Board of Directors. In accordance with the Parent Bank’s Risk Appetite Policy, risk levels and risk limits of each kind of risks which appeared important are collectively determined to achieve the Parent Bank’s goals and to actualize the Parent Bank’s strategies by taking the risk capacity of the Parent Bank into consideration. Bank’s risk strategy and risk limits are determined by the Board of Directors.

The units which perform the risk measurement and management are carrying out their businesses independently from execution units. Fundamentally, control and management activities devoted to credit, market, liquidity, operational and other significant risk types occurred. Due to the business model, Risk Management Leadership strategically contribute to the Parent Bank to identify, follow, measure and manage all risks which the Parent Bank may expose. Credit Risk Management and Modelling unit which is one of the units which constitutes the Risk Management Leadership, carries out the risk measurement and management works regarding the credit risks. Market Risk, Operational Risk, Risk and Capital Planning Department which is another unit which carries out its businesses under the Risk Management Leadership, coordinates the Parent Bank’s capital planning works and manage risks regarding the market, operations, liquidity and other important risk types.

Parent Bank has a credit predominant active structure due to its main business model. Reflecting the Bank’s business model, total actives, predominantly consisted of dues regarding receivables from leasing and cash loans. The Parent Bank predominantly aims to grow sustainably by funding the real sector’s financing and increasing the credit amount by taking the risk-return balance into the consideration. Within the frame of its business model, the main risk type which the Parent Bank exposed/predicts to be exposed damage is credit risk. The significant risks within the scope of Parent Bank’s credit risks are as follows.

- Credit Risk states the possibility of loan loss which the Parent Bank may expose due to the partial or total nonpayment of its credit client on time in accordance with the contract made between the credit client and the Bank.
- Counterparty credit risk refers to the default risk of the counterparty of the transaction before the last payment in the cash flow of this transaction of which brings on obligation to both sides.
- Concentration risk covers risks arising from concentration between different types of risk or on an individual risk basis which may result in large losses that could threaten the Parent Bank's ability to maintain its core operations or its financial structure or which could cause significant changes in the Parent Bank's risk profile.

The Parent Bank is exposed to market risk due to its treasury transactions and other financial operating. However, correspondingly with the risk appetite, the bank takes care to ensure that its market risk-generating assets have high credit rating and liquidity, and it does not carry a speculative foreign exchange position in order to hedge foreign exchange risk.

The Parent Bank is exposed to operational risk due to its operating, processes carried out, human resources, systems and external resources. Operational risks in the bank are managed under the supervision of the Board of Directors within the framework of identifying, evaluating, monitoring and reducing/controlling the risks. The current risk management is considered to be in line with the size of the bank, considering the level and importance of the risk.

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Explanations on risk reporting processes provided to the board of directors and senior management, in particular the scope and main content of the reporting,

Timely and comprehensive reporting of risks exposed within the scope of Risk management activities and risks arising from transactions carried out with the risk group of the Parent Bank is carried out by the head of Risk Management. The Parent Bank produces regular reports from the risk measurement models it uses and analyzes the reports. Risk measurement and risk monitoring results are reported to the Board of directors or to the Internal Systems Committee and senior management regularly and on time by the Risk Management Presidency.

The reports prepared include the level and development of significant risks and their effects on capital needs, the compliance of assumptions used in risk measurement and evaluation systems, the adequacy of the level of capital that the parent bank should hold for all important risks, its compliance with legal and internal capital targets and ratios, the need for future capital and changes to be made in, business continuity plans, etc. includes information.

The parent bank organizes a report on risk measurement, capital and liquidity planning and risk management capabilities under the scope of ICAAP at least once a year and in any case as of the end of the year.

10.1.2. GB1 Overview of risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 31/12/2025	Prior Period 31/12/2024	Current Period 31/12/2025
1	Credit risk (excluding counterparty credit risk)	489,506,497	313,981,937	39,160,520
2	Standardised approach	489,506,497	313,981,937	39,160,520
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	6,837,561	1,638,576	547,005
5	Standardised approach for counterparty credit risk	6,837,561	1,638,576	547,005
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	61,812,048	37,557,628	4,944,964
17	Standardised approach	61,812,048	37,557,628	4,944,964
18	Internal model approaches	-	-	-
19	Operational risk	107,966,602	67,181,406	8,637,328
20	Basic indicator approach	107,966,602	67,181,406	8,637,328
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)	666,122,708	420,359,547	53,289,817

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10.1.3. Differences and matching between asset and liabilities' carrying values in financial statements and in capital adequacy calculation

Current Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards					No subject to capital requirements or subject to dedication from capital
		Carrying values in legal consolidation prepared as per TAS	Credit Risk	Counterparty Credit Risk	Securitization Positions	Market Risk	
Assets							
Cash and Balances with Central Bank of Türkiye	356,736,377	356,736,377	356,736,377	-	-	-	-
Banks	94,342,465	94,342,465	94,342,465	-	-	-	-
Receivables From Money Markets	16,893,053	16,893,053	16,893,053	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	30,967,124	30,967,124	-	-	-	30,967,124	-
Financial Assets at Fair Value Through OCI	132,402,497	132,402,497	132,402,497	-	-	-	-
Financial Assets Measured at Amortized Cost	60,376,058	60,376,058	60,376,058	-	-	-	-
Derivative Financial Assets	19,267,619	19,267,619	-	19,267,619	-	-	-
Expected Loss Provisions (-)	17,790,387	17,790,387	9,677,598	-	-	-	8,112,789
Loans	619,932,843	619,932,843	625,573,995	-	-	-	-
Lease Receivables	70,587,747	70,587,747	70,587,747	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Property And Equipment Held for Sale Purpose and Related to Discontinued Operations (Net)	2,011,387	2,011,387	2,011,387	-	-	-	-
Subsidiaries	8,123,680	8,123,680	8,123,680	-	-	-	-
Jointly Controlled Entities (Joint Ventures) (Net)	1,058,088	1,058,088	1,058,088	-	-	-	-
Tangible Assets (Net)	8,781,754	8,781,754	8,781,754	-	-	-	654,311
Intangible Assets (Net)	5,139,330	5,139,330	5,139,330	-	-	-	5,139,330
Investment Properties (Net)	228,871	228,871	228,871	-	-	-	-
Current Tax Asset	-	-	-	-	-	-	-
Deferred Tax Asset	1,263,038	1,263,038	1,263,038	-	-	-	-
Other Assets	41,739,727	41,739,727	41,739,727	-	-	-	-
Total Assets	1,452,061,271	1,452,061,271	1,415,580,469	19,267,619	-	30,967,124	- 2,319,148
Liabilities							
Funds Collected	934,509,235	934,509,235	-	-	-	-	934,509,235
Borrowings	197,214,355	197,214,355	-	-	-	-	197,214,355
Debt to money markets	47,523,847	47,523,847	-	47,523,847	-	-	-
Securities Issued (Net)	101,248	101,248	-	-	-	-	101,248
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	2,849,326	2,849,326	-	-	-	-	2,849,326
Lease Payables	2,853,076	2,853,076	-	-	-	-	2,853,076
Provisions	44,136,120	44,136,120	-	-	-	-	44,136,120
Current Tax Liabilities	1,757,547	1,757,547	-	-	-	-	1,757,547
Deferred Tax Liabilities	-	-	-	-	-	-	-
Subordinated Debt Instruments	15,048,512	15,048,512	-	-	-	-	15,048,512
Other Liabilities	69,643,214	69,643,214	-	-	-	-	69,643,214
Equity	136,424,791	136,424,791	-	-	-	-	136,424,791
Total Liabilities	1,452,061,271	1,452,061,271	-	47,523,847	-	-	1,404,537,424

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Prior Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards					No subject to capital requirements or subject to dedication from capital
		Carrying values in legal consolidation prepared as per TAS	Credit Risk	Counterparty Credit Risk	Securitization Positions	Market Risk	
Assets							
Cash and Balances with Central Bank of Türkiye	226,700,364	226,700,364	226,700,364	-	-	-	-
Banks	39,326,583	39,326,583	39,326,583	-	-	-	-
Receivables From Money Markets	7,241,952	7,241,952	7,241,952	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	24,927,386	24,927,386	-	-	-	24,927,386	-
Financial Assets at Fair Value Through OCI	67,659,318	67,659,318	67,659,318	-	-	-	-
Financial Assets Measured at Amortized Cost	58,614,422	58,614,422	58,614,422	-	-	-	-
Derivative Financial Assets	1,697,840	1,697,840	-	1,697,840	-	-	-
Expected Loss Provisions (-)	13,142,003	13,142,003	6,058,102	-	-	-	7,083,901
Loans	407,437,025	407,437,025	409,868,243	-	-	-	-
Lease Receivables	50,506,622	50,506,622	50,506,622	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Property And Equipment Held for Sale Purpose and Related to Discontinued Operations (Net)	522,743	522,743	522,743	-	-	-	-
Subsidiaries	123,680	123,680	123,680	-	-	-	-
Jointly Controlled Entities (Joint Ventures) (Net)	655,380	655,380	655,380	-	-	-	-
Tangible Assets (Net)	5,603,729	5,603,729	5,603,729	-	-	-	429,260
Intangible Assets (Net)	2,857,318	2,857,318	2,857,318	-	-	-	2,758,041
Investment Properties (Net)	317,050	317,050	317,050	-	-	-	-
Current Tax Asset	-	-	-	-	-	-	-
Deferred Tax Asset	8,456,578	8,456,578	8,456,578	-	-	-	-
Other Assets	13,342,934	13,342,934	13,342,934	-	-	-	-
Total Assets	902,848,921	902,848,921	885,738,814	1,697,840	-	24,927,386	- 3,896,600
Liabilities							
Funds Collected	604,400,687	604,400,687	-	-	-	-	604,400,687
Borrowings	122,542,295	122,542,295	-	-	-	-	122,542,295
Debt to money markets	17,856,858	17,856,858	-	17,856,858	-	-	-
Securities Issued (Net)	597,674	597,674	-	-	-	-	597,674
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	2,772,509	2,772,509	-	-	-	-	2,772,509
Lease Payables	1,581,815	1,581,815	-	-	-	-	1,581,815
Provisions	27,041,440	27,041,440	-	-	-	-	27,041,440
Current Tax Liabilities	6,051,257	6,051,257	-	-	-	-	6,051,257
Deferred Tax Liabilities	-	-	-	-	-	-	-
Subordinated Debt Instruments	14,186,285	14,186,285	-	-	-	-	14,186,285
Other Liabilities	15,959,277	15,959,277	-	-	-	-	15,959,277
Equity	89,858,824	89,858,824	-	-	-	-	89,858,824
Total Liabilities	902,848,921	902,848,921	-	17,856,858	-	-	884,992,063

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10.1.4 Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1- Carrying Value of Assets in Accordance with TAS (as in template 1B)	1,452,061,271	1,415,580,469	-	19,267,619	30,967,124
2- Carrying Value of Liabilities in Accordance with TAS (as in template 1B)	-	-	-	47,523,847	-
3- Total net amount	1,452,061,271	1,415,580,469	-	66,791,466	30,967,124
4- Off-balance sheet amounts	1,021,991,566	99,981,173	-	-	586,287,157
5- Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7- Differences due to consideration of provisions	-	-	-	-	-
8- Differences due to prudential filters	-	- 417,568,388	-	-	-
9-Risk Amounts	2,474,052,837	1,097,993,254	-	66,791,466	617,254,281

10.2. General qualitative information on credit risk

10.2.1. How the business model translates into the components of the group's credit risk profile

The business model of the Group basically consists of two main business fields: collecting funds by means of current accounts and profit/loss participation accounts subject to the interest-free banking rules and using those funds and equity funds to make funds available to customers. Because of these main business fields, the group's assets have a credit-weighted structure. Reflecting this business model, its total assets are cash credit-weighted and financial leasing receivable-weighted. The group lends funds to finance the real sector in general and increases its volume of credits by taking into account its risk-return balance to achieve sustainable growth.

The risk profile of the Group indicates the types of risks to which it is exposed or expects to be exposed, and its risk level by type of risk. The largest type of risk to which the Group is exposed or expects to be exposed within its current and target business model is the credit risk. Since the risk of concentration is one of the most important components of the credit risk, concentration limits were set by sector for the concentration risk. Internal limits are set for cash, non-cash and total credits for each of 20 different sectors. Limits were set for monitoring Defaulted Credit Exposures in mentioned sectors and for taking corrective measures. With regard to concentration of the credit risk, internal limits were set for the top 10, 20, 30, 40, 50 and 100 debtor/credit risk groups. Furthermore, country limits were set to avoid concentration in countries selected as part of the sovereign risk process.

10.2.2. Criteria and approach used for defining credit risk policy and for setting credit risk limits

The main purpose of the credit risk policy is to measure the counterparty risk undertaken as part of a credit transaction, to monitor the risk against the legal limits and the Parent Bank's internal limits, to research new techniques and applications for measuring and controlling the risk, to monitor overdue receivables, to analyze the reason of overdue, and to take measures to prevent such reasons from repeating. The term 'credit risk' refers to the potential loss the Bank might be exposed to because of credit borrowers' partial or full default of the credit agreements they signed with the bank. This term also includes the loss of market value because of the breakdown of the counterparty's financial position. This term includes both on-balance sheet and off-balance sheet transactions.

Risk limits are set by openly relating it with the Bank's volume on consolidated and non-consolidated basis within the financial system as part of its risk appetite structure. In this context the appetite for risk approved by the Board of Directors are divided between and allocated to other levels considered necessary by type of risk. The uses of the limits are closely monitored, and overdrafts are reported to the executive management for ensuring the necessary measures to be taken.

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10.3. Structure and organization of the credit risk management and control function

Risk Control and Compliance Group works under the Risk Committee reporting to the Board of Directors. Risk Control and Compliance Group Manager and Risk Management Department Manager working under the former are in charge of and responsible for the strategies and policies approved by the Board of Directors and for performing the other tasks assigned by the Risk Committee. Credit Risk Management and Modeling Unit is one of the units comprising the Risk Management Department performs the risk measurement and management tasks concerning the credit risk.

10.4. Relations between the credit risk management, risk control, compliance and internal audit functions

The units within the scope of internal systems have been established within the organizational structure of the Parent Bank depending on the Board of Directors. The Board of Directors has transferred its duties and responsibilities related to risk management, internal control and compliance to the Risk Committee consisting of three members of the board of directors. The Risk Management Department, the Internal Control Department and the Compliance Department carry out their activities under the supervision and coordination of the Risk Committee. The Board of Directors carries out its duties and responsibilities related to internal audit through the Audit Committee, which consists of three members of the Board of Directors. The Chairman of the Board of Inspectors performs internal audit activities under the supervision and coordination of the Audit Committee.

The internal control function of the Parent Bank is performed by the Internal Control Department. Internal Control System has been founded in such a manner to be capable and efficient to mitigate, manage, monitor and control the exposure risks of the Parent Bank in accordance with the Parent Bank's organizational structure and business fields as well as changing circumstances, and covers all domestic and international branches, head office, consolidated subsidiaries and all business activities of the Parent Bank. The internal control system and internal control activities of the Parent Bank are designed by the Internal Control Department in cooperation with the relevant management executives and are performed at a sufficient and efficient extent.

Compliance Department is in charge of managing the Parent Bank's compliance risk and taking it under control in an efficient way, forecasting and preventing the risk in question, and ensuring the Parent Bank's activities to comply with the applicable laws and regulations.

Risk Management Department performs the tasks of determining, measuring and managing the exposure risks of the Parent Bank. An efficient risk management system infrastructure has been established for credit risk management tasks, credit policy, and risk management activities falling within the credit risk policy. The internal credit risk limits set by the Board of Directors are measured and reported at regular intervals to the Risk Committee.

Audit Department is in charge of assuring the Board of Directors and the executive management that the Parent Bank's business activities are performed in accordance with the Banking Law, other applicable laws and regulations and the internal strategies, policies, principles and targets of the bank, and that the internal control and risk management systems are efficient and sufficient.

10.5. Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the Board of Directors

Risk Management Report for the Executive Management, which is the basic report presented to the Board of Directors and the executive management, is prepared quarterly. The report in question contains the basic subjects described below.

Quality of the assets are analyzed in accordance with the classification specified in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside and the assets are compared with those of the previous fiscal period to monitor the sustainability of the asset quality. The report describes the credit risk limits and the figures realized in the relevant fiscal period. Credits lent in 20 different economic sectors are monitored by cash, non-cash and total credits.

Credit shares and development trends of the economic sectors are monitored. The risk limits set in accordance with the Parent Bank's appetite for risk and the figures realized are explained. Observed key risk indicators include the ratio of credit risk-weighted items over the total assets, the ratio of the total gross amount of defaulted credits over the total financing (cash credits) portfolio and their distribution by sector, distribution of guarantees by guaranteed group, the ratio of the top 10/20/30/40/50/100 risks over the total financing (cash and non-cash credits) portfolio, and the ratio of write-off.

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Distribution of cash credits by maturity term is monitored. Detailed information is given about the top 10 customers against whom internal or legal proceedings were filed, their limits, risks, guarantees and provisions, description of their sectors and their state are described. The trend of restructured credits is monitored. Also, loans to risk group of the Parent Bank are reported.

Sovereign ratings, limits and used limits are monitored and compared with the previous fiscal year.

The Parent Bank creates credit portfolios in accordance with its internal segment structure. These segments are divided into sub-segments. Risks realized for cash, non-cash and total credits are monitored by each of these portfolios.

Real estate price indexes are analyzed to monitor whether the values of the real estates received as guarantees for the funds lent have increased or decreased. These real estates are also monitored by subcategory in accordance with the classification of regions published by the Turkish Central Bank. They are also compared with the House Price Index of Turkey published by the Turkish Central Bank.

Credit quality of assets

Current Period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	13,368,880	682,792,862	9,677,598	686,484,144
2	Debt securities	-	198,576,270	5,797,715	192,778,555
3	Off-balance sheet exposures (*)	1,073,853	432,791,417	240,698	433,624,572
4	Total	14,442,733	1,314,160,549	15,716,011	1,312,887,271

(*) Accruals of derivative transactions are presented as net amounts under impairments.

Prior Period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	7,588,853	452,786,012	6,058,102	454,316,763
2	Debt securities	-	132,801,771	6,528,031	126,273,740
3	Off-balance sheet exposures (*)	941,944	213,962,556	863,935	214,040,565
4	Total	8,530,797	799,550,339	13,450,068	794,631,068

(*) Accruals of derivative transactions are presented as net amounts under impairments.

Changes in stock of defaulted loans and debt securities

		Current Period	Prior Period
1	Defaulted loans and debt securities at end of the previous reporting period	7,588,853	4,243,257
2	Loans and debt securities that have been defaulted since the last reporting period	18,948,311	6,657,512
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	5,276,631	1,395,403
5	Other changes	(7,891,653)	(1,916,513)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	13,368,880	7,588,853

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10.6. Qualitative disclosures related to the credit quality of assets

10.6.1 Scope and definitions of “overdue” and “provision allocated” receivables for accounting purposes and the differences of definitions between “overdue” and “provision allocated”, if any

Overdue receivables: Overdue receivables and provision allocated receivables are determined according to the Communique on Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves. Provision for receivables: All financial instruments other than those covered by TFRS 9 and whose fair value is reflected in the profit / loss.

10.6.2. The part of the overdue receivables (past 90 days) for which provision is not allocated and reasons for this application

All loans that have completed the delay process determined in accordance with the legal regulations within the relevant month in the Parent Bank are automatically taken into follow-up accounts and are subject to special provision. In very exceptional cases and due to a court decision, the delay process is stopped, and the Bank's loan amount in this context is insignificant as of 31 December 2025.

10.6.3. Definitions of the methods used when determining the provision amount

TFRS 9 requires a 12-month expected credit loss provision for all financial assets in Stage 1 and the expected credit loss for all other financial assets. 12-month expected credit loss represents the portion of the expected credit loss from probable default events within 12 months after the reporting date. Lifetime losses are losses from all possible default events during the expected life of the financial instrument after the reporting date. Lifetime refers to the maturity of the financial instrument. In non-maturity financial instruments, the bank calculates the behavioral maturity and uses this to calculate the expected loan loss. The ECLs are calculated at each instrument level by taking into account the projected cash flows, the PD (Probability of default), the LGD (Loss given default), the CCR (Credit Conversion Rate) and the discount rate. In small, very unimportant and unrated portfolios, the ECL can be estimated on a collective basis.

10.6.4. Definition of restructured receivables

The financial terms in existing financial difficulties may be amended to facilitate payment of the debt, and the original loan terms that were previously signed can be changed according to the borrower's new financing power and structure when the loan cannot be repaid, or a potential non-repayment is encountered. In order for a loan to be considered as restructured, the debtor must be in financial difficulty and the debtor must be provided with the concession requirements for changing the loan conditions.

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10.6.5. Breakdown of exposures by geographical areas, industry and ageing

Distribution of cash receivables by sectors is as follows:

Sector	Current Period – Cash Loan Amount	Prior Period – Cash Loan Amount
Textile	55,474,915	48,210,259
Construction - Commitment	56,854,164	42,795,785
Food and Beverage	61,602,850	38,976,900
Individual Loans	71,703,504	39,215,594
Metal Industry	40,832,078	30,617,054
Automotive	34,615,871	25,702,469
Construction (Build-and-sell)	25,348,790	15,991,791
Energy	18,864,061	16,061,842
Chemistry	34,680,765	24,417,060
Transportation & Warehouse	43,367,952	24,794,858
Machinery Equipment	25,888,227	17,605,375
Construction Equipment	28,973,540	18,980,578
Manufacturing	22,831,970	16,292,590
Wholesale and Retail Trade	25,759,926	17,417,505
Services	16,694,480	9,834,337
Technology-Electronics	15,752,359	11,024,231
Car Rental	17,110,851	11,669,430
Financial Services	31,036,985	15,175,980
Agriculture and Livestock	15,858,159	8,035,681
Tourism	6,369,175	4,456,736
Health	14,882,197	8,799,267
Public	9,043,541	130,777
Furniture	6,000,049	4,174,169
Real Estate and Brokerage	5,064,162	3,724,817
Mining	4,904,466	3,242,883
Education	1,005,553	690,679
Total	690,520,590	458,038,647

The distribution of cash receivables by geographical regions is as follows:

Region	Current Period – Cash Loan Amount	Prior Period – Cash Loan Amount
Akdeniz Region	52,689,771	33,373,142
Doğu Anadolu Region	13,007,540	7,320,533
Ege Region	42,733,631	27,951,165
Güneydoğu Anadolu Region	48,219,586	33,937,185
İç Anadolu Region	114,159,653	68,731,353
Karadeniz Region	30,103,035	15,167,777
Marmara Region	348,355,958	244,795,016
Foreign	41,251,416	26,762,476
Total	690,520,590	458,038,647

The maturity distribution of cash receivables is as follows:

Maturity Distribution	Current Period – Cash Loan Amount	Prior Period – Cash Loan Amount
Up to 1 year	381,747,026	262,954,783
1-3 years	196,811,018	126,248,129
3-5 years	66,035,406	34,551,374
5 years and more	28,005,732	25,813,493
Delayed	17,921,408	8,470,868
Total	690,520,590	458,038,647

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10.6.6. Provisions based on geographical and sectoral concentration and written off amounts

Current Period - Sector	Non-Performing Loans	Provisions	Write-Offs
Agriculture	215,826	150,635	107,878
Farming and Stockbreeding	171,281	115,090	58,231
Forestry	44,545	35,545	49,647
Fishery	-	-	-
Manufacturing	5,329,941	3,927,508	2,379,482
Mining and Quarrying	814,645	573,138	518,154
Production	4,245,301	3,133,819	1,841,228
Electricity, Gas and Water	269,995	220,551	20,100
Construction	1,409,626	836,346	995,065
Services	4,315,817	3,224,333	1,012,310
Wholesale and Retail Trade	2,430,415	1,787,693	803,817
Accommodation and Dining	92,025	66,424	13,200
Transportation and Telecommunication	864,276	626,010	75,010
Financial Institutions	-	-	14
Real Estate and Rental Services	782,424	634,369	55,754
Professional Services	12,072	7,635	-
Educational Services	33,221	26,562	32
Health and Social Services	101,384	75,640	64,483
Other	2,097,670	1,538,776	781,896
Total	13,368,880	9,677,598	5,276,631

Prior Period - Sector	Non-Performing Loans	Provisions	Write-Offs
Agriculture	74,574	60,557	1,355
Farming and Stockbreeding	18,119	15,474	1,284
Forestry	56,083	44,724	71
Fishery	372	359	-
Manufacturing	2,401,059	2,066,918	434,264
Mining and Quarrying	460,970	424,460	3,756
Production	1,920,979	1,627,037	304,699
Electricity, Gas and Water	19,110	15,421	125,809
Construction	1,709,077	1,222,259	28,391
Services	2,458,665	1,913,204	805,045
Wholesale and Retail Trade	1,181,653	1,025,819	376,303
Accommodation and Dining	155,666	132,019	251,823
Transportation and Telecommunication	548,557	401,132	50,900
Financial Institutions	193,113	14	20,112
Real Estate and Rental Services	292,369	285,756	709
Professional Services	-	-	-
Educational Services	1,233	1,482	4
Health and Social Services	86,074	66,982	105,194
Other	945,478	795,164	126,348
Total	7,588,853	6,058,102	1,395,403

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Current Period - Geographic Region	Non-performing loans	Provisions	Write-Offs
Marmara Region	8,681,397	6,386,853	2,645,483
Güneydoğu Anadolu Region	805,696	568,597	659,554
İç Anadolu Region	1,614,307	1,210,179	999,428
Akdeniz Region	458,914	312,070	540,177
Ege Region	752,423	552,817	204,079
Doğu Anadolu Region	180,819	123,194	41,826
Karadeniz Region	597,702	458,974	126,510
Foreign	277,622	64,914	59,574
Total	13,368,880	9,677,598	5,276,631

Prior Period - Geographic Region	Non-performing loans	Provisions	Write-Offs
Marmara Region	4,037,752	3,212,153	922,529
Güneydoğu Anadolu Region	457,459	418,342	88,807
İç Anadolu Region	1,332,635	1,270,701	146,212
Akdeniz Region	548,716	519,437	136,716
Ege Region	294,069	258,897	38,222
Doğu Anadolu Region	152,381	125,264	45,621
Karadeniz Region	215,550	173,150	13,857
Foreign	550,291	80,158	34,39
Total	7,588,853	6,058,102	1,395,403

10.6.7. Aging analysis for non-performing loans

Current period	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and Over
Corporate and Commercial Loans	1,453,385	6,821,486	3,004,802	93,705	234,678
Retail Loans	56,457	87,841	64,993	1,482	1,034
Credit cards	638,607	750,960	156,284	1,624	1,542
Other	-	-	-	-	-
Total	2,148,449	7,660,287	3,226,079	96,811	237,254

Prior Period	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and Over
Corporate and Commercial Loans	2,601,114	1,870,098	1,061,979	959,437	375,163
Retail Loans	20,320	40,434	31,106	2,051	1,656
Credit cards	220,404	358,991	40,090	3,249	2,761
Other	-	-	-	-	-
Total	2,841,838	2,269,523	1,133,175	964,737	379,580

10.6.8. Breakdown of Restructured receivables according to their provisions

Restriction Status	Current Period - Risk	Prior Period - Risk
Performing	7,882,392	5,362,768
Non-Performing	13,216	2,463
Total	7,895,608	5,365,231

10.7. Credit Risk Mitigation

10.7.1 Qualitative information on Credit Risk Mitigation Techniques

Within the framework of the credit transactions carried out by the Parent Bank, all the collateral documents received in the presence of the branch personnel are checked by the branch operations staff and forwarded to the collateral follow-up Directorate through the main banking application. The systematic entries of the guarantees are completed by the personnel of the guaranteed follow-up directorate where signature compliance, authorization checks, and validity examinations are performed.

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10.7.2 Credit risk mitigation techniques

	Current Period	Exposures unsecured carrying amount as per TAS	Exposures secured by collateral	Collateralized number of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized number of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	434,495,378	236,965,903	18,794,254	15,022,863	12,749,915	-	-
2	Debt securities	192,778,555	-	-	-	-	-	-
3	Total	627,273,933	236,965,903	18,794,254	15,022,863	12,749,915	-	-
4	Overdue	1,459,863	2,214,236	22,349	17,183	12,503	-	-

	Prior Period	Exposures unsecured carrying amount as per TAS	Exposures secured by collateral	Collateralized number of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized number of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	260,425,011	181,842,038	19,134,452	12,049,714	10,119,191	-	-
2	Debt securities	126,273,740	-	-	-	-	-	-
3	Total	386,698,751	181,842,038	19,134,452	12,049,714	10,119,191	-	-
4	Overdue	1,022,753	489,428	5,488	18,570	12,267	-	-

10.8. Explanations on Counterparty Credit Risk (CCR)

10.8.1. Risk management objectives and policies for CCR

Determination of the creditworthiness of financial counterparties has been made in addition to the Credit Policy of the Parent Bank in accordance with the regulations published by BRSA and the international practices in order to limit the exposure to be suffered by the Parent Bank in case of financial counterparty default. This annex describes allocation of limit to financial counterparties and continuous monitoring activities. In this respect, the creditworthiness assessments of the financial and non-financial entities for CCRs especially including sovereign assessments and limits are finally decided by the committees specified under the Policy.

10.8.2. The method used to allocate the operational limits defined in terms of internal capital for CCR and central counterparty risks

Internal model method is not used for calculating the capital requirements for counterparty credit risk and central counterparty risks.

10.8.3. Policies relating to guarantees and other risk mitigation and assessments concerning counterparty credit risk, including central counterparty risk

All of the Parent Bank's counterparty credit risk and central counterparty limits are non-committed limits and they include cash, non-cash limits and collateral limits. In case of any transactions involving non-cash risk exposure, the reassurance of the organizations such as International Development Banks is used. If required, cash collateral is sought in order to minimize the exposure. In case of transactions involving cash risk exposure, the risk exposure is mitigated by obtaining shares and bills (sukuk) as security.

10.8.4. Rules with respect to wrong-way risk

Internal model is not used for CCR; and as such, no calculation is made with respect to the wrong-way risk.

10.8.5. The impact in terms of the amount of collateral that the bank is required to provide in case of a credit rating downgrade

In case of a decrease in the credit rating, there is no additional collateral amount that our Parent Bank has to provide.

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10.8.6. Counterparty credit risk (CCR) approach analysis

Current Period		Replacem ent 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) (*)	6,504,132	2,027,388		1.4	11,944,128	6,647,670
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						6,647,670

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) (*)	696,818	1,404,555		1.4	2,941,922	1,534,683
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						1,534,683

10.8.7. 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 3×multiplier)	-	-	-	-
3	All portfolios subject to the Standardized CVA capital obligation	11,944,128	141,355	2,941,922	70,187
4	Total subject to the CVA capital obligation	11,944,128	141,355	2,941,922	70,187

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10.8.8.CCR exposures by risk class and risk weights

Current Period - Risk Classes / Risk Weights *		0%	10%	20%	50%	75%	100%	150%	200%	Others**	Total credit risk *
1	Receivables from central governments and Central Banks	62,259,995	-	-	-	-	-	-	-	-	-
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	-	-	5,977,919	254,772	-	4,945,317	-	-	-	6,268,287
7	Receivables from corporate	-	-	-	-	-	344,527	-	-	-	344,527
8	Retail receivables	-	-	-	-	46,474	-	-	-	-	34,856
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	Total	62,259,995	-	5,977,919	254,772	46,474	5,289,844	-	-	-	6,647,670

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

(**) 35% Risk Weight is classified in Others

Prior Period - Risk Classes / Risk Weights *		0%	10%	20%	50%	75%	100%	150%	200%	Others**	Total credit risk *
1	Receivables from central governments and Central Banks	23,364,069	-	-	-	-	-	-	-	-	-
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	-	-	1,345,550	476,374	-	387,591	-	-	-	894,888
7	Receivables from corporate	-	-	-	-	-	626,130	-	-	-	626,130
8	Retail receivables	-	-	-	-	18,220	-	-	-	-	13,665
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	Total	23,364,069	-	1,345,550	476,374	18,220	1,013,721	-	-	-	1,534,683

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

(**) 35% Risk Weight is classified in Others

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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 and custody services in the name of others. The Group has no fiduciary-based transaction agreements.

13. Qualitative explanations on market risk

13.1. Group's processes and strategies:

Procedures for the identification, measurement, monitoring and control of the market risk of the Group, as well as processes for risk protection and strategies/processes for monitoring of the continuity of the hedging effectiveness, as well as the strategic objectives for the Group's trading activities.

Risk management activities are consisting of the measurement, monitoring, control and reporting of the risks, arising from risks incurred on the consolidated and solo basis and transactions carried out with the risk group that the Bank is involved in. These activities are carried out by the Parent Bank's Risk Management Department.

The definition of the market risk is made by legislation within the scope of the Pillar 1 risks. The components of the market risk that do not fall within the scope of Pillar 1 risks are assessed internally. This process is carried out by the Risk Management Department with the consultation to other relevant departments.

Measurement of the market risk is carried out by the Risk Management Department. Market risk is measured by the standard method as specified in the third part of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy. The Risk Management Department adopts international standardized methods and advanced statistical methods, which are included in the legislation, in the measurement of risks falling within the scope of the Pillar 2. Developed models as well as the stress tests and scenario analysis are used in the measurement and monitoring of the market risk.

The primary purpose of market risk is for the bank's risk exposure to be within the limits specified by the legislation and to be in accordance with the Bank's risk appetite. In this context, market risk is periodically measured, monitored and reported.

Risk limits related to market risk are established in accordance with the Group's Risk Appetite Policy. Aforementioned risk limits are determined by the Board of Directors and reviewed at least once a year. Limit usages are closely monitored.

Risk mitigation techniques have been applied in line with the size and complexity of the undertaking market risk and the controls are implemented in order to ensure their effectiveness.

Treasury Group Department monitors foreign currency positions and cash flows on behalf of the Parent Bank.

Moreover, new products and projects are examined in terms of market risk management and appropriate internal controls are implemented in case of necessity.

The Parent Bank's strategic objectives for trading activities are given below.

- Ensure that the parent bank's lease certificate portfolio is managed at the optimum level within the risk-return balance limits
- Implement transaction by taking into account the future prospects of market developments/movements and the framework of trading opportunities in the current market prices
- Invest in Sukuk (lease certificates) as an alternative investment tool to manage the liquidity profitably

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13.2. The organization and structure of the market risk management function

Definition of the market risk management structure established for the implementation of the Parent Bank's strategies and processes and the communication mechanism and relationship between the different parties involved in market risk management, as described in paragraph 1 of 13.1.

The market risk service operates under the Deputy Head responsible from the Market Risk, Operational Risk and Capital Planning within Risk Management Department. This service directly reports to the Board of Directors through the Risk Committee. The results of risk measurement and risk monitoring are shared with other related units. The activities coordinated within the Internal Capital Adequacy Assessment Process are carried out together with other relevant departments of the Parent Bank.

13.3. Structure and scope of risk reporting and/or measurement systems

Within the scope of risk management system, the Group established a reporting system which ensures effective analysis and evaluation for market risks. The risk measurement and risk monitoring results are reported to the Risk Committee on a timely manner.

There is a risk measurement system which covers the scope and complexity of significant market risk components including transactions and operations exposed to market risk. This system is being audited regularly.

The details of the market risk calculated as of 31 December 2025 and 31 December 2024 in accordance with the principles in the third part of the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette numbered 29511 and dated 23 October 2015 are as follows:

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13.4. Market risk under standardized approach

		Risk Weighted Amounts	
		Current Period	Prior Period
	Outright products	61,812,048	37,557,628
1	Profit share risk (general and specific)	13,942,222	19,121,086
2	Equity risk (general and specific)	4,134,996	2,716,848
3	Foreign exchange risk	14,494,334	5,570,747
4	Commodity risk	29,240,496	10,148,947
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	61,812,048	37,557,628

13.5. Explanations on Operational Risk

"Basic Indicator Method" is used in operational risk calculation of the Group. The sum that is the basis for the operational risk is calculated by the use of the gross revenues of the Group for the last 3 years 2024, 2023 and 2022 in compliance with "Third Section "Calculation of the Operational Risk" of The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Group published in the Official Gazette numbered 29111 and dated 6 September 2014. The annual gross revenue is calculated by addition of the net fees and commission revenues, dividend income obtained other than subsidiaries and affiliates, the trading gain/loss(net) and other operating income to the net profit share income and by deduction of the gain/loss from the sale of the assets accounted other than the trading book, extraordinary income, the operational expenses for the support services taken from the main shareholder of the Parent Bank, subsidiary of the Parent Bank or subsidiary of the shareholder of the Parent Bank performing the calculation or the institutions which are subject to the relevant Regulation or the equivalent arrangements and the operational expenses for the support service taken from a bank and the amounts compensated from insurance. TL 13,069,809 corresponding to the 8% of TL 163,372,619 used in the calculation of the operational risk within the scope of "Capital adequacy standard rate" indicated in the disclosure I of this section, represents the operational risk which might be exposed to. TL 13,069,809 also defines the minimum capital sum which is required in order to eliminate the mentioned risk.

Current Period	31/12/2022 Amount	31/12/2023 Amount	31/12/2024 Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	35,276,289	59,062,668	78,407,608	57,582,188	15	8,637,328
Value at Operational Risk (Total*12.5)						107,966,602

Prior Period	31/12/2021 Amount	31/12/2022 Amount	31/12/2023 Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	13,151,292	35,276,289	59,062,668	35,830,083	15	5,374,512
Value at Operational Risk (Total*12.5)						67,181,406

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13.6. Profit-share rate risk related to banking book

13.6.1. Economic value differences arising from fluctuations in profit share rates in accordance with the regulation on measurement and evaluation of profit share rates derived from banking accounts with standard shock method

Quantitative information on the measurement of Dividend Rate Risk arising from Banking Accounts

Current Period	Economic Value Change (EVC)
Parallel Up	7,366,273
Parallel Down	(6,841,514)
Steeper	(5,517,013)
Flattener	6,358,801
Short-term Up	9,317,867
Short-term Down	(9,069,772)
Maximum Impact	9,317,867
Tier 1 Capital	118,098,628

The average and longest repricing period determined for demand deposits

Current Period	TL	USD	EUR
Average repricing maturity of non-maturity deposits (months)	39	38	33
Maximum repricing maturity of non-maturity deposits (months)	96	96	96

13.7. Risk management objectives and policies

In accordance with Group's strategies, risk policies and vision, the analysis that RMS presents to Risk Committee are credit risks, market risks, liquidity risks, operational risks and IT risk evaluations. Besides, in accordance with market trends, economic conduct and the Parent Bank's strategic growth, capital adequacy stress test and scenario analyses, evaluation of economic development in the World and Turkey is presented to Risk Committee and Board of Directors by Risk Management Service. These analyses contribute to Parent Bank Top Management's resolution process about risk appetite and awareness of risks, capital adequacy, strategy revisions and future estimation.

In addition, Risk Management Service verifies its own coordination to be ready proactively in business availability of Kuveyt Türk and situations connected with it.

Risk Management Service continues risk monitoring and analyzing operations in accordance with Board of Director's Parent Bank's mission, vision and growth strategy to prevent the potential risks. In this context credit and market risks, liquidity risk, operational risks and all limits, internal personal scoring and corporate rating modeling with IT risks issues, IT risk evaluation, operational lost data base, key risk indicators, operational risk insurances, market risk calculations, following up of treasury transactions and asset-liability risks are being monetarized.

Hierarchy of valuation techniques which establishes basis for fair value calculation of financial assets and liabilities

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Financial instruments valued by applying methods that are based on observable market prices, directly or indirectly, on data that has significant effect on the fair value reflected in the inputs

Level 3: Financial instruments valued by applying methods that are not based on observable market prices, directly or indirectly, on data that has significant effect on the fair value reflected in the inputs.

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles as of 31 December 2025 and 31 December 2024 are given in the table below:

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Current Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	9,444,914	40,789,829	-	50,234,743
Forward transactions	-	391,214	-	391,214
Swap transactions	-	18,876,405	-	18,876,405
Government debt securities	9,442,092	-	-	9,442,092
Other marketable securities	2,822	21,522,210	-	21,525,032
Financial assets at fair value through other comprehensive income	123,910,115	8,492,382	-	132,402,497
Equity securities	686,150	-	-	686,150
Government debt securities	123,223,965	-	-	123,223,965
Other marketable securities	-	8,492,382	-	8,492,382
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	2,849,326	-	2,849,326
Forward transactions	-	349,906	-	349,906
Swap transactions	-	2,499,420	-	2,499,420
Financial liabilities for hedging purposes	-	-	-	-
Prior Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	12,751,087	13,874,139	-	26,625,226
Forward transactions	-	267,747	-	267,747
Swap transactions	-	1,430,093	-	1,430,093
Government debt securities	12,732,259	-	-	12,732,259
Other marketable securities	18,828	12,176,299	-	12,195,127
Financial assets at fair value through other comprehensive income	66,529,351	1,129,967	-	67,659,318
Equity securities	521,580	-	-	521,580
Government debt securities	66,007,771	-	-	66,007,771
Other marketable securities	-	1,129,967	-	1,129,967
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	2,772,509	-	2,772,509
Forward transactions	-	185,333	-	185,333
Swap transactions	-	2,587,176	-	2,587,176
Financial liabilities for hedging purposes	-	-	-	-

No transfers have taken place between Level 1 and Level 2 in the current year.

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14. Explanations on consolidated business 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 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.

Treasury and International Banking maintains relations with foreign correspondent banks and investor institutions directly and through foreign branches and representative offices within the scope of foreign trade financing and the development of mutual long-term financing agreements with foreign banks. 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. In addition to raising funds for the Bank through sukuk issuance and syndicated loans, Investment Banking's field of activity includes raising funds on behalf of companies and groups in Türkiye on a corporate scale through sukuk issuance and syndicated loans. Project finance function is also performed by Investment Banking. The Treasury in addition to monitoring foreign currency position and liquidity of the Bank, also conducts spot and forward transactions in TL or foreign currencies, performs derivative transactions (forward, swap) with banks and customers, trades of gold within the context of membership of Istanbul Gold Exchange, trades share certificates in BIST and international markets and conducts Murabaha transactions with foreign banks

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Selected balance sheet and income statement items according to segments

Current Period	Retail	Corporate and	Treasury and		Group's total
1 January 2025-31 December 2025	Banking	Commercial	international	Unallocated	operation
		Banking	Banking		
Operating income	117,304,880	73,701,989	57,971,886	-	248,978,755
Operating expenses (-)	70,924,706	35,662,449	32,414,153	47,618,408	186,619,716
Transfers between segments	69,258,649	(44,866,266)	(24,392,383)	-	-
Net operating income / loss	115,638,823	(6,826,726)	1,165,350	(47,618,408)	62,359,039
Income from associates using equity method	-	-	-	402,708	402,708
Profit before tax	115,638,823	(6,826,726)	1,165,350	(47,215,700)	62,761,747
Provision for Taxation (-)	-	-	-	16,045,347	16,045,347
Net income for the period	115,638,823	(6,826,726)	1,165,350	(63,261,047)	46,716,400
Current Period					
31 December 2025					
Segment assets	251,875,707	440,742,681	693,108,395	-	1,385,726,783
Associates, subsidiaries and joint ventures	-	-	-	9,181,768	9,181,768
Undistributed assets	-	-	-	57,152,720	57,152,720
Total assets	251,875,707	440,742,681	693,108,395	66,334,488	1,452,061,271
Segment liabilities	745,777,603	236,255,479	225,037,329	-	1,207,070,411
Undistributed liabilities	-	-	-	108,566,069	108,566,069
Shareholders' equity	-	-	-	136,424,791	136,424,791
Total liabilities	745,777,603	236,255,479	225,037,329	244,990,860	1,452,061,271
Prior Period					
1 January 2024-31 December 2024					
	Retail	Corporate and	Treasury and		Group's total
	Banking	Commercial	international	Unallocated	operation
		Banking	Banking		
Operating income	98,522,913	70,990,857	14,790,840	-	184,304,610
Operating expenses (-)	51,274,603	26,914,149	21,314,207	35,707,324	135,210,283
Transfers between segments	47,198,583	(21,574,525)	(25,624,058)	-	-
Net operating income / loss	94,446,893	22,502,183	(32,147,425)	(35,707,324)	49,094,327
Income from associates using equity method	-	-	-	341,396	341,396
Profit before tax	94,446,893	22,502,183	(32,147,425)	(35,365,928)	49,435,723
Provision for taxation (-)	-	-	-	12,342,274	12,342,274
Net profit for the period	94,446,893	22,502,183	(32,147,425)	(47,708,202)	37,093,449
Prior Period					
31 December 2024					
Segment assets	161,029,683	260,169,927	450,292,642	-	871,492,252
Associates, subsidiaries and joint ventures	-	-	-	779,060	779,060
Undistributed assets	-	-	-	30,577,609	30,577,609
Total assets	161,029,683	260,169,927	450,292,642	31,356,669	902,848,921
Prior Period					
31 December 2024					
Segment liabilities	482,845,304	139,651,862	141,844,206	-	764,341,372
Undistributed liabilities	-	-	-	48,648,725	48,648,725
Shareholders' equity	-	-	-	89,858,824	89,858,824
Total liabilities	482,845,304	139,651,862	141,844,206	138,507,549	902,848,921

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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 Republic of Türkiye

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

	Current period		Prior period	
	TL	FC	TL	FC
Cash/Foreign currency	4,578,039	20,378,720	3,622,738	13,170,854
The Central Bank of Republic of Türkiye	86,855,241	219,346,673	55,920,535	141,876,397
Other (*)	13,025	25,564,679	173	12,109,667
Total	91,446,305	265,290,072	59,543,446	167,156,918

(*) As of 31 December 2025, precious metal account amounting to TL 25,564,357 (31 December 2024 - TL 12,109,667) and money in transit amounting to TL 13,347 (31 December 2024 - TL 173) are presented in this line.

1.1.2 Balances with the Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	54,483,732	70,032,187	30,806,892	54,551,669
Restricted time deposit	-	-	-	-
Unrestricted time deposit	32,371,509	149,314,486	25,113,643	87,324,728
Total	86,855,241	219,346,673	55,920,535	141,876,397

In accordance with the Communiqué No. 2013/15 on Reserve Requirements, the Bank establishes reserve requirements at the CBRT for its Turkish Lira and foreign currency liabilities. According to the “Communiqué on Required Reserves”, required reserves can be held at the CBRT in Turkish Lira, US Dollars and/or Euros and standard gold.

As of 31 December 2025, the Bank maintains reserve requirements for Turkish Lira participation funds and other liabilities at 3% to 17% (22% to 40% for accounts with currency hedging support), for foreign currency participation funds and other liabilities at 5% to 32%, and for precious metal deposit accounts at 25% to 28% depending on the maturity structure. The additional reserve requirement ratio for foreign currency participation funds (excluding participation funds of foreign banks and precious metal deposit accounts) is 2.5%.

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

As of 31 December 2025, financial assets at fair value through profit or loss are not subject to repurchase agreements (31 December 2024 - None), given as collateral or blocked amounting to TL 2,802,969 (31 December 2024- TL 5,172,111).

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	111,732	279,482	164,392	103,355
Swap transactions	720,933	18,155,472	735,296	694,797
Total	832,665	18,434,954	899,688	798,152

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1.3 Information on Banks

1.3.1. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	17,390,961	76,951,504	12,418,838	26,907,745
Domestic	17,390,961	1,012,351	12,418,838	685,247
Foreign	-	75,939,153	-	26,222,498
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	17,390,961	76,951,504	12,418,838	26,907,745

1.3.2. Information on foreign banks account

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	50,122,197	10,132,752	-	-
USA and Canada	16,907,405	11,007,771	-	-
OECD Countries (*)	1,919,161	177,585	-	-
Off-shore Banking Regions	12,336	2,468	-	-
Other	6,978,054	4,901,922	-	-
Total	75,939,153	26,222,498	-	-

(*) EU countries, OECD countries other than the US and Canada.

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

	Current Period	Prior Period
Debt Securities	137,513,167	73,981,413
Quoted on stock exchange	137,513,167	64,232,745
Not quoted on stock exchange	-	9,748,668
Share certificates/Investment Funds	687,047	205,936
Quoted on stock exchange	546,111	90,899
Not quoted on stock exchange	140,936	115,037
Impairment provision (-)	5,797,717	6,528,031
Total	132,402,497	67,659,318

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 50,337,420 (31 December 2024 – TL 22,504,948) 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 32,152,367 (31 December 2024 – TL 5,781,119) is reflected to other comprehensive income.

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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	119,911	2,522	31,373	104,629
Corporate Shareholders	51,719	-	2,080	104,169
Real Person Shareholders	68,192	2,522	29,293	460
Indirect Loans Granted to Shareholders	4,934	120,482	1,117	3,505
Loans Granted to Employees	524,031	11,248	331,765	5,782
Total	648,876	134,252	364,255	113,916

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	559,470,690	38,967,073	7,882,392	-
Export Loans	82,365,966	1,779,312	-	-
Import Loans	17,069,833	628,003	-	-
Corporation Loans	264,366,542	24,155,539	5,270,611	-
Consumer Loans	43,045,257	1,554,922	8,335	-
Credit Cards	84,483,940	9,914,451	537,639	-
Loans given to financial sector	8,678,950	-	-	-
Other	59,460,202	934,846	2,065,807	-
Other Receivables	12,731	231,077	-	-
Total	559,483,421	39,198,150	7,882,392	-

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
Loans	371,194,185	23,269,618	5,362,768	-
Export Loans	56,243,452	1,030,894	-	-
Import Loans	18,028,033	340,620	-	-
Corporation Loans	176,498,998	15,321,535	3,504,424	-
Consumer Loans	27,478,870	1,074,654	3,265	-
Credit Cards	47,520,346	4,906,587	136,378	-
Loans given to financial sector	3,041,396	-	-	-
Other	42,383,090	595,328	1,718,701	-
Other Receivables	3,296	18,305	-	-
Total	371,197,481	23,287,923	5,362,768	-

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

	Standard Loans Current Period	Loans Under Close Monitoring Current Period	Standard Loans Prior Period	Loans Under Close Monitoring Prior Period
12 Month Expected Credit Losses	2,656,404	-	2,755,603	-
Expected Loss Provision for Other Financial Assets Measured at Amortized Cost	24,836	-	63,024	-
Significant Increase in Credit Risk	-	5,427,020	-	4,258,544
Total	2,681,240	5,427,020	2,818,627	4,258,544

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

	Standard Loans	Loans Under Close Monitoring	
		Not Subject to Restructuring	Restructured
Current Period			
Short Term Loans	264,565,623	20,322,923	3,935,327
Medium- and Long-Term Loans	294,917,798	18,875,227	3,947,065
Total	559,483,421	39,198,150	7,882,392

	Standard Loans	Loans Under Close Monitoring	
		Not Subject to Restructuring	Restructured
Prior Period			
Short Term Loans	190,515,016	13,296,469	2,454,846
Medium- and Long-Term Loans	180,682,465	9,991,454	2,907,922
Total	371,197,481	23,287,923	5,362,768

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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	3,331,699	28,406,803	31,738,502
Housing Loans	61,108	23,513,731	23,574,839
Vehicle Loans	1,740,954	3,451,526	5,192,480
Consumer Loans	1,522,541	1,082,194	2,604,735
Other	7,096	359,352	366,448
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	520,571	12,026,292	12,546,863
Housing Loans	473,640	10,423,828	10,897,468
Vehicle Loans	38,593	1,187,429	1,226,022
Consumer Loans	8,338	415,035	423,373
Other	-	-	-
Retail Credit Cards-TL	37,396,482	22	37,396,504
With Installment	9,703,142	22	9,703,164
Without Installment	27,693,340	-	27,693,340
Retail Credit Cards-FC	10,416	18,777	29,193
With Installment	-	18,777	18,777
Without Installment	10,416	-	10,416
Personnel Loans-TL	161,642	161,507	323,149
Housing Loans	752	19,912	20,664
Vehicle Loans	28,899	57,859	86,758
Consumer Loans	131,991	83,736	215,727
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	253,532	2	253,534
With Installment	86,915	2	86,917
Without Installment	166,617	-	166,617
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without-installment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	41,674,342	40,613,403	82,287,745

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Prior Period	Short term	Medium and long term	Total
Consumer Loans-TL	1,852,591	19,262,736	21,115,327
Housing Loans	69,324	13,331,667	13,400,991
Vehicle Loans	616,279	4,535,322	5,151,601
Consumer Loans	1,149,941	714,189	1,864,130
Other	17,047	681,558	698,605
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	265,536	6,982,840	7,248,376
Housing Loans	243,647	6,253,142	6,496,789
Vehicle Loans	19,000	636,839	655,839
Consumer Loans	2,889	92,859	95,748
Other	-	-	-
Retail Credit Cards-TL	16,193,511	24	16,193,535
With Installment	4,142,089	24	4,142,113
Without Installment	12,051,422	-	12,051,422
Retail Credit Cards-FC	6,356	14,184	20,540
With Installment	-	14,184	14,184
Without Installment	6,356	-	6,356
Personnel Loans-TL	81,304	111,782	193,086
Housing Loans	423	15,521	15,944
Vehicle Loans	15,956	41,569	57,525
Consumer Loans	64,923	54,692	119,615
Other	2	-	2
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	159,943	2	159,945
With Installment	66,931	2	66,933
Without Installment	93,012	-	93,012
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without-installment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	18,559,241	26,371,568	44,930,809

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1.5.5 Information on commercial installment loans and corporate credit cards

Current Period	Short term	Medium and long term	Total
Commercial Installment Loans-TL	6,999,374	78,634,287	85,633,661
Business Loans	90,473	5,597,764	5,688,237
Vehicle Loans	5,272,527	59,060,626	64,333,153
Consumer Loans	1,636,374	13,975,897	15,612,271
Other	-	-	-
Commercial Installment Loans-FC Indexed	12,643	74,398	87,041
Business Loans	12,643	-	12,643
Vehicle Loans	-	-	-
Consumer Loans	-	74,398	74,398
Other	-	-	-
Commercial Installment Loans-FC	12,671,877	29,387,450	42,059,327
Business Loans	992,987	4,429,505	5,422,492
Vehicle Loans	251,186	15,272,807	15,523,993
Consumer Loans	-	-	-
Other	11,427,704	9,685,138	21,112,842
Corporate Credit Cards-TL	57,231,371	-	57,231,371
With Installment	21,381,169	-	21,381,169
Without Installment	35,850,202	-	35,850,202
Corporate Credit Cards-FC	7,179	18,249	25,428
With Installment	-	-	-
Without Installment	7,179	18,249	25,428
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	76,922,444	108,114,384	185,036,828

Prior Period	Short term	Medium and long term	Total
Commercial Installment Loans-TL	8,401,563	41,961,903	50,363,466
Business Loans	204,525	2,959,097	3,163,622
Vehicle Loans	6,582,599	32,188,908	38,771,507
Consumer Loans	1,614,439	6,813,898	8,428,337
Other	-	-	-
Commercial Installment Loans-FC Indexed	5,489	201,814	207,303
Business Loans	5,489	-	5,489
Vehicle Loans	-	-	-
Consumer Loans	-	201,814	201,814
Other	-	-	-
Commercial Installment Loans-FC	9,817,586	14,971,706	24,789,292
Business Loans	798,879	2,421,123	3,220,002
Vehicle Loans	27,458	7,102,556	7,130,014
Consumer Loans	-	-	-
Other	8,991,249	5,448,027	14,439,276
Corporate Credit Cards-TL	36,169,104	-	36,169,104
With Installment	15,847,479	-	15,847,479
Without Installment	20,321,625	-	20,321,625
Corporate Credit Cards-FC	12,226	7,961	20,187
With Installment	-	-	-
Without Installment	12,226	7,961	20,187
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	54,405,968	57,143,384	111,549,352

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1.5.6. Allocation of loans by customers

	Current period	Prior period
Public	6,266,312	886,721
Private	600,297,651	398,961,451
Total	606,563,963	399,848,172

1.5.7 Breakdown of domestic and foreign loans

	Current period	Prior period
Domestic loans	554,131,783	369,357,118
Foreign loans	52,432,180	30,491,054
Total	606,563,963	399,848,172

1.5.8 Loans granted to subsidiaries and associates

	Current period	Prior period
Loans granted directly to subsidiaries and associates	318	535
Loans granted indirectly to subsidiaries and associates	-	-
Total	318	535

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

	Current period	Prior period
Loans and receivables with limited collectability	1,360,043	1,226,617
Loans and receivables with doubtful collectability	3,178,863	1,389,668
Uncollectible loans and receivables	5,138,692	3,441,817
Total	9,677,598	6,058,102

1.5.10 Information on non-performing loans (Net)

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

	Group III	Group IV	Group V
	Loans and	Loans and	
	Receivables with	Receivables with	
	Limited	Doubtful	
	Collectability	Collectability	Uncollectible Loans
			and Receivables
Current Period			
Gross Amount Before Specific Provisions	12,196	-	1,020
Restructured Loans	12,196	-	1,020
Prior Period			
Gross Amount Before Specific Provisions	-	-	2,463
Restructured Loans	-	-	2,463

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

Current Period	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Ending balance of prior period 31.12.2024	1,727,694	1,685,255	4,175,904
Additions in the current period (+)	3,612,622	4,385,191	10,950,498
Transfers from other categories of non-performing loans (+)	-	1,417,003	1,072,121
Transfers to other categories of non-performing loans (-)	1,417,003	1,072,365	-
Collections in the current period (-)	1,445,959	1,735,572	4,709,878
Write offs (-) (*)	56	-	5,276,575
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	2,477,298	4,679,512	6,212,070
Provisions (-)	1,360,043	3,178,863	5,138,692
Net balances on balance sheet	1,117,255	1,500,649	1,073,378

(*) In 2025, the Parent Bank has been written off TL 5,276,631 of its receivables from its assets. As a result of this transaction, there was an effect of 30 basis points on the defaulted conversion rate.

Prior Period	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Ending balance of prior period 31.12.2023	256,353	1,046,768	2,940,136
Additions in the current period (+)	1,655,869	1,970,179	3,031,464
Transfers from other categories of non-performing loans (+)	-	132,673	1,414,200
Transfers to other categories of non-performing loans (-)	132,673	1,423,870	-
Collections in the current period (-)	51,852	40,494	1,814,497
Write offs (-) (*)	3	1	1,395,399
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	1,727,694	1,685,255	4,175,904
Provisions (-)	1,226,617	1,389,668	3,441,817
Net balances on balance sheet	501,077	295,587	734,087

(*) In 2024, the Parent Bank has been written off TL 1,395,403 of its receivables from its assets. As a result of this transaction, there was an effect of 30 basis points on the defaulted conversion rate.

1.5.10.3 Information on non-performing loans granted as foreign currency

Current Period	Group III	Group IV	Group V
Ending balance of the current period	244,272	802,104	836,424
Provision amount (-)	136,776	502,682	614,440
Net balance at the balance sheet	107,496	299,422	221,984
Prior Period	Group III	Group IV	Group V
Ending balance of the current period	192,488	101,989	1,066,944
Provision amount (-)	155,532	75,090	567,232
Net balance at the balance sheet	36,956	26,899	499,712

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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)	1,117,255	1,500,649	1,073,378
Loans granted to real persons and legal entities (Gross)	2,477,298	4,679,512	6,212,070
Specific provision (-)	1,360,043	3,178,863	5,138,692
Loans to real persons and legal entities (Net)	1,117,255	1,500,649	1,073,378
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
Prior period (net)	501,077	295,587	734,087
Loans to real persons and legal entities (Gross)	1,727,694	1,685,255	4,175,904
Specific provision (-)	1,226,617	1,389,668	3,441,817
Loans to real persons and legal entities (Net)	501,077	295,587	734,087
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. Aging analysis of past due but not impaired financial assets per classes of financial instruments is as follows

Current period	Less than 30 days	31-60 days	More than 61 days	Total
Loans and Receivables				
Corporate Loans	27,432,222	2,418,255	3,361,550	33,212,124
Retail Loans	877,952	143,383	78,405	1,101,344
Credit Cards	8,922,868	973,517	555,534	10,451,919
Total	37,233,042	3,535,155	3,995,489	44,765,387
Prior Period	Less than 30 days	31-60 days	More than 61 days	Total
Loans and Receivables				
Corporate Loans	18,983,004	722,696	1,253,521	20,959,221
Retail Loans	725,229	53,036	24,233	802,498
Credit Cards	4,561,593	342,209	138,846	5,042,648
Total	24,269,826	1,117,941	1,416,600	26,804,367

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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

The Parent Bank	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	65,539	161,365	131,207
Profit share accruals, rediscount and valuation differences	175,461	601,107	793,578
Provision (-)	109,922	439,742	662,371

The Parent Bank	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Prior Period (Net)	48,718	32,168	18,059
Profit share accruals, rediscount and valuation differences	161,000	130,529	380,009
Provision (-)	112,282	98,361	361,950

1.5.10.7. Main guidelines for liquidation process of uncollectible loans and other receivables

Loans and other receivables, which were deemed uncollectible according to the “Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans” published in the Official Gazette No. 26333 dated 1 November 2006 and for which a full impairment provision has been made, are written off as per the decision of the Bank top management. The Group has receivables of TL 5,276,631 that will be written off in 2025 (31 December 2024 – TL 1,395,403).

1.5.11. Information on the write-off policy

The Parent Bank’s write off policy is to write-off the loan receivables that have been already transferred to legal follow-up and fully provided for and for which there is no possibility of collection through legal process and for which there is no collateral. Such loans are written off as per the decision of top management.

1.6 Other financial assets measured at amortized cost

1.6.1 Information on other financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	60,376,058	58,614,422
Quoted on a Stock Exchange	60,376,058	58,128,941
Not Quoted	-	485,481
Total	60,376,058	58,614,422

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

	Current Period	Prior Period
Opening Balance	58,614,422	59,926,297
Foreign Exchange Gain/Loss	5,861,072	4,330,509
Purchases During the Year	1,722,460	2,077,703
Disposals Through Sales and Redemptions	7,768,913	1,408,001
Transfers	1,791,226	(6,325,000)
Income Accruals and Rediscounts	155,791	12,914
Total	60,376,058	58,614,422

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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 4,897 (31 December 2024 – TL 4,897), ownership of the shares of Katılım Finans Kefalet A.Ş. amounting to TL 90,000, which corresponds to 15% in (31 December 2024 – TL 67,500), Swift shares amounting to TL 11,592 (31 December 2024 – TL 8,713) and 0.0035% ownership of the shares traded in Borsa İstanbul A.Ş. amounting to TL 15 (31 December 2024 – TL 15), 2.86% ownership of the shares of JCR Avrasya Derecelendirme A.Ş. amounting to TL 2,755 (31 December 2024 – TL 2,755), the 0.44% ownership of the shares of İhracatı Geliştirme A.Ş. amounting to TL 30,420 (31 December 2024 – TL 30,420), VISA shares amounting to TL 530,339 (31 December 2024 – TL 374,140) and Other shares amounting to TL 16,132 (31 December 2024 – TL 33,140) are classified as financial assets at fair value through other comprehensive income since the Parent Bank’s ownership in these entities is less than 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 2024 – None).

1.7.3 Information related to consolidated associates: None (31 December 2024 – None).

1.8 Information on subsidiaries (Net)

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

1.8.2 Information on subsidiaries

	Title	Address (City/Country)	Bank’s share percentage, if different-voting percentage (%)	Bank’s risk group share percentage (%)
1	KT Bank AG (*)	Frankfurt/Germany	100	100
2	Neova Katılım Sigorta A.Ş. (***)	İstanbul/Türkiye	100	100
3	KT Kira Sertifikaları Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100
4	KT Sukuk Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100
5	Kuveyt Türk Portföy Yönetimi A.Ş.	İstanbul/Türkiye	100	100
6	Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	74	74
7	Architech Bilişim Sistemleri ve Pazarlama Tic A.Ş. (**)	İstanbul/Türkiye	100	100
8	Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San.ve Tic. A.Ş. (**)	İstanbul/Türkiye	99.99	99.99
9	Kuveyt Türk Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	100	100
10	Sağlam 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(*)	48,775,550	8,127,793	821,446	1,454,323	192,235	117,084	(123,180)	-
2 (***)	47,474,081	8,028,436	1,115,158	8,329,477	8,267,822	2,505,635	1,107,496	-
3	1,488	1,263	-	-	-	249	394	-
4	7,073,762	1,702	-	-	-	515	312	-
5	2,452,162	2,141,160	32,807	-	-	1,211,320	589,960	-
6	1,539,838	1,334,336	111,320	73,493	73,043	250,085	115,561	-
7(**)	2,098,035	1,389,009	113,693	128,227	134,319	448,990	319,563	-
8(**)	350,709	225,320	351	-	-	-	35,270	-
9	1,789,402	652,084	46,521	128,724	126,124	249,118	(54,863)	-
10	232,568	208,118	9,194	-	-	1,460	-	-
11(**)	8,347,977	8,136,830	-	-	-	(5,643)	-	-

(*) The financial statements of the said subsidiary dated 31 December 2024 have been prepared in accordance with the legal regulations in the country where it is located.

(**) These are the amounts in the statutory financial statements dated 31 December 2025, issued in accordance with 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 the minimum required equity capital twice a year, in June and December and it has no capital deficiency as of 31 December 2025 (31 December 2024: Capital surplus of TL 738,368).

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Information on the investment funds that were consolidated according to the full consolidation method with the Parent Bank as of 31 December 2025

	Title	The Parent Bank's share ratio (%)	Group's share ratio (%)	Net Asset Value
1	Kuveyt Türk Portföy Kuveyt Türk Yabancı Katılım Serbest Özel Fon	100	100	572
2	Kuveyt Türk Portföy Birinci Katılım Serbest (TL) Fon	100	100	19,812,635
3	Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon	100	100	3,556
4	Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu	100	100	629,133
5	Kuveyt Türk Portföy Yönetimi A.Ş. Lonca Girişim Sermayesi Yatırım Fonu	100	100	355,814
6	Kuveyt Türk Portföy Neova Katılım Serbest Özel (TL) Fon	100	100	389,763
7	Kuveyt Türk Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu	-	100	13,789
8	Kuveyt Türk Portföy NKS Katılım Serbest (TL) Özel Fon	-	100	3,935,602
9	Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Abd Doları) Özel Fon	-	100	998
10	Kuveyt Türk Portföy NKV Kısa Vadeli Katılım Serbest Özel Fon	-	100	10,234,809

Movement regarding the subsidiaries

	Current Period	Prior Period
Balance at the beginning of the year	123,680	123,680
Movements during the year	8,000,000	-
Purchases (*)	8,000,000	-
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	8,123,680	123,680
Capital commitments	-	22,500
Share percentage at the end of the year (%)	-	-

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

Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	1,592,030	1,592,030
Insurance Companies	2,401,796	1,651,796
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	1,243,106	754,706
Total	5,236,932	3,998,532

Subsidiaries that are quoted on the stock exchange

	Current Period	Prior Period
Quoted in Domestic Stock Exchange	541,106	52,706
Quoted in Foreign Stock Exchange	-	-
Total	541,106	52,706

1.8.3 Information on capital adequacies of major subsidiaries

The Partner Bank's equity of KT Bank AG, the bank's subsidiary in Germany, calculated as of 31 December 2025, is EUR 161,954,557 (Full EUR amount) and the capital adequacy ratio is 23.1%.

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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%	69,371,961	2,072,940	138,629	805,415	686,249

- (*) 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 Istanbul Trade Registry Office.

1.10 Information on finance lease receivables (Net)

1.10.1 Presentation of remaining maturities of net finance leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	47,829,897	37,587,055	34,908,399	27,101,903
1 to 4 years	34,153,287	31,726,725	24,424,789	22,145,023
More than 4 years	1,286,809	1,273,967	1,270,489	1,259,696
Total	83,269,993	70,587,747	60,603,677	50,506,622

1.10.2 Net investments in finance leases

	Current Period	Prior Period
Gross Receivable from Finance Leases	83,269,993	60,603,677
Unearned Finance Lease Income (-)	12,682,246	10,097,055
Cancelled Lease Amounts (-)	-	-
Net Leasing Investment	70,587,747	50,506,622

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 Bank sends a notice to the customer and the Bank takes legal action against the customer if necessary. Non-performing finance lease receivables amounting to TL 1,184,821 are included in the non-performing loans in the balance sheet (31 December 2024 – TL 652,739).

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2024 – None).

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1.12. Information on tangible asset

Current Period	Buildings	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Cost					
Opening balance, 1 January 2025	1,235,198	2,866,857	1,160,743	2,307,597	7,570,395
Additions	103,557	2,446,740	934,378	1,450,977	4,935,652
Disposals	-	(369,676)	(151,714)	(8,449)	(529,839)
Transfers	99,355	-	-	-	99,355
Exchange rate differences	-	33,400	720	22,501	56,621
Impairment / cancellation	-	-	-	-	-
Ending balance, 31 December 2025	1,438,110	4,977,321	1,944,127	3,772,626	12,132,184
Accumulated Depreciation (-)					
Opening balance, 1 January 2025	84,405	877,596	314,801	689,864	1,966,666
Amortization cost	21,546	933,996	286,242	510,684	1,752,468
Disposals	-	(292,435)	(82,016)	(18,742)	(393,193)
Exchange rate differences	1,437	-	-	-	1,437
Transfers	-	15,777	608	6,667	23,052
Ending balance, 31 December 2025	107,388	1,534,934	519,635	1,188,473	3,350,430
Cost at the end of period	1,438,110	4,977,321	1,944,127	3,772,626	12,132,184
Accumulated depreciation at the end of period (-)	107,388	1,534,934	519,635	1,188,473	3,350,430
Closing net book value	1,330,722	3,442,387	1,424,492	2,584,153	8,781,754
Prior Period					
Cost					
Opening balance, 1 January 2024	939,496	1,735,564	843,374	1,258,318	4,776,752
Additions	295,900	1,420,121	388,921	1,063,468	3,168,410
Disposals	(7)	(297,298)	(71,776)	(19,102)	(388,183)
Transfers	(191)	-	-	-	(191)
Exchange rate differences	-	8,470	224	4,913	13,607
Impairment / cancellation	-	-	-	-	-
Ending balance, 31 December 2024	1,235,198	2,866,857	1,160,743	2,307,597	7,570,395
Accumulated Depreciation (-)					
Opening balance, 1 January 2024	64,057	589,656	172,909	417,888	1,244,510
Amortization cost	18,915	549,123	189,571	297,666	1,055,275
Disposals	-	(263,441)	(47,773)	(25,871)	(337,085)
Exchange rate differences	1,433	-	-	-	1,433
Transfers	-	2,258	94	181	2,533
Ending balance, 31 December 2024	84,405	877,596	314,801	689,864	1,966,666
Cost at the end of period	1,235,198	2,866,857	1,160,743	2,307,597	7,570,395
Accumulated depreciation at the end of period (-)	84,405	877,596	314,801	689,864	1,966,666
Closing net book value	1,150,793	1,989,261	845,942	1,617,733	5,603,729

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1.13. Information on intangible asset

1.13.1. Gross carrying value and accumulated amortization balances at the beginning and at the end of the period

	Current Period	Prior Period
Gross Book Value	7,037,530	4,405,770
Accumulated Amortization	(1,898,200)	(1,548,452)
Total (net)	5,139,330	2,857,318

1.13.2. Movements of intangible assets between the beginning and the end of the period

	Current Period	Prior Period
Opening balance	2,857,318	1,225,475
Additions	3,721,260	2,391,732
Disposals (-), net	890,507	-
Depreciation amount (-)	642,470	783,232
Exchange rate differences	93,729	23,343
Closing Net Book Value	5,139,330	2,857,318

Intangible assets include computer software and program licenses which are purchased for banking systems.

1.14. Information on investment properties

	Current Period	Prior Period
Opening Balance	317,050	41,605
Additions	11,176	275,445
Disposals (-), Net	(99,355)	-
Amortization Cost (-)	-	-
Closing Net Book Value	228,871	317,050

1.15 Information on deferred tax asset

As of 31 December 2025, deferred tax is offset as TL 1,263,038 in the balance sheet (31 December 2024 - TL 8,456,578). The deferred tax asset is TL 7,865,516 (31 December 2024 – TL 9,701,442) and the deferred tax liability is TL 6,602,478 (31 December 2024 – TL 1,244,864).

	Current Period	Prior Period
TFRS 9 Provisions	1,640,136	1,794,065
Property, Plant and Equipment Valuation Differences	2,634,141	1,991,042
Employee Rights Liability	1,178,597	822,729
Deferred Income	754,996	693,761
Employment Termination Benefit Liability	497,029	439,878
Derivative Financial Instruments Rediscounts	(4,934,221)	(198,863)
Precious metal valuation differences	(875,589)	(447,756)
Securities Valuation Difference	(426,764)	2,303,149
Transferred Financial Losses (*)	546,681	-
Other	411,929	286,970
Net Deferred Tax Asset	(163,897)	771,603
TFRS 9 Provisions	1,263,038	8,456,578

(*) The Group has recognized deferred tax assets amounting to TL 411,929 (31 December 2024: TL 286,970) 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	8,456,578	6,050,556
Deferred tax (expense)/income	(6,896,979)	208,819
Deferred tax accounted under equity	(384,948)	2,106,061
Other	88,387	91,142
Deferred tax asset	1,263,038	8,456,578

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1.16. Explanations on assets held for sale and discontinued operations

	Current Period	Prior Period
Opening Balance	522,743	428,585
Additions	1,679,811	212,519
Transfers from Tangible Asset	-	-
Disposals (-), Net	191,167	118,361
Transfer to Tangible Assets	-	-
Amortization Cost (-)	-	-
Provision for Impairment (-)	-	-
Closing Net Book Value	2,011,387	522,743

1.17 Information on other assets

As of balance sheet date, the Group's other assets amount to TL 41,739,727 (31 December 2024 – TL 13,342,934). 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 funds collected

2.1.1 Information on maturity structure of funds collected

Current Period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulat ed profit sharing accounts	Total(*)
I. Real persons current accounts-TL	56,931,577	-	-	-	-	-	-	-	56,931,577
II. Real persons profit sharing accounts TL	-	43,867,032	116,390,386	3,377,657	-	4,297,573	2,998,551	22,162	170,953,361
III. Another current accounts-TL	52,348,371	-	-	-	-	-	-	-	52,348,371
Public sector	4,253,932	-	-	-	-	-	-	-	4,253,932
Commercial sector	46,957,498	-	-	-	-	-	-	-	46,957,498
Other institutions	949,146	-	-	-	-	-	-	-	949,146
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	187,795	-	-	-	-	-	-	-	187,795
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	183,892	-	-	-	-	-	-	-	183,892
Participation banks	3,854	-	-	-	-	-	-	-	3,854
Other	49	-	-	-	-	-	-	-	49
IV. Profit sharing accounts-TL	-	8,546,818	53,921,182	401,290	-	21,092,273	194,153	53	84,155,769
Public sector	-	345,023	113,705	-	-	2,426,043	-	-	2,884,771
Commercial sector	-	7,423,958	52,290,079	344,924	-	18,527,936	193,546	53	78,780,496
Other institutions	-	620,803	1,487,404	56,366	-	134,367	537	-	2,299,477
Commercial and other institutions	-	157,034	29,713	-	-	3,927	70	-	190,744
Banks and participation banks	-	-	281	-	-	-	-	-	281
V. Real persons current accounts-FC	121,313,999	-	-	-	-	-	-	-	121,313,999
VI. Real persons profit sharing accounts-FC	-	16,539,006	21,543,084	2,990,687	-	10,650,458	3,702,579	40,484	55,466,298
VII. Real persons profit sharing accounts-FC	64,319,530	-	-	-	-	-	-	-	64,319,530
Commercial residents in Türkiye	49,924,411	-	-	-	-	-	-	-	49,924,411
Commercial residents in Abroad	10,852,076	-	-	-	-	-	-	-	10,852,076
Banks and participation banks	3,543,043	-	-	-	-	-	-	-	3,543,043
Central Bank of Republic of Türkiye	685,365	-	-	-	-	-	-	-	685,365
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	2,851,503	-	-	-	-	-	-	-	2,851,503
Participation banks	6,175	-	-	-	-	-	-	-	6,175
Other	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	1,900,445	2,659,779	769,128	-	885,840	242,197	515	6,457,904
Public sector	-	21	16,614	-	-	-	-	-	16,635
Commercial sector	-	1,541,757	948,730	37,348	-	214,284	29,908	515	2,772,542
Other institutions	-	20,950	1,585,003	731,711	-	671,556	212,289	-	3,221,509
Commercial and other institutions	-	337,717	109,432	69	-	-	-	-	447,218
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	275,429,437	30,048,846	12,338,998	2,554,026	-	1,380,755	148,203	-	321,900,265
X. Profit sharing accounts special funds - TL	-	-	-	-	-	310,261	351,900	-	662,161
Residents in Türkiye	-	-	-	-	-	310,261	151,900	-	462,161
Residents Abroad	-	-	-	-	-	-	200,000	-	200,000
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (**)	570,342,914	100,902,147	206,853,429	10,092,788	-	38,617,160	7,637,583	63,214	934,509,235

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

(**) As of 31 December 2025, the Parent Bank has FX-protected TL time deposit accounts amounting to TL 12,773,039 (31 December 2024 – TL 62,006,685). Of this amount, TL 12,773,039 (31 December 2024 – TL 62,001,875) was opened within the scope of the Communiqué on the Support of the Conversion of Turkish Lira Deposit and Participation Accounts published by the Central Bank of the Republic of Türkiye in the Official Gazette dated 21 December 2021 and numbered 31696, and TL 0 (31 December 2024 – TL 4,810) was opened within the scope of the announcement made by the Ministry of Treasury and Finance dated 24 December 2021.

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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	39,469,231	-	-	-	-	-	-	-	39,469,231
II. Real persons profit sharing accounts TL	-	19,259,653	97,658,069	6,770,505	-	18,974,493	6,249,835	13,526	148,926,081
III. Another current accounts-TL	37,527,057	-	-	-	-	-	-	-	37,527,057
Public sector	2,424,752	-	-	-	-	-	-	-	2,424,752
Commercial sector	34,262,863	-	-	-	-	-	-	-	34,262,863
Other institutions	569,795	-	-	-	-	-	-	-	569,795
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	269,647	-	-	-	-	-	-	-	269,647
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	269,473	-	-	-	-	-	-	-	269,473
Participation banks	144	-	-	-	-	-	-	-	144
Other	30	-	-	-	-	-	-	-	30
IV. Profit sharing accounts-TL	-	18,852,846	15,216,767	961,192	-	11,529,332	172,697	22	46,732,856
Public sector	-	6,948	52,425	-	-	789,834	-	-	849,207
Commercial sector	-	18,485,757	13,703,106	887,174	-	10,497,176	172,257	22	43,745,492
Other institutions	-	331,633	950,468	43,231	-	172,935	440	-	1,498,707
Commercial and other institutions	-	28,508	510,724	30,787	-	69,387	-	-	639,406
Banks and participation banks	-	-	44	-	-	-	-	-	44
V. Real persons current accounts-FC	101,281,625	-	-	-	-	-	-	-	101,281,625
VI. Real persons profit sharing accounts-FC	-	13,473,038	16,434,133	2,318,651	-	7,853,417	3,178,077	21,015	43,278,331
VII. Real persons profit sharing accounts-FC	41,568,507	-	-	-	-	-	-	-	41,568,507
Commercial residents in Türkiye	31,932,443	-	-	-	-	-	-	-	31,932,443
Commercial residents in Abroad	8,122,152	-	-	-	-	-	-	-	8,122,152
Banks and participation banks	1,513,912	-	-	-	-	-	-	-	1,513,912
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	1,509,311	-	-	-	-	-	-	-	1,509,311
Participation banks	4,601	-	-	-	-	-	-	-	4,601
Other	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	459,009	1,234,690	426,169	-	1,441,838	300,531	249	3,862,486
Public sector	-	17	113,739	-	-	-	-	-	113,756
Commercial sector	-	402,718	716,191	34,679	-	195,349	160,402	249	1,509,588
Other institutions	-	16,702	313,605	389,715	-	1,246,489	140,129	-	2,106,640
Commercial and other institutions	-	39,572	91,155	1,775	-	-	-	-	132,502
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	111,405,414	13,520,895	6,368,941	1,206,213	-	786,663	52,997	-	133,341,123
X. Profit sharing accounts special funds - TL	-	-	39,624	47,875	-	7,199,963	1,125,928	-	8,413,390
Residents in Türkiye	-	-	39,624	47,875	-	6,549,974	377,937	-	7,015,410
Residents Abroad	-	-	-	-	-	649,989	747,991	-	1,397,980
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (**)	331,251,834	65,565,441	136,952,224	11,730,605	-	47,785,706	11,080,065	34,812	604,400,687

(*) 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	137,558,118	96,653,891	227,869,225	185,753,070
FC accounts	212,260,066	130,301,005	321,711,481	170,350,795
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 950 (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	31,894	57,044
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	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in offshore banking activities solely	-	-

2.2 Information on derivative financial liabilities held for trading

Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	185,009	164,897	134,084	51,249
Swap transactions	1,257,657	1,241,763	1,185,402	1,401,774
Total	1,442,666	1,406,660	1,319,486	1,453,023

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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	13,517,469	123,755,890	2,949,663	85,667,578
From Foreign Banks, Institutions and Funds	-	59,940,996	600,000	33,325,054
Total	13,517,469	183,696,886	3,549,663	118,992,632

2.3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	13,204,861	149,974,383	3,471,640	112,758,401
Medium and Long-Term	312,608	33,722,503	78,023	6,234,231
Total	13,517,469	183,696,886	3,549,663	118,992,632

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

There is no risk concentration of the Parent Bank's current and profit-sharing accounts.

2.4. Information on securities issued

The Group has issued sukuk, the details of which are given below. The return rates of the issued securities are on average 38.50% for Turkish Lira. The maturity date of the Turkish Lira denominated sukuk is January 2026.

Current Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	101,248	-	-	-
Remaining income distribution	-	-	-	-
Book Value	101,248	-	-	-

Prior Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	500,000	-	-	-
Remaining income distribution	101,712	-	-	-
Book Value	597,674	-	-	-

2.5. Information on other liabilities and miscellaneous payables

As of 31 December 2025, other liabilities amount to TL 43,169,797 (31 December 2024 – TL 10,970,934), sundry creditors amount to TL 26,473,417 (31 December 2024 - TL 4,988,343), both of them do not exceed 10% of the balance sheet total.

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2.6. Information on finance lease payables (net)

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	95,532	102,422	71,183	68,626
1 to 4 years	550,093	517,176	162,582	152,404
More than 4 years	3,663,862	2,233,478	2,170,589	1,360,785
Total	4,309,487	2,853,076	2,404,354	1,581,815

The Group uses FTP (Fund Transfer Pricing) rates as an alternative borrowing dividend rate. The relevant rates are reviewed and updated every 2 weeks. Participation Bank uses an unchanged discount rate unless the change in payments is due to variable dividend rates. In the event that the change in rent payments is due to variable dividend rates (LIBOR, EURIBOR), the lessee uses a revised discount rate that reflects the changes in the dividend rate.

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

None (31 December 2024 – None).

2.6.1.1. Explanations on financial leasing obligations

None (31 December 2024 – 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 2024 - None).

2.8 Information on provisions

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

None (31 December 2024 – None).

2.8.2 Information on other provisions

	Current Period	Prior Period
Non-Cash Loans That are not Converted into Cash	240,698	863,935
General Provisions for Non-Cash Loans	574,219	483,337
Provision for Profits will be Allocated to Participation Accounts	663,502	1,526,885
Promotional Applications for Credit Cards	11,289	5,478
Other (*)	2,630,188	935,353
Total	4,119,896	3,814,988

(*) The other item mainly consists of litigation provision amounting to TL 621,679 (31 December 2024 - TL 509,045), expense provision amounting to TL 5,888 (31 December 2024 - TL 13,058) and other and penalty provisions amounting to TL 1,183,412 (31 December 2024 - TL 107,311).

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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 1,662,975 (31 December 2024 – TL 1,466,260), vacation pay liability amounting to TL 73,766 (31 December 2024 – TL 37,073), performance premium amounting to TL 2,360,075 (31 December 2024 – TL 1,724,585), retirement bonuses on payment of TL 1,328,505 (31 December 2024 – TL 808,924), committee fee amounting to TL 165,051 (31 December 2024 – TL 129,992) and other fees amounting to TL 179,411 (31 December 2024 – TL 116,700).

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

The amount payable consists of one month's salary limited to a maximum of TL 53,919.68 (full TL amount) (31 December 2024 - TL 41,828.42 (full TL amount)) for each year of service. 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	26.67
Inflation rate (%)	24.66	23.49
Salary increases rate (%)	25.16	23.99

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

	Current Period	Prior Period
Balance at the beginning of the period	1,466,260	1,110,785
Provisions recognized during the period	458,902	510,445
Paid during the period	(59,903)	(197,655)
Actuarial loss / gain	(202,284)	42,685
Balances at the end of the period	1,662,975	1,466,260

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 9,174,180 (31 December 2024 – TL 13,144,108) and prepaid tax amounting to TL 7,416,633 (31 December 2024 – TL 7,092,851). 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	2,278,443	755,307
Taxation of immovable property	14,893	9,532
Banking Insurance Transaction Tax (BITT)	672,102	510,165
Foreign Exchange Transaction Tax	123,001	27,737
Value Added Tax Payable	91,488	42,622
Income tax deducted from wages	271,459	194,158
Income tax payable	-	-
Other	19,174	12,334
Total	3,470,560	1,551,855

(*) Included in Other Liabilities in the Balance Sheet.

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2.9.1.3 Information on premiums (*)

	Current Period	Prior Period
Social Insurance Premiums-Employee	125,686	83,993
Social Insurance Premiums-Employer	150,065	94,214
Unemployment insurance-Employee	8,976	5,998
Unemployment insurance-Employer	18,723	12,544
Other	-	-
Total	303,450	196,749

(*) Included in Other Liabilities in the Balance Sheet.

2.9.1.4 Information on deferred tax liability

Within the scope of the relevant regulations, as of 31 December 2025, the deferred tax was netted as TL 1,263,038 (31 December 2024 – TL 8,456,578) in the balance sheet. The deferred tax asset was calculated as TL 7,865,516 (31 December 2024 – TL 9,701,442) and the deferred tax liability as TL 6,602,478 (31 December 2024 – TL 1,244,864).

2.10 Information on payables related to assets held for sale

None (31 December 2024 – None).

2.11 Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	15,048,512	-	14,186,285
Total	-	15,048,512	-	14,186,285

2.12 Information on shareholders' equity

2.12.1 Presentation of paid-in capital

	Current Period	Prior Period
Common shares	8,000,000	4,952,205
Preference shares	-	-
Repurchased shares amount (*)	(4,869)	(4,869)
Total	7,995,131	4,947,336

(*) 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 2024 – None).

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

None (31 December 2024 – 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.

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2.12.6 Summary of privileges given to shares representing the capital

None (31 December 2024 – None).

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 (*)	(4,750,951)	1,417,016	(5,682,248)	301,804
Foreign Exchange Difference	-	-	-	-
Total	(4,750,951)	1,417,016	(5,682,248)	301,804

(*) 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

31 December 2025 – TL 333,584 (31 December 2024 – TL 84,954).

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 31 December 2025 amounts to TL 186,789,622 (31 December 2024 – TL 76,475,148); payment commitments for cheque books amounts to TL 8,113,715 (31 December 2024 – TL 5,864,748).

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 31 December 2025, the Group has guarantees and surety ships constituting of TL 136,449,555 (31 December 2024 – TL 85,540,967) of letters of guarantee; TL 1,382,873 (31 December 2024 – TL 727,539) of acceptances and TL 25,804,814 (31 December 2024 – TL 13,581,786) of letters of credit. Also, bank has other guarantees and sureties amounting to TL 8,728,209 TL (31 December 2024 – TL 5,211,090).

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

3.1.3 Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	2,000,508	426,120
With original maturity of 1 year or less	2,000,508	426,120
With original maturity of more than 1 year	-	-
Other non-cash loans	170,364,943	104,635,262
Total	172,365,451	105,061,382

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3.1.4. Information on sectorial risk concentration of non-cash loans

	Current Period			
	TL	%	FC	%
Agriculture	1,862,242	1.67	391,356	0.65
Farming and stockbreeding	1,171,256	1.05	179,988	0.30
Forestry	674,996	0.60	167,323	0.28
Fishery	15,990	0.01	44,045	0.07
Manufacturing	23,030,031	20.62	23,450,055	38.65
Mining and Quarrying	5,585,497	5.00	4,819,957	7.95
Production	14,940,370	13.38	16,964,991	27.96
Electricity, Gas, Water	2,504,164	2.24	1,665,107	2.74
Construction	49,053,508	43.92	5,803,125	9.57
Services	32,206,802	28.83	25,932,126	42.75
Wholesale and Retail Trade	20,353,573	18.22	11,404,799	18.80
Hotel, Food and Beverage Services	1,236,142	1.11	488,516	0.81
Transportation and Telecommunication	5,195,959	4.65	11,619,912	19.15
Financial Institutions	174,216	0.16	564,337	0.93
Real Estate and Renting Services	671,703	0.60	149,076	0.25
Self-Employment Type Services	150	0.00	-	-
Educational Services	315,695	0.28	79,031	0.13
Health and Social Services	4,259,364	3.81	1,626,455	2.68
Other	5,546,814	4.97	5,089,392	8.39
Total	111,699,397	100.00	60,666,054	100.00

	Prior Period			
	TL	%	FC	%
Agriculture	693,277	1.00	164,331	0.46
Farming and stockbreeding	382,508	0.55	68,944	0.19
Forestry	309,361	0.45	95,387	0.27
Fishery	1,408	0.00	-	-
Manufacturing	14,754,699	21.26	12,517,611	35.10
Mining and Quarrying	3,555,456	5.12	2,738,062	7.68
Production	9,661,995	13.92	9,012,523	25.27
Electricity, Gas, Water	1,537,248	2.22	767,026	2.15
Construction	30,303,928	43.67	3,362,749	9.43
Services	19,809,690	28.54	16,798,928	47.11
Wholesale and Retail Trade	12,538,847	18.07	7,059,599	19.80
Hotel, Food and Beverage Services	920,903	1.33	485,524	1.36
Transportation and Telecommunication	3,281,751	4.73	7,617,967	21.36
Financial Institutions	53,918	0.08	513,900	1.44
Real Estate and Renting Services	544,003	0.78	125,071	0.35
Self-Employment Type Services	194	0.00	-	-
Educational Services	139,541	0.20	61,139	0.17
Health and Social Services	2,330,533	3.36	935,728	2.62
Other	3,837,918	5.53	2,818,251	7.90
Total	69,399,512	100.00	35,661,870	100.00

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3.1.5. Non-cash loans classified under Group I and II

Current Period	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee (*)	98,888,226	32,672,394	3,507,393	385,327
Bills of Exchange and Bank Acceptances	358,629	1,024,244	-	-
Letters of Credit	21,696	25,463,778	-	318,847
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities (*)	8,344,237	223,654	157,936	-
Total	107,612,788	59,384,070	3,665,329	704,174

Prior Period	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee (*)	62,343,723	20,521,776	1,859,734	197,823
Bills of Exchange and Bank Acceptances	93,099	606,835	-	27,605
Letters of Credit	30,479	13,083,768	-	467,046
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities (*)	4,684,753	385,016	141,321	-
Total	67,152,054	34,597,395	2,001,055	692,474

(*) As of 31 December 2025, the 3rd stage Letters of Guarantee in local currency amounting to TL 418,405 (31 December 2024 – TL 245,910), in foreign currency TL 577,810 (31 December 2024 – TL 372,001), Letters of Credit in the amounting to TL 493 (31 December 2024 – TL 493) Other Guarantees and Sureties amounting to TL 2,382 (31 December 2024 – None).

3.2. Financial derivative instruments

	Trading Derivatives	
	Current Period	Prior Period
Foreign currency related derivative		
Foreign currency related derivative transactions (I):	556,004,702	326,073,661
Currency Forwards-Purchases, sales	49,925,824	38,745,368
Currency Swaps-Purchases, sales	506,078,878	287,328,293
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Interest rate related derivative transactions (II):	-	-
Interest rates forwards-Purchase, sales	-	-
Interest rates swaps-Purchases, sales	-	-
Interest rates options-Purchases, sales	-	-
Interest rates futures-Purchases, sales	-	-
Other trading derivatives (III)	30,282,455	23,699,736
A. Total trading derivatives (I+II+III)	586,287,157	349,773,397
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging derivatives	-	-
Total derivatives transactions (A+B)	586,287,157	349,773,397

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3.3. Credit derivatives and risk exposures on credit derivatives

None.

3.4. Contingent liabilities and assets

In accordance with decision of the Bank's Board of Directors numbered 1117 and dated 21 June 2011, recoverable foreign currency loan granting commitments to real and legal persons and who do not have the unconditional right to utilize this commitment has been translated into Turkish Lira and no longer followed as foreign currency commitments.

3.5. Explanations on custodian and intermediary services

None.

3.6. Summary information on the rating of the Parent Bank to international rating agencies

Fitch Rating's October 2025	Notes
Long-term issuer default rating	BB-
Short-term issuer default rating	B
Local currency long-term issuer default rating	B
Local currency short-term issuer default rating	bb-
Financial Capacity Ratio	BB-
Support Rating	WD

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	91,674,355	17,146,828	75,471,303	10,952,009
Short term loans	42,584,303	7,292,862	43,961,441	4,720,868
Medium- and long-term loans	47,906,925	9,736,991	30,967,946	6,116,310
Profit share on non-performing loans	1,183,127	116,975	541,916	114,831
Premiums received from resource utilization support fund	-	-	-	-
Total	91,674,355	17,146,828	75,471,303	10,952,009

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	747	-	86,704	-
Domestic Banks	5,650,821	-	5,563,324	-
Foreign Banks	1,292	398,094	30,000	721,595
Branches and head office abroad	-	-	-	-
Total	5,652,860	398,094	5,680,028	721,595

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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	4,907,077	628,138	2,079,207	932,403
Financial Assets at Fair Value Through Other Comprehensive Income	15,128,331	2,318,697	11,024,905	1,052,341
Financial Assets valued at Amortized Cost	9,617,801	2,411,558	9,111,644	1,998,934
Total	29,653,209	5,358,393	22,215,756	3,983,678

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	565	519

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	2,226,555	2,838,105	1,753,529	1,700,997
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	1,836,873	296,039	852,977	42,844
Foreign banks	389,682	2,542,066	900,552	1,658,153
Branches and Head Office abroad	-	-	-	-
Other Institutions	226,561	4,156,177	290,118	3,903,037
Total	2,453,116	6,994,282	2,043,647	5,604,034

4.2.2 Information on profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Profit share expenses given to associates and subsidiaries	15,715	47,269

4.2.3 Information on profit share expense paid to securities issued

31 December 2025 – TL 2,207,928 (1 January-31 December 2024 – TL 4,314,757).

4.3 Information on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Other	10,677	12,078
Total	10,677	12,078

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

Current period		Profit Sharing Accounts						Accumulated profit-sharing accounts	Total
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year			
Turkish Lira									
Collected funds from banks through current and profit share accounts	-	37	-	-	-	-	-	-	37
Real person's non-trading profit sharing account	9,701,979	37,246,509	1,744,667	-	4,037,535	1,991,993	4,890	54,727,573	
Public-sector profit-sharing account	18,802	38,391	3,179	-	29,655	-	-	90,027	
Commercial sector profit sharing account	1,781,486	11,543,810	103,369	-	411,307	45,122	-	13,885,094	
Other institutions profit sharing account	175,381	491,739	31,731	-	38,191	151	-	737,193	
Total	11,677,648	49,320,486	1,882,946	-	4,516,688	2,037,266	4,890	69,439,924	
Foreign currency									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing account	141,850	191,013	37,717	-	223,684	58,079	389	652,732	
Public-sector profit-sharing account	-	567	-	-	-	-	-	567	
Commercial sector profit sharing account	12,743	109,507	3,814	-	18,137	1,129	-	145,330	
Other institutions profit sharing account	3,442	32,718	11,626	-	12,719	2,538	-	63,043	
Precious metal accounts	29,686	13,573	2,717	-	1,639	-	-	47,615	
Total	187,721	347,378	55,874	-	256,179	61,746	389	909,287	
Grand total	11,865,369	49,667,864	1,938,820	-	4,772,867	2,099,012	5,279	70,349,211	
Prior Period		Profit Sharing Accounts						Accumulated profit-sharing accounts	Total
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year			
Turkish Lira									
Collected funds from banks through current and profit share accounts	-	13	-	-	-	-	-	-	13
Real person's non-trading profit sharing account	4,838,815	28,331,126	1,992,955	-	15,578,711	2,323,215	3,487	53,068,309	
Public-sector profit-sharing account	1,300	3,433	2,345	-	7,766	71	-	14,915	
Commercial sector profit sharing account	563,111	2,639,195	619,105	-	1,831,466	120,956	-	5,773,833	
Other institutions profit sharing account	98,364	569,379	27,540	-	88,773	536	-	784,592	
Total	5,501,590	31,543,146	2,641,945	-	17,506,716	2,444,778	3,487	59,641,662	
Foreign currency									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing account	121,425	137,407	37,496	-	165,940	50,838	413	513,519	
Public-sector profit-sharing account	-	898	-	-	-	-	-	898	
Commercial sector profit sharing account	4,372	13,023	3,133	-	21,277	2,359	-	44,164	
Other institutions profit sharing account	1,663	5,440	20,651	-	9,444	359	-	37,557	
Precious metal accounts	16,371	8,380	1,460	-	1,054	-	-	27,265	
Total	143,831	165,148	62,740	-	197,715	53,556	413	623,403	
Grand total	5,645,421	31,708,294	2,704,685	-	17,704,431	2,498,334	3,900	60,265,065	

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4.5 Information on trading income/loss (Net)

	Current period	Prior period
Trading profit / loss (net)	18,105,881	4,333,112
Profit	274,680,171	185,056,043
Gain on capital market transactions	2,291,905	987,772
Gain on derivative financial instruments	77,379,566	34,898,225
Foreign exchange profit	195,008,700	149,170,046
Losses (-)	256,574,290	180,722,931
Losses on capital market transactions	430,831	56,549
Losses on derivative financial instruments	65,312,229	36,512,224
Foreign exchange losses	190,831,230	144,154,158

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	18,282,814	11,460,685
Reversal of prior period provisions	2,626,059	9,345,503
Income from sales of assets	523,657	414,947
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	1,170,371	86,055
Rental income	17,672	14,201
Other Income	851,830	377,148
Total	23,472,403	21,698,539

4.7 Expected credit loss and other provision expenses

	Current Period (*)	Prior Period (*)
Expected Credit Loss	11,388,825	5,569,660
12 month expected credit loss (Stage 1)	140,402	14,557
Significant increase in credit risk (Stage 2)	1,792,121	286,509
Non-performing loans (Stage 3)	9,456,302	5,268,594
Marketable Securities Impairment Expense	114,302	156,836
Financial Assets at Fair Value through Profit or Loss	114,302	156,836
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 (**)	9,715,402	1,006,563
Total	21,218,529	6,733,059

(*) 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	398,999	312,790
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	1,752,469	1,055,275
Impairment Expenses of Intangible Fixed Assets	-	-
Depreciation Expenses of Intangible Assets	642,470	783,232
Depreciation Expenses of Assets Held for Sale	-	-
Other Operating Expenses	8,781,807	4,869,472
Maintenance Expenses	1,860,636	754,908
Advertisement Expenses	966,173	389,381
Communication Expenses	653,250	449,418
Stationery Expenses	620,824	374,487
Heating, Electricity and Water Expenses	184,795	145,738
Vehicle Expenses	155,778	105,631
Cleaning Expenses	109,937	72,072
Lease Expenses Regarding TFRS 16 Exemptions	32,857	27,429
Other Expenses	4,197,557	2,550,409
Losses on Sales of Assets	6,210	2,082
Deposit Insurance Fund expenses	2,299,044	1,593,837
Other (*)	15,272,473	15,190,372
Total	29,153,472	23,807,060

(*) As of 31 December 2025, other item mainly consists of TL 1,607,018 Banking and Insurance Transactions Tax, TL 794,301 Financial Activity Fees, TL 756,685 Contracted Attorney and Legal Consultancy Fees, TL 285,408 Advisory Fees and TL 200,601 Banking Regulation and Supervision Agency participation fee. In addition, Neova Katılım Sigorta A.Ş. includes Gross Severance Payments amounting to TL 11,059,085 (31 December 2024: TL 8,546,073).

According to the decision of POA dated 26 March 2021, the fee information for the reporting period for services received from the independent auditor or audit organization is given in the following table. These fees also include the audit fees of the Bank's subsidiaries. The fee information given in the table is excluding VAT.

Current Period	Independent audit services provided by the group auditor	Independent audit services provided by other Independent Audit companies
Independent audit fee for the reporting period (*)	83,073	2,245
Fees for tax consulting services	-	900
The cost of other assurance services (**)	3,475	-
The cost of other services outside the independent audit	-	-
Total	86,548	3,145

(*) The Bank's foreign currency exchange purchase valuation rates were used for foreign currency independent audit fees at the end of the period 31 December 2025 / 31 December 2024.

(**) 2024 TSRS assurance service fee was submitted in 2025.

Prior Period	Independent audit services provided by the group auditor	Independent audit services provided by other Independent Audit companies
Independent audit fee for the reporting period (*)	55,238	883
Fees for tax consulting services	-	1,800
The cost of other assurance services	-	-
The cost of other services outside the independent audit	-	-
Total	55,238	2,683

(*) The Bank's foreign currency exchange purchase valuation rates were used for foreign currency independent audit fees at the end of the period 31 December 2025 / 31 December 2024.

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

Income before tax amounting to TL 62,761,747 increased by 26.96% as compared to the prior period (1 January – 31 December 2024– TL 49,435,723). Income before tax includes TL 78,215,183 (1 January – 31 December 2024 – TL 59,379,439) net profit share income and TL 13,690,878 (1 January – 31 December 2024 – TL 7,705,379) net fees and commission income. Other operating expense amount is TL 29,153,472 (1 January – 31 December 2024 – TL 23,807,060).

4.10 Information on tax provision for continued and discontinued operations

Current period tax provision for the period amounting to TL 9,148,368 (1 January - 31 December 2024 - TL 12,551,093), deferred tax income of TL 8,002,124 (1 January - 31 December 2024 - TL 1,014,863) and TL 1,105,145 (1 January - 31 December 2024 - TL 1,223,682) deferred tax income is recognized.

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

There is no income or loss for discontinued operation in net operating income after tax.

4.12 Information on net income/loss for the period

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

As of 31 December 2025, net profit share income is TL 78,215,183 (1 January - 31 December 2024 – TL 59,379,439), net fees and commission income is TL 13,690,878 (1 January- 31 December 2024 – TL 7,705,379).

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

None (1 January – 31 December 2024 – None).

4.12.3 Profit/loss attributable to minority interest

	Current Period	Prior Period
Profit/(Loss) Attributable to Minority Interests	83,362	28,890

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

As of 31 December 2025, other fees and commissions received amounting to TL 34,998,571 (1 January–31 December 2024 – TL 19,048,951) consist of TL 13,742,561 from credit card fees and commissions (1 January–31 December 2024 – TL 7,817,397), TL 12,272,498 from member merchant POS transaction commissions (1 January–31 December 2024 – TL 5,699,385), and TL 8,983,512 from other commissions (1 January–31 December 2024 – TL 5,532,169).

As of 31 December 2025, other fees and commissions paid amounting to TL 22,491,675 (1 January–31 December 2024 – TL 12,110,347) consist of TL 14,786,757 related to POS commissions and installation expenses (1 January–31 December 2024 – TL 7,491,763), TL 1,474,190 related to fees and commissions paid for credit cards (1 January–31 December 2024 – TL 757,083), and TL 6,230,728 from other commissions (1 January–31 December 2024 – TL 3,861,501).

5. Explanations and disclosures related to statement of changes in shareholders' equity

5.1. There are no disclosed dividend amounts after the balance sheet date, prior to the presentation of the financial statements.

Decision on the dividend distribution will be made in the General Assembly and the General Assembly has not been held as of the date when the accompanying financial statements are finalized.

5.2. The Parent Bank made dividend payments amounting to TL 3,465,346 to shareholders in the current period with the decision of the General Assembly dated 28 March 2025.

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6. Explanations and Notes Related to Consolidated Statement of Cash Flows

6.1. Information on cash and cash equivalents

6.1.1. Components of cash and cash equivalents and accounting policy applied in their determination:

“Cash” is defined as cash in vault and foreign currency cash, cash in transit, checks purchased, unrestricted amount in the Central Bank and demand deposits in Banks. “Cash equivalents” is defined as money market placements, investments in securities and time deposits in banks with original maturity less than three months.

6.1.1.1. Cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
Cash	148,500,260	81,563,194
Cash in TL/foreign currency, others	109,173,677	57,137,242
Demand deposits at banks (Up to 3 months)	39,326,583	24,425,952
Cash Equivalents	-	-
Interbank money markets	-	-
Time deposits at banks	-	-
Marketable securities	-	-
Total cash and cash equivalent	148,500,260	81,563,194

6.1.1.2. Cash and cash equivalents at the end of the period

	Current Period	Prior Period
Cash	260,368,588	148,500,260
Cash in TL/foreign currency, others	166,026,123	109,173,677
Demand deposits at banks (Up to 3 months)	94,342,465	39,326,583
Cash Equivalents	-	-
Interbank money markets	-	-
Time deposits at banks	-	-
Marketable securities	-	-
Total cash and cash equivalent	260,368,588	148,500,260

6.2. Information on cash and cash equivalent items which are restricted for the usage of the Parent Bank by legal or other limitations

None (31 December 2024 – None).

6.3. Explanations on other items in the cash flow statement

“Other items” amounting to TL (47,595,599) (1 January – 31 December 2024 - TL (28,238,928)) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other operating expenses except for collection from non-performing loans and personnel expenses.

“Net increase/decrease in other liabilities” amounting to TL 98,671,834 (1 January – 31 December 2024 - TL 40,608,646) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, other liabilities and taxes and other duties payables.

“Net increase/decrease in other assets” amounting to TL 12,739,692 (1 January – 31 December 2024 - TL (17,651,179)) in “Changes in operating assets and liabilities” consist of changes in prepaid rent expense and other asset.

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6.4. Effects of the change in foreign currency rates on cash and cash equivalents

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately TL 153,590,403 as of 31 December 2025 (31 December 2024 – TL 36,386,313). The effects of the change in foreign currency rates on cash and cash equivalents are calculated according to multiplying FX difference between balance sheet date and cash entered date and related cash amount.

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

7.1 The volume of transactions related to the risk group of the Parent Bank, the loans and funds collected 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	535	77,288	31,373	104,629	1,117	3,505
Balance at end of period	318	117,914	119,911	2,522	4,934	120,482
Profit share and commission income	-	565	9,525	2	706	-

(*) 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	365	63,775	29,238	82,280	2,974,543	20,322
Balance at end of period	535	77,288	31,373	104,629	1,117	3,505
Profit share and commission income	1	518	4,344	839	201	-

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

7.1.1 Information on current and profit-sharing accounts of the Parent Bank'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 accounts						
Balance at beginning of period	470,920	771,905	777,817	502,954	946,678	750,296
Balance at end of period	453,431	470,920	861,208	777,817	2,206,251	946,678
Profit share expense	15,715	47,269	87,079	65,255	34,340	12,561

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

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7.1.2 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	Prior period	Current period	Prior period
Transactions at Fair Value through Profit or Loss:						
Balance at beginning of period	-	-	1,459,578	2,361,778	-	-
Balance at end of period	-	-	8,418,306	1,459,578	-	-
Total Profit/(Loss)	-	-	(4,926)	1,109	-	-
Hedging Transactions:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

(*) Defined in the 2nd paragraph of Article 49 of the Banking Law No. 5411.

7.1.3 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	Prior period	Current period	Prior period
Borrowings						
Balance at beginning of period	-	-	14,649,976	9,195,276	-	-
Balance at end of period	-	-	17,446,977	14,649,976	-	-
Profit share expense	-	-	294,225	541,528	-	-

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

7.1.4 Information on subordinated loans used by the Parent Bank from the risk group

The Bank's subordinated Tier-II sukuk dated 16 September 2021 amounting to USD 350,000,000 (full amount) of which USD 35,000,000 (full amount) belongs to Kuwait Finance House.

7.2 Information on remunerations provided to top management

As of 1 January - 31 December 2025, the Group has paid TL 1,069,008 to top management (1 January – 31 December 2024 - TL 660,628).

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8. Domestic, foreign and off-shore branches or equity investments and foreign representative offices

8.1. Domestic and foreign branches and representative offices

	Number of Branches	Number of Employees			
Domestic branches (*)	453	4,235			
			Country		
Foreign representative offices				Total Assets (Thousands, TL)	Legal Capital (Full EUR)
Foreign Bank	4	148	Germany	44,537,473	31,627,029
Off-shore Branches	1	3	Bahrain	28,301,640	
Foreign branch	-	-			

(*) The personnel working at Headquarters, Operation Centre and Region quarters are not included in the domestic branches' personnel number.

8.2. Opening or closing of domestic and foreign branches and representative offices and significant changes in organizational structure

In 2025, the Bank opened 5 (2024 - 6) branches in Türkiye and the Bank has no closed branches (2024 - 2). There are no branches closed abroad (2024 - None).

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

On 23 January 2026, the share capital of Kuveyt Türk Yatırım Menkul Değerler A.Ş., a subsidiary of the Parent Bank, was increased by TL 550,000,000 (full amount) to TL 1,000,000,000 (full amount) from TL 450,000,000 (full amount).

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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

INDEPENDENT AUDITORS' REPORT

- 1. Explanations on the independent audit report**

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

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

None.