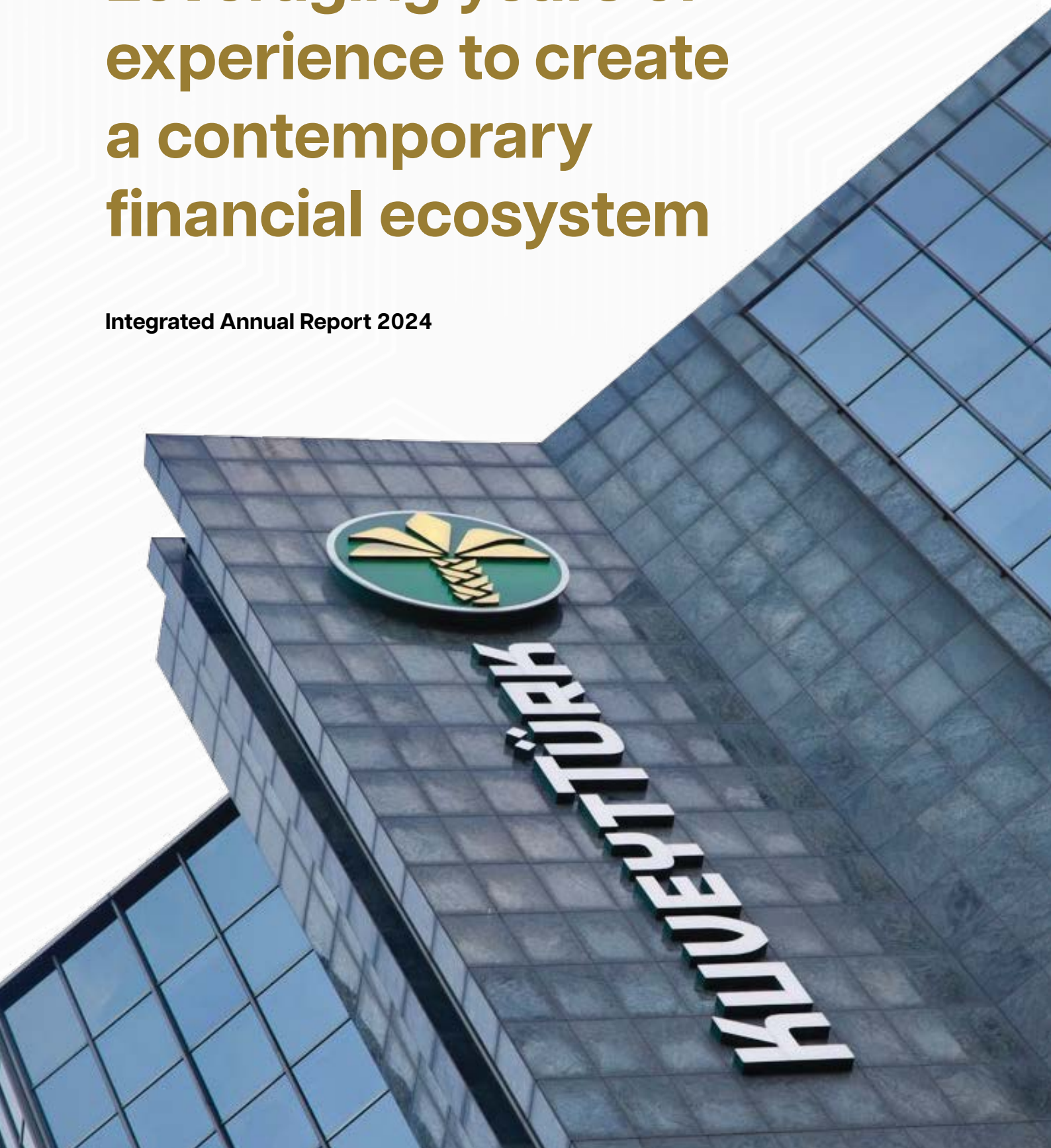
KUVEYTTÜRK

Leveraging years of experience to create a contemporary financial ecosystem

Integrated Annual Report 2024



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Contact Information and Branch Directory

We have been the leader in interest-free finance since 1989. We constantly reinvent ourselves to address changing customer needs and render the best service to them. We boast a dynamic corporate governance approach, innovative products, and a customer-focused approach. We are creating a financial ecosystem in line with contemporary requirements. We went beyond being merely a leading institution; we are also a powerful school and a teacher in our industry. We contribute to the sector's progress with our applications and solutions as well as the human capital we raise.

We strive to simplify our customers' lives and help them reach their financial goals with confidence. To this end, we offer the most modern, comprehensive, and convenient financial solutions and we continue to work tirelessly.

ABOUT THE REPORT

Purpose of the Report
Kuveyt Türk Katılım Bankası A.Ş.'s Integrated Annual Report for 2024 aims to present the Bank's financial and non-financial performance in accordance with its strategies and the value generated for stakeholders. This report presents our corporate strategy, our projections and goals for the future, and our capability to create long-term value in an integrated manner.

Report Content and Material Topics
The Report presents a comprehensive overview of our contributions to economic, social, and environmental aspects of sustainable development within the scope of our participation banking principles. In addition, it assesses the financial and non-financial elements of capital jointly and presents the value generated transparently and clearly.

Our Report's main theme entails our performance in 2024, the effects of this performance on stakeholders, and the risks and opportunities we have encountered. Our sustainability vision and long-term strategies are reviewed in depth within this scope.

Reporting Period and Scope
Our Integrated Annual Report for 2024 encompasses our performance for the period January 1, 2024 – December 31, 2024.
The Report presents basic information and performance summaries for our domestic and overseas participations in addition to our operations in Türkiye. It conveys the values we provide in accordance with our strategic priorities within our expanding ecosystem with a multi-faceted approach to our stakeholders.

Reporting Standards and Compliance
Our 2024 Integrated Annual Report has been prepared in accordance with the IFRS Foundation Integrated Reporting framework and the GRI Standards published by the Global Reporting Initiative (GRI). The report's content was developed following the methods outlined in the GRI Standards Guidelines, particularly the materiality principle, and performance disclosures were prepared accordingly. It also complies with the minimum requirements set forth by the BRSA in the Capital Markets Law (CMB) and the Turkish Commercial Code (TCC) for annual reporting.

Independent Assurance
The financial information in the report has been verified by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., while the non-financial data has been verified by QSI Certification Inspection and Testing Services Ltd. according to the Greenhouse Gas Protocol (GHG) standards.

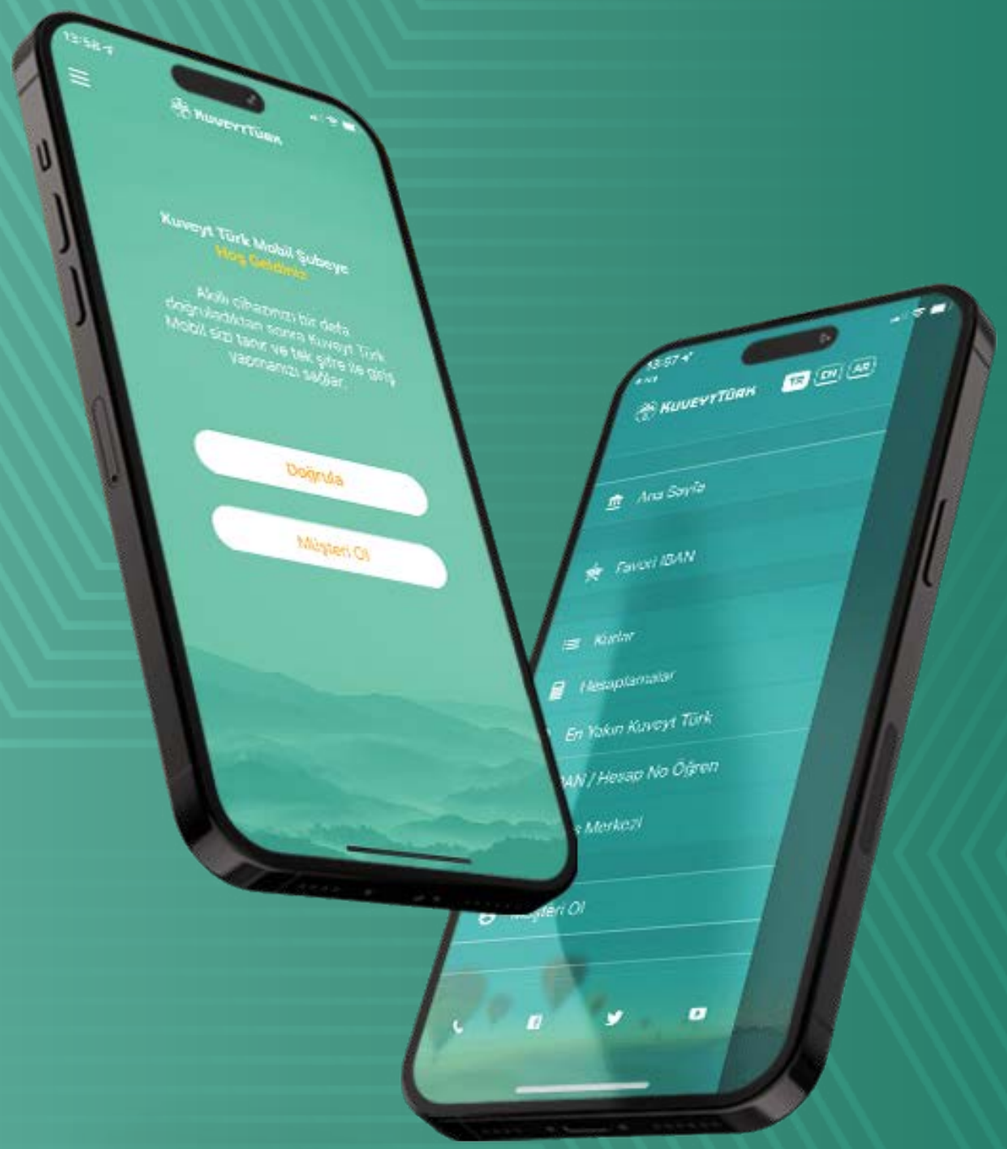
Communication and Feedback
The Report is available to all stakeholders and it can be accessed on the **Public Disclosure Platform (PDP)** and at www.kuveytturk.com.tr. You can send your opinions and suggestions about the Report to yatirimciiliskilerimudurlugu@kuveytturk.com.tr

Pioneering banking approach

We take pride in our contributions to the interest-free finance ecosystem and our pioneering initiatives in this field. On the back of years of experience and the trust of our customers, we had successful financial results in our industry this year as evidenced by 28% growth in assets and 15% increase in collected funds. We offer distinguished products and services to our customers through the unique financial ecosystem we created.

TL 852.1 billion
Total assets





Effective portfolio management

We registered proud accomplishments in fund management with Kuveyt Türk Portföy. We became a major player in the industry with our fund diversity. We proved our success and investors' confidence in us as evidenced by total funds under management exceeding USD 280.7 billion. We continue to offer funds to our customers as part of our day-to-day account services.

104.87%

Increase in funds under management

Participation based investments

We broke another new ground in interest-free finance with our securities firm which commenced operation at the end of this year. We bolstered our financial ecosystem by launching the first investment company based on the principles of participation banking. We aim to stand out in the investment industry and bring a breath of fresh air to the sector with our new company.

150,471

Number of
investors reached





Agile staff and extensive branch network

We continue to grow with a staff of more than 6,000 specialists. Reaching thousands of customers in every corner of Türkiye and abroad through our extensive service network, we strive to render the best service to them. As a leading institution in its area, we will continue to invest in our employees' development while providing an inspiring work environment for them.

449

Total number of branches

Investing in a better future

In line with our sustainability principles, we aim for a more livable world for future generations. In our efforts, which comply with international standards, we neutralized the carbon impact of our electricity consumption in 2024 through YEK-G and I-REC certificates. By investing in renewable energy with our solar power projects, we will provide 80% of our electricity consumption from renewable sources through our self-consumption solar power plant in Isparta.

13.7 MWp

Self consumption solar power plant installed capacity





Supporting exports through partnerships

We forge strong partnerships to support our country's economic development. For example, our partnership with Eximbank ensures overseas receivables of our exporter firms and helps them expand into new markets and conduct trade with more confidence.

21,725

Number of exporters reached

MESSAGE FROM THE CHAIRMAN

Kuveyt Türk embraced an approach that goes beyond merely being a financial services provider and continued to play a transformative role in the ecosystem in 2024.

24.46%
Capital Adequacy Ratio

TL 852.1 billion
Non-Consolidated Assets

Esteemed Shareholders,

We witnessed positive developments in 2024 despite the uncertainties in the global economy. The progress in getting inflation under control, rising trade volume, and falling volatility in energy prices represent strong signals that the global economy began a rebalancing process. As a concrete indication of the confidence in a recovery, the OECD raised its global growth forecast from 3.1% to 3.2% in September. However, this rebalancing process is on fragile ground due to geopolitical tensions and political uncertainties. While the soft landing presented a temporary breather for the global economy, a lasting recovery is possible only through a strong cooperation with a will to find common solutions to our common problems.

The global economy continues on the rebalancing path

Central banks embarked on a rate-cutting cycle in 2024, which supported economic activity and created a cautious optimism in the markets. The United States remained resilient thanks to its strong labor market and consumer spending while the European Central Bank (ECB) was forced to begin monetary easing before the U.S. Central Bank (Fed) to overcome the economic weakness in the Euro Zone.

It was a year of both challenges and opportunities for emerging markets in 2024. Uncertainties in the global markets and elevated borrowing costs increased the fragility of these economies while capital outflows and fluctuations in the value of local currencies tested macroeconomic stability. The enhanced stimulus policies and comprehensive measures implemented by China in accordance with its growth targets underperformed expectations due in part to the slowdown in global demand. A potential decline in China's exports is likely to increase deflationary pressures considering the noticeable inventory buildup in growth data despite China's strong stimulus measures as well as the policies which Donald Trump will implement after winning reelection in the United States. The slow progression of structural reforms in emerging markets and the absence of complete implementation of sustainable growth strategies continue to be the primary impediments to the full realization of the growth potential in these economies.

2025 is shaping up to be a critical year in terms of the global economy and geopolitical balances. The reelection of Donald Trump as president in the United States is believed to result in fundamental shifts, particularly in trade policies and international relations. The potential for the deepening of the ongoing trade tensions with China threatens global supply chains and economic stability. These developments create dynamics that will test economic and political stability on the global scale, which in turn further increases the need for strong collaborations and proactive strategies to ensure healthy functioning of the world economy. While regional conflicts and economic inequalities prevent this economic recovery from being distributed fairly, advances in technology and green financing present new opportunities for the large economies and for emerging markets alike. Under a scenario of easing geopolitical tensions, it is hoped that trade revitalizes, and stability gets restored in financial markets.

Türkiye's resolute steps in its fight against inflation

The course of the Turkish economy in 2024 was dictated by tight monetary and fiscal policies. The Central Bank's determination to bring inflation under control paved the way to the onset of a disinflationary period. The relatively stable trend in the value of the Turkish lira and declining CDS premiums had a favorable effect on international investors' perspective on Türkiye while the credit rating agencies' upgrades of Türkiye's ratings solidified the confidence in the economy.

In addition to rebalancing efforts, this year was also highlighted by developments paving the way for sustainable growth. In particular, steps taken in line with attaining the price stability target created fertile ground on which to pursue long-term economic goals. While the public sector austerity measures and selective lending policies supported the efficient utilization of resources, as expected, they put pressure on domestic demand, investments, and growth dynamics. This process, which entailed challenges as well as valuable implications, presented the Turkish economy with important opportunities to prepare for the future in a stronger way.

The effects of the quest for economic stability and monetary tightening policies in 2024 were also felt acutely in the Turkish banking system. The sector is coming out of this challenging period stronger despite decelerating credit growth and declining net interest margins, owing to its strong capital structure and liquidity position. Further, investments in experience-focused digital transformation and sustainability support the banks' efforts to increase their competitive edge. These developments demonstrate that the Turkish banking industry maintains its strong contributions to the economy even under difficult conditions.



At Kuveyt Türk, we operate with the goal of "pioneering to build a sustainable world" in accordance with our 2024-2026 strategy.

Kuveyt Türk Finance Group's continued steady growth

Kuveyt Türk embraced an approach that goes beyond merely being a financial services provider and continued to play a transformative role in the ecosystem in 2024. We enhance our digital capabilities while also setting new standards in the industry with solutions that enrich customer experience, perfect our operations and processes, and increase accessibility. We reap the benefits of these efforts by increasing our capacity to create value for our stakeholders and for the Turkish economy. We managed to combine our initiatives with a profitable growth performance in 2024.

Our Bank's primary focus continued to be enhancing its integrated and added value and its superior service capacity. To this end, Kuveyt Türk Yatırım Menkul Değerler, Türkiye's first investment company founded based on the principles of participation finance, commenced operations to offer an extensive lineup of services to customers with an approach that prioritizes trust and profit in investment processes. Our new subsidiary further reinforced our financial ecosystem as an important reflection of our innovative and customer-focused service approach.

Personalized experiences, in addition to convenience and speed, became essential elements, both in financial services and in every facet of life. At Kuveyt Türk, we realized our vision to enhance customer experience by launching the Empatika Neuromarketing Research Center in 2024 as a first in the banking industry. We aim to deepen our marketing strategies by leveraging this innovative center which analyzes customer behavior using scientific methods.

Taking responsibility for a sustainable future

The finance industry possesses the capability to prompt positive change, and to generate lasting value owing to its strong ties to all segments of society. This unparalleled position also puts the responsibility to be a catalyst for transitioning to a sustainable economy and to shape the future on the industry. At Kuveyt Türk, we operate with the goal of "pioneering to build a sustainable world" in accordance with our 2024-2026 strategy. Offering our unconditional support to Türkiye's 2053 net zero goal, we take important and concrete steps from decreasing our environmental impacts to increasing social good to strengthening good governance principles. To this end, we center our business model on our sustainable finance approach and aim to generate long-term value with our innovative solutions.

Our accomplishments in 2024 manifest our determination in this journey beyond any doubt. On behalf of our Board of Directors, I would like to thank our employees and all stakeholders for their contributions to our successful performance which makes us at Kuveyt Türk even more optimistic as we look to the future.

Respectfully,

Hamad A H D ALMARZOUQ
Chairman of the Board of Directors

MESSAGE FROM THE CEO

As a bank that has been working for Türkiye for 35 years, we continue to increase our contributions to the national economy while strengthening our position in the participation finance industry.

TL 585.6 billion
Total Funds

TL 82.2 billion
Equity

Esteemed Shareholders,

Meaningful progress has been made in the fight against inflation in the global economy in 2024, yet recovery in jobs and economic activity has been limited. Trends in interest rate policies and geopolitical tensions were among the primary factors determining the course of the economies. Fighting inflation was also front and center in Türkiye's economic policies. Monetary tightening policies and macroprudential measures resulted in important achievements such as the establishment of price stability and improvement in the current account deficit while growth had a balance trend during the year. We believe that the difficulties experienced in 2024 will further strengthen Türkiye's economic fundamentals and pave the way for a sustainable growth cycle.

A year of major progress

As a bank that has been working for Türkiye for 35 years, we continue to increase our contributions to the national economy while strengthening our position in the participation finance industry. We stood out in terms of profitability in 2024. We reported TL 34.7 billion in net profit in this period, up by 30% on the previous year. We managed to finish this challenging period with a strong performance thanks to our proactive strategies; quick adaptation to the regulations that shaped the agenda in our business line; our cautious approach; and effective resource management.

We grew our funds collected by 15% to TL 585.6 billion, and our funds extended by 30% to TL 434.7 billion, in 2024. The funds we extend are used mostly for supporting the real sector. Kuveyt Türk's equity and assets reached TL 82.2 billion and TL 852.1 billion, respectively. As a result of this performance, we solidified our position as the 10th largest institution in the banking industry by assets while further cementing our leadership among participation finance institutions. In addition, we were selected as the "Türkiye's Best Islamic Bank" at INF Awards, which is among the respected awards in international finance, in 2024, which affirmed our strong performance and innovative vision.

We continue to develop innovative financial solutions in accordance with our vision of supporting exports for high-quality development. As part of the partnership we forged with Türk Eximbank in 2024, we launched the "Credit Program for Participation Banks Leasing Transactions" and became the first participation bank to do so. We began offering Türk Eximbank's "Receivables Insurance" service at our branches in an effort to provide our exporters with stronger support on their growth journeys. As a result of our initiatives in these areas throughout 2024, our leasing receivables increased by 36% to TL 50.5 billion, while our foreign trade financing rose by 14.1% to USD 2.74 billion at the end of the year.

Another big step in line with our commitment to provide comprehensive financial services

In addition to strong results, we had a very special year in terms of building the Kuveyt Türk of the future. We took an important step to also support our customers in their investments in accordance with our goal of providing comprehensive financial services and a simple experience. We launched Kuveyt Türk Yatırım Menkul Değerler in 2024 and thereby increased the presence of interest-free finance in capital markets. This venture, which is an important part of our goal to create an integrated ecosystem in combination with Kuveyt Türk Portföy that expands access to capital markets, also introduced an innovative model in the participation banking industry. As Türkiye's first investment firm based on participation principles, Kuveyt Türk Yatırım Menkul Değerler aims to offer investment opportunities to customers in Türkiye as well as in global markets with an approach focused on profit.

Leveraging the power of digital to develop innovative solutions in every area

Experience determines competitive edge while digitalization and artificial intelligence form the building blocks of growth for companies in this period. We see digitalization as the main catalyst, and we are conducting a multi-faceted and continuous transformation process in this area. As 632 thousand new customers got acquainted with the privilege of being a Kuveyt Türk client through the end-to-end customer acquisition process in 2024, we continued to enrich our digital channels with quality products and services in an effort to be with them whenever they need us. During this period, we enabled our legal person customers to open an account remotely while moving the General Credit Agreement to the digital environment to accelerate the processes to reach financing. More than half of our vehicle financing initiations are completed quickly and conveniently thanks to the Digital Vehicle Financing product which we have launched as a first in the industry. We are excited about the great potential brought about by digital and emerging new technologies in the finance industry at this juncture.

We constantly expand our points of interaction while we actively utilize data to make every contact with our customers more meaningful. To this end, we broke new ground in the banking industry and established the neuromarketing research center Empatika in 2024. Our goal is to gain insights from customers' feelings and behavior using Empatika; offer personalized experiences; and make our marketing strategies more influential.

Our open banking initiatives represent another focus area of our goal of offering more innovative and integrated services. In line with the global trends, we expanded our extensive portfolio to 400 APIs and increased the number of institutions integrated through the platform to 106 in 2024. Our digital partnerships with FinTech firms resulted in approximately 300 million successful API transactions during the year. Our Lonca Entrepreneurship Center continues to support the entrepreneurial ecosystem in an effort to make Kuveyt Türk the most trusted solution partner of next generation technology and finance ventures.



Through our "Software for the Future" and "Entrepreneur Explorer" projects, we support our children and young people with entrepreneurship, technology, financial literacy, and coding training and we contribute to raising a generation that not only consumes technology, but also produces and manages it.

Centering our business strategies on sustainability

The concept of growth, which was used merely to measure economic progress in the past, went far beyond this narrow scope. In present time, growth represents a holistic progress which emphasizes environmental sensitivity, prioritizes social good, and cares about collective prosperity. At Kuveyt Türk, we have been operating with an awareness of adding value to our planet, our country, and society since our inception. We continue to deepen this approach with sustainability principles to set this value which we create on a more solid and lasting ground, and to closely associate it with our Bank's business model, strategic focus areas, and goals. This Integrated Annual Report, which we are publishing for the first time this year, manifests our determination to center our journey on transparency and accountability.

The ever-deteriorating climate crisis demonstrates the need to do much more to build a future that is in harmony with nature. Armed with this awareness, we added the goal of "pioneering to build a sustainable world" to our 2026 strategic plan and formulated our goal sets in an effort to expand our role in transitioning to a low-carbon economy and to lead our industry through sustainable participation banking initiatives. The main pillar of this strategy is to expand our sustainable financing portfolio through innovative solutions. Another important element of our strategy is to minimize the environmental impacts of our operations. To this end, we energized a self-consumption generation facility in Isparta and took a concrete step to reduce our carbon footprint. We aim to meet 80% of the electricity requirements of our Head Office and branches from renewable energy by way of this generation facility.

As a responsible corporate citizen, we undertake investments which create value for social progress as we focus on the youth as our priority. Through our "Software for the Future" and "Entrepreneur Explorer" projects, we support our children and young people with entrepreneurship, technology, financial literacy, and coding training and we contribute to raising a generation that not only consumes technology, but also produces and manages it. To this end, we expanded the scope of our Entrepreneur Explorer Platform, which reached 8,000 young people to date, to include conducting workshops at schools in addition to making it available in the digital environment as of 2024.

Continuing to contribute to the industry in providing jobs

We continue to contribute to the industry in terms of human resources development and providing jobs with a strong staff of more than 6,000 people. Our approach based on development and well-being strives to offer a journey in which every Kuveyt Türk employee realizes himself or herself both professionally and personally. The Well Being Academy, one of our new applications, was launched to support the physical, mental, and emotional health of our employees by organizing training, workshops, and activities. The Sustainability Academy had a busy year aligning our employees with our sustainability approach and increasing their awareness in this area.

In 2025 we will accelerate digitalization and sustainability investments while pioneering the transformation in the participation finance industry through our human-focused solutions. We will proceed on a sustainable and profitable growth trajectory with steps that shape the future while continuing to create value for the Turkish economy.

I would like to thank our employees, who have been our biggest supporters on this journey with the "So Glad to Be Part of Kuveyt Türk Family" motto, as well as all stakeholders.

Respectfully,

UFUK UYAN
Member of the Board of Directors and CEO

OUR STRONG PERFORMANCE IN 2024

In 2024, Kuveyt Türk left behind a year full of achievements with strong financial, operational and sustainability results.

Sustainable Economic Growth

- TL **852.1** billion — Total assets
- TL **82.2** billion — Equity
- **24.46%** — Capital adequacy ratio
- TL **34.7** billion — 2024 net profit
- TL **585.6** billion — Funds collected
- TL **434.7** billion — Funds extended

Sustainable Technological Infrastructure

- **3** million — Number of digital customers
- TL **714** million — Number of digital channel transactions in 2024
- **45%** — Ratio of remote customer acquisitions to all account openings
- **400** — Number of APIs offered on the Kuveyt Türk API Market Platform

Sustainable Service Quality

- **449** — Total branches (448 domestic-1 Bahrain)
- **1,314** — Total number of ATMs

Sustainable Social Development

- **4%** — Total customer increase rate
- **89%** — Customer Satisfaction Score
- **8** thousand+ — Number of children reached with the Entrepreneur Explorer program
- **70** — Number of schools reached with the Software for the Future project

Sustainable Organization Culture

- **6,112** — Total number of employees
- **299 thousand hours** — Training by Kuveyt Türk Academy in 2024
- **489.05 hours -** — Sustainability training in 2024
- **1,073** — Number of employees who received OHS training

Sustainable Green Transformation

- **35%** — Share of financed renewable energy projects in total project financing
- **13.7 MWp** — Solar power plant installed capacity
- **28 thousand MWh** — Number of Renewable Energy Resource Guarantee (YEK-G) and I-REC certificates purchased
- **10 thousand** — Number of saplings planted in 2024 as part of the “Çiftçiye Hayat Olsun” (Life to the Farmer) project in 2024

ABOUT KUVEYT TÜRK

Kuveyt Türk provides continuous development opportunities for its workforce, ensuring a unique customer experience. As of the end of 2024, the Bank had 6,112 employees across 449 branches, including one international location.

1989

Date of Establishment

TL 4.95 billion

Paid-in Capital

Kuveyt Türk Evkaf Finans Kurumu A.Ş. was established with the permission of the Central Bank of the Republic of Türkiye on February 28, 1989, and began operations as a Special Finance Institution on March 31, 1989. In 1999, the institution started providing services under Banking Law No. 4389, alongside other special finance institutions. It was renamed Kuveyt Türk Katılım Bankası A.Ş. (Kuveyt Türk) in 2006, a name it continues to use today.

Strong shareholding structure

Kuveyt Türk is distinguished by its strong capital structure and dynamic corporate governance approach. Its ownership includes 57.81% held by Kuwait Finance House (KFH), 24.49% by the Republic of Türkiye Directorate General of Foundations, 8.36% by WAFRA International Investment Company, 8.36% by the Islamic Development Bank, and 0.98% by other real persons and legal entities. The equity of Kuveyt Türk exceeds TL 82.2 billion. With its fund size and effective international service network, KFH - the largest shareholder - is the pillar supporting Kuveyt Türk's consistent growth.

Qualified people

Kuveyt Türk provides continuous development opportunities for its workforce, ensuring a unique customer experience. As of the end of 2024, the Bank had 6,112 employees across 449 branches, including one international location. We are committed to investing in our employees, nearly all of whom hold university degrees, allowing us to distinguish ourselves from the competition with our qualified and experienced personnel.

We grow on the back of stability and trust

Kuveyt Türk shines out with its strong financial roots coupled with a robust shareholding structure. As of the end of 2024, the Bank holds TL 4.95 billion paid-in capital. Kuveyt Türk's non-consolidated assets reached TL 852.1 billion and total equity equaled TL 82.2 billion in 2024.

Leading the participation banking industry

In terms of funds collected, funds extended, and asset size, we preserve a leading position among participation finance institutions and rank 10th in the entire banking industry. We also remain at the top position among the participation finance institutions in gold banking and rank fourth in the entire banking industry.

In our 2025 vision, we emphasize “sustainable finance” and plan to implement significant initiatives in environmental, social, and governance areas by 2026.

13.7
MWP
Solar Power Plant Installed Capacity

449
Number of Branches

Always standing by our customers with our extensive service network

Kuveyt Türk provides quality service swiftly by leveraging various technological capabilities through its branches both domestically and internationally, as well as its correspondent banks. Kuveyt Türk offers its services through 448 branches in Türkiye and continues its international operations with a branch in Bahrain and four branches of its wholly-owned subsidiary, KT Bank AG, in Germany. Since its establishment, Kuveyt Türk has consistently provided consistent, reliable, high-quality, customer-oriented, and innovative financial services to account owners and investors. Its diligent and inquisitive approach in the realm of participation finance and investment has set it apart in the industry.

We embedded our sustainability focus in our 2026 vision

In our 2025 vision, we emphasize “sustainable finance” and plan to implement significant initiatives in environmental, social, and governance areas by 2026. This aligns with our goal of “Leading the way in building a sustainable world.” We are committed to offering innovative products and services to our customers while enhancing societal value and safeguarding our shareholders’ savings, supported by our strong capital structure and dynamic corporate governance approach. As part of our sustainability efforts, we have published our Sustainability Policy and established a Sustainability Committee, along with six working groups organized under four main categories, to effectively manage these efforts. Additionally, we became the first participation finance institution to receive the “Zero Waste Certificate” for our Head Office and Banking Base buildings, meeting all criteria outlined in the Zero Waste Regulation of the Ministry of Environment, Urbanization, and Climate Change.

Kuveyt Türk Yatırım obtained an operating license from the Capital Markets Board

Kuveyt Türk Yatırım, a wholly-owned subsidiary of Kuveyt Türk, obtained an operating license from the Capital Markets Board on July 11, 2024. As Türkiye’s first participation-based investment company, Kuveyt Türk Yatırım aims to provide comprehensive and reliable services to its customers by conducting all investment transactions in-house. The Company operates in various areas, including equity transaction brokerage, investment consultancy, and managing corporate customers’ public offering processes.

Kuveyt Türk commissioned a solar power plant in Isparta

We invest in renewable energy, remaining committed to creating added value to attain sustainable economic development goals. Kuveyt Türk has commissioned a 13.7 MWp solar power plant in Isparta, which supplies 80% of the Bank’s total electricity consumption from renewable sources. Additionally, the Bank purchased a 28,397 MWh YEK-G and I-REC certificate, allowing us to offset emissions stemming from electricity consumption entirely by 2024.

Kuveyt Türk received the title of “Türkiye’s Best Islamic Bank” at the IFN Awards organized by Islamic Finance News, a leading publication in the financial markets that recognizes excellence in the interest-free finance sector.

Empatika Neuromarketing Research Center Launches

We have established the Empatika Neuromarketing Research Center, furthering our digitalization and customer-focused initiatives. As a first in the banking industry, this center allows us to develop marketing strategies rooted in scientific data by analyzing customer behavior using neuromarketing techniques.

Kuveyt Türk Digitizes General Credit Agreements (GCA)

To offer further convenience to customers, we have enabled digital approval for General Credit Agreements (GCAs). This service not only simplifies access to financing but also represents an environmentally friendly and sustainable solution. With our digital GCA, we save 39 pages of paper per transaction, reinforcing our commitment to paperless banking practices.

Kuveyt Türk has launched a mobile account opening service for companies without requiring any documents.

As the first financial institution to offer this service, Kuveyt Türk allows joint stock and limited liability companies to open accounts via the mobile app without the need for stamps or signatures. Legal entities interested in becoming customers can set up a company account within minutes via the mobile app and begin using our products and services immediately.

In its second year as well, Kuveyt Türk Digital Vehicle Financing drew tremendous interest

Digital Vehicle Financing, a trailblazer in Türkiye for both new and second-hand vehicles, saw remarkable enthusiasm in its second year as well. Our customers can conveniently acquire their vehicles through financing via our digital channels, eliminating the need to visit a branch. Currently, 50% of our vehicle financing transactions are conducted through this innovative service, which shines out with its speed and convenience.

Kuveyt Türk named “Türkiye’s Best Islamic Bank”

Our bank received the title of “Türkiye’s Best Islamic Bank” at the IFN Awards organized by Islamic Finance News, a leading publication in the financial markets that recognizes excellence in the interest-free finance sector.

Kuveyt Türk wins Türkiye’s Best Islamic Financial Institution award

At the “World’s Best Islamic Financial Institutions 2024” awards organized by Global Finance, we were honored with the title of “Türkiye’s Best Islamic Financial Institution” for our digital banking and sustainable growth-oriented services. Additionally, our main shareholder, Kuwait Finance House (KFH), was recognized as the “World’s Best Islamic Financial Institution” at the same event.



Kuveyt Türk, recognized as Türkiye's Best Employer for six consecutive years, was granted 6 gold awards at the HCM Excellence Awards, a prestigious event organized by Brandon Hall Group, a leading global consulting firm in human resources.

8TH PLACE

Türkiye's Most Valuable Banks in 2024

Kuveyt Türk Recognized as "The Most Open Bank for Cooperation"
We have been honored as "The Most Open Bank for Collaboration" in the "Pioneers of Digital Finance" event organized by KPMG Türkiye and FINTR. This recognition reflects our commitment to open banking and service banking, particularly through the introduction of our API Market Platform to the financial ecosystem since 2017.

Kuveyt Türk Featured in "Türkiye's Most Valuable Brands"
Brand Finance, the international brand valuation organization, has ranked us at the top of the "Türkiye's Most Valuable Brands-Türkiye 125" list for 2024. With a brand value of USD 81 million, we secured 8th place among all banks and 34th among all brands.

Kuveyt Türk Wins 6 Gold Awards for HR Practices from Brandon Hall
Kuveyt Türk, recognized as Türkiye's Best Employer for six consecutive years, was granted 6 gold awards at the HCM Excellence Awards, a prestigious event organized by Brandon Hall Group, a leading global consulting firm in human resources.

Lonca Entrepreneurship Center Completes Ninth Term Program with Eight Startups
The ninth term of the Lonca Entrepreneurship Center, which we established to support technology-oriented and innovative startups, concluded with a demo day event on Thursday, April 25, 2024. With this latest term, we have now supported over 90 startups. The selected entrepreneurs, chosen from hundreds of applicants, participated in a comprehensive program and took significant steps toward commercializing their projects.

We set our sights on shaping the future of banking driven by innovation
Building on our leadership in open innovation, we organized a contest to generate innovative ideas for our Trade Plus application. Trade Plus users submitted 364 ideas for capital market instruments, including stocks, lease certificates, and mutual funds. Forty-seven of these ideas surpassed a specific point threshold and were evaluated by a jury of experts and managers, coordinated by our Treasury Marketing Department.

Among the eight ideas that reached the finals, the winners received a total of TL 100,000 in prizes. The awards were presented at a ceremony held at the Kuveyt Türk Innhouse Innovation Center.

Over 5,000 students participated in the Kuveyt Türk Entrepreneur Explorer program
The Entrepreneur Explorer program, designed for students eager to discover and develop their entrepreneurial skills, successfully concluded the 2023-2024 academic year. This comprehensive platform reached over 5,000 students through both physical and online training programs, inspiring young entrepreneurs.



With the support of Kuveyt Türk, the exhibition "Gılaf-ı Reyya: Fragrance Bottles from the Ottoman Empire to the Present" opened
The exhibition "Gılaf-ı Reyya: Fragrance Bottles from the Ottoman Era to the Present," showcasing a diverse array of items, has been presented to art enthusiasts at the Museum of Turkish and Islamic Arts, thanks to the contributions of Kuveyt Türk. The collection includes perfume bottles, censers, rosewater sprinklers, storage chests, presentation trays, and old perfume distillation machines, along with various fragrance apparatuses.

The new season of the podcast series "It's Worth Talking About" showcases inspiring stories of young artists.
As part of our cultural and arts initiatives, we strive to preserve social values through art and pass them on to future generations. The "It's Worth Talking About" podcast series brings together artists who bridge the past with the present, focusing on the inspiring stories of young artists in its new season. Last year, the series featured seven master artists who are experts in their fields; this season, it highlights passionate young talents practicing various art forms. Aiming to carry the timeless beauty of tradition into the future, the "It's Worth Talking About" podcast shares the knowledge and experiences of artisans, accompanied by their life stories.

Kuveyt Türk's "Hezârfen in the Skies" commercial has been released
Our new commercial for the Miles&Smiles Kuveyt Türk credit card has premiered. The film humorously narrates the story of Turkish scholar Hezârfen Ahmet Çelebi, who flies from Galata Tower using Miles&Smiles Kuveyt Türk privileges. It is now being broadcast on TV and digital channels..

The General Directorate of Foundations increases the share percentage in Kuveyt Türk
Kuveyt Türk convened an Extraordinary General Assembly Meeting to decide on a capital increase. As a result of the decision made at the General Assembly, the capital was increased by TL 352 million, raising the General Directorate of Foundations' share in Kuveyt Türk from 18.72% to 24.49%.

Our Mission

Becoming a bank that passes its values to the future.

Our Vision

Becoming a preferred bank as a solution partner.

Our Quality Policy

In line with the principles of participation banking and total quality management, we aim to be an institution that:

- Improves the service quality and customer satisfaction,
- Leads the banking sector,
- Creates value under the leadership of senior management, and
- Taps into the ongoing efforts of employees throughout the organization.

Our Service Principles

Kuveyt Türk pursues the following ethical principles to deliver services underpinned by its values:

- Reliability
- Responsiveness
- Sincerity
- Solution-Orientedness

Our Ethical Principles

Kuveyt Türk pursues the following ethical principles to deliver services underpinned by its values:

- Integrity
- Impartiality
- Transparency
- Confidentiality
- Ethical approach

Our Values

Our values adopted and implemented by our employees who are also responsible for their implementation by others:

Value for Humans, Love and Sincerity

Compliance with Ethical Values, Equity, and Mutual Trust

Sustainability, Contributing to the Environment and Society

Courage, Driving Change and Innovation

Our Cultural Principles

Cultural principles embraced by all our staff:

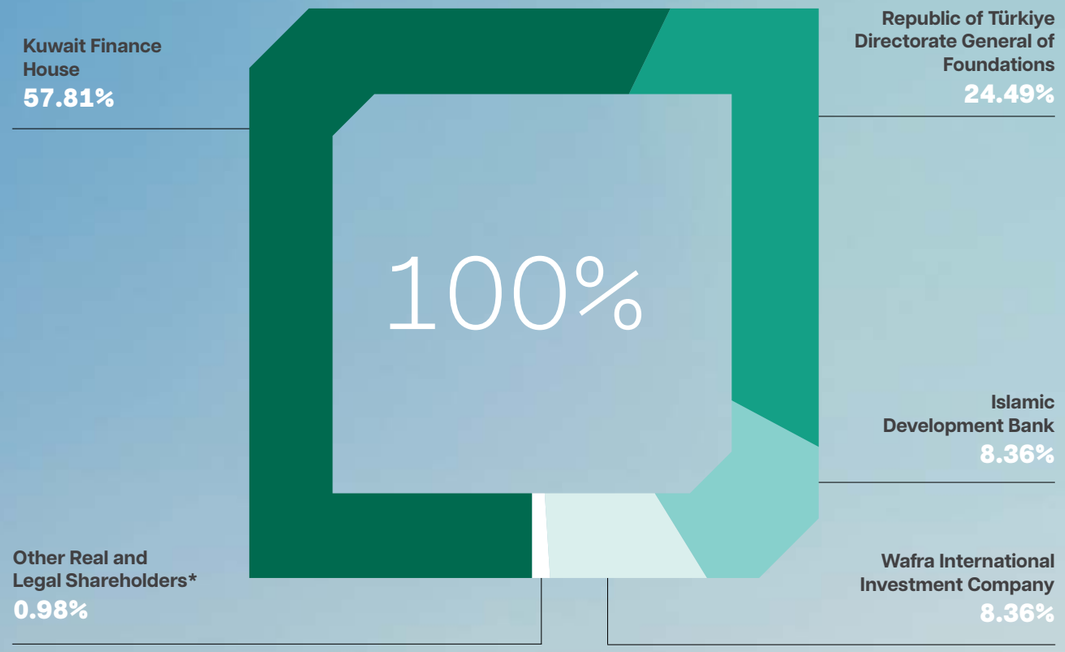
- Evolving, Transforming and Empowering Leadership
- Self-Management, and Courageous Action-Taking
- Honesty, Constructive Conflicts, and Feedback
- Shared Mind and Collaboration for Collective Good
- Generating Value for Customers and Agility

Our Strategy

To be the reference bank that customers first think of, consult with confidence, and rely on with peace of mind for all their financial needs, while providing a straightforward experience, will support our vision of **“being the preferred solution partner for our customers.”** Meanwhile, our strong and dynamic team, innovative brand, and cutting-edge technologies will serve as the main pillars to help us achieve this vision.



CAPITAL AND SHAREHOLDING STRUCTURE



* The Chairman and Members of the Board of Directors, Audit Committee Members, Chief Executive Officer, and Executive Vice Presidents hold a 0.10% share in the Bank's capital.

*The Bank's capital does not include privileged shares.

*The Bank does not have real person shareholders who own more than 5% share.

THE STORY OF 35 SUCCESSFUL YEARS

1989
The first day of "Sound Banking," March 31, 1989

1998
The first interest-free credit card

1999
The first retail banking service

2002
The first Turkish private financial institution to become a direct member of Visa

2007
The first gold coin per gram sales on the Istanbul Gold Exchange

2010
The first sukuk transaction in Türkiye

The first R&D Center in Turkish banking industry

2011
The world's first participation bank ever considered an "expert" of the London Bullion Market Association

2014
The world's first digital banking branch delivering live video chat support: XTM

The first insurance company that offers interest-free life insurance: Katılım Emeklilik

2015
The first private banking services in participation banking

The first branchless digital banking platform in participation banking: Senin Bankan

The first participation-based portfolio management firm: KT Portföy

The first Participation Bank in Germany: KT Bank AG

2017
Support platform for technology entrepreneurs: Lonca Entrepreneurship Center

The only bank with two R&D centers in Türkiye

The establishment of a second R&D center in Konya, following the first one in Şekerpınar, Kocaeli

2018
Best Employer of Türkiye and Best Employer of Finance Awards by Great Place to Work Institute

Europe's Best Islamic Finance Institution: KT Bank AG

Techno-Venture Capital Investment Fund

Deployment of Kuveyt Türk's banking software in more than 60 banks in 20 countries including Nigeria, Malaysia, Indonesia, and Egypt

2019
The first institution from Türkiye to become a member of the Shanghai Gold Exchange

The first company in Türkiye to use artificial intelligence in Customer Complaint Management to classify and streamline complaints

2020
Launch of "Digital Explorer" products for children who know how to save and love to explore

Kuveyt Türk became the new owner of Neova Sigorta, Türkiye's first interest-free insurance (takaful) company, by taking over 93% of the shares of Neova Sigorta, in which Kuveyt Türk was a shareholder with a 7% stake.

Neova Sigorta continues to grow as a wholly-owned subsidiary of Kuveyt Türk

Opening of Innhouse as an innovation center that shines out with its unique and functional architectural design

The first Turkish company selected as Europe's best employer at GPTW

2021

The first participation financial institution to join the Miles&Smiles partnership with Turkish Airlines and Mastercard

The first "Global Sustainability Tier 2 Subordinated Sukuk Issuance"

2022
The first participation finance institution to open accounts for farmers and private companies via video conferencing

The first participation finance institution from Türkiye to be accepted as a member of FCI, and the first transaction under FCI

The first participation finance institution to provide Turkish Lira Overnight Participation Reference Rate (TLREFK) indexed medium- and long-term leasing finance service designed in line with the interest-free finance principles by TKBB and Borsa Istanbul

The first "Digital Vehicle Finance" service, all phases of which can be completed via Kuveyt Türk mobile for those wishing to purchase a new or second-hand vehicle

The first sustainable subordinated sukuk in Türkiye and the world in 2021, and the first participation-based sustainability fund in Türkiye in 2022 within the organization of KT Portföy - a wholly-owned subsidiary of the Bank

2023
The "Internet branch" comes with features enabling customers to perform Export Value Acceptance Certificate (İBKB) transactions in Participation Finance, preventing them from visiting a physical branch

Architect, Kuveyt Türk's wholly-owned subsidiary, has placed its new product BOACard, which provides end-to-end service in payment systems, at the disposal of the finance world

Kuveyt Türk joins the Carbon Disclosure Project (CDP) and scores a B for the first time

Recognized as the financial institution with the best open banking APIs in Türkiye at Global Finance's World's Best Digital Banks 2023 awards

The 2022 Annual Report, themed 'New Generation Participation Banking,' received awards in five different categories at the LACP Vision Awards, one of the world's most prestigious annual report competitions

2024
Kuveyt Türk Yatırım Menkul Değerler A.Ş obtains an operating license

Publication of 2023 Sustainability Report

The establishment of the Empatika Neuromarketing Research Center to analyze customer behaviors through scientific methods and to develop marketing strategies.

Kuveyt Türk has commissioned a 13.7 MWp solar power plant in Isparta in line with its renewable energy targets.

DEVELOPMENTS IN THE GLOBAL ECONOMY

In the United States, the anticipated implementation of deregulation policies and tax cuts following Donald Trump's potential victory in the presidential elections suggests that the positive performance of the US economy in 2024 may extend into 2025.

The European economy fared weaker than other advanced economies, prompting the European Central Bank (ECB) to start cutting interest rates earlier than other central banks.

The year 2024 marked the culmination of post-Covid anti-inflation policies in the global economy. During this time, central banks halted interest rate hikes, focusing instead on fighting against inflation, maintaining stable rates, and monitoring economic rebalancing based on emerging data. Although the slight decline in energy prices eased some inflationary pressures, the impact of tight monetary policies on demand resulted in varying rates of recovery across different regions. As the effects of these economic policies became more evident, shifts in market expectations played a crucial role in shaping the overall outlook of the global economy.

The European economy fared weaker than other advanced economies, prompting the European Central Bank (ECB) to start cutting interest rates earlier than other central banks. Despite rate cuts throughout the year, the decline in the European economy could not be reversed, and signs of contraction became increasingly marked in both leading indicators and growth rates. Meanwhile, the positive trend in inflation allowed the US Federal Reserve (Fed) to implement rate cuts later in the year, and by September, the Fed aligned with the cycle initiated by the ECB. The US economy maintained a relatively strong performance throughout the year, despite concerns of a recession, and exhibited a more favorable outlook compared to global economies. In contrast, although the Chinese economy showed some recovery in the first half of the year, persistent weak demand conditions led to heightened deflationary pressures for the remainder of the year.

The year 2025 is anticipated to be characterized by lower interest rates in the global economy, continuing the trend of interest rate cuts that began in mid-2024. During the second half of 2024, high interest rates negatively impacted demand conditions. As a result, demand stabilization is expected to persist into 2025, with inflation projected to decline and the global economy likely following a generally flat trajectory.

In the United States, the anticipated implementation of deregulation policies and tax cuts following Donald Trump's potential victory in the presidential elections suggests that the positive performance of the US economy in 2024 may extend into 2025. However, potential tariff increases could lead to higher prices for imported goods, which might exacerbate inflationary pressures and negatively affect the US economy in the long run. In contrast, European economies are expected to continue facing challenges from possible US tariff interventions and ongoing weak demand conditions. Consequently, the European Central Bank (ECB) is likely to pursue interest rate cuts to support the economy. Meanwhile, in China, policies aimed at stimulating domestic demand are expected to take precedence in order to mitigate the pressures from the global economic contraction. However, deflationary pressures are likely to complicate the implementation of these policies.



DEVELOPMENTS IN THE TURKISH ECONOMY

2024 was characterized by macroprudential measures reshaping economic balances, a persistent high real interest rate environment, and strong performance in the consumption and services sectors.

47.50%

2024 Year End Policy Rate

Since early 2024, the Turkish economy has continued to implement tightening measures as part of its disinflationary policies. High financing and funding costs, along with restrictions on credit growth, have been employed to create a tightening effect on demand conditions. After interest rates peaked in March, the cycle of rate hikes concluded in response to the disinflation process, leading to a constant policy rate of 50% from April to December. At the final Monetary Policy Committee (MPC) meeting of the year, the Central Bank of Türkiye (CBRT) cut the policy rate by 250 basis points to 47.50%.

The high real interest rate environment accelerated carry trades and enhanced the appeal of Turkish lira deposits, which in turn limited foreign exchange (FX) demand from both local and global depositors. This contributed to the real appreciation of the Turkish lira and significantly improved the Central Bank's net FX position. Additionally, the decline in risk premiums and improvements in credit ratings were positive developments. However, Foreign Exchange Protected Deposit (EPD) accounts began to decrease in mid-2023 as part of the simplification policies, and this trend persisted into 2024. Consequently, the share of FX-protected deposit accounts in total deposits dropped significantly.

The year 2024 was marked by significant upside risks in the fight against inflation. Unexpectedly persistent economic slack and a wider-than-anticipated output gap, combined with administered and guided prices, led to an upward revision of inflation forecasts despite the real appreciation of the Turkish lira. Negative Purchasing Managers' Index (PMI) data indicated a more limited weakening on the supply side across various sectors than anticipated. However, the labor market's robust performance and the growth in retail sales volume suggested that the consumption and services sectors remained strong.

Overall, 2024 was characterized by macroprudential measures reshaping economic balances, a persistent high real interest rate environment, and strong performance in the consumption and services sectors.

In 2025, we anticipate that the Central Bank's policies will continue to play a crucial role in the economy.

In 2025, we anticipate that the Central Bank's policies will continue to play a crucial role in the economy. Inflationary pressures are expected to ease, potentially initiating a cycle of interest rate cuts. However, if strict non-interest rate monetary policies and new macroprudential measures are implemented, credit growth may still face significant pressure for some time. Moving forward, ongoing weakness in domestic demand and risks associated with overdue receivables will be key factors to monitor, particularly for the banking industry.

Despite anticipated interest rate cuts in 2025, we expect real interest rates to remain positive, and market tightening to persist due to enduring inflation inertia. The Central Bank's output gap projections are likely to remain negative and may narrow by mid-2025, suggesting that growth rates for the year could be flat or even negative.

Nevertheless, a balanced approach to tightening both monetary and fiscal policies could help reduce uncertainties in the economy. We believe that positive expectations in international markets will positively influence Türkiye's economic outlook. The decline in credit and financing costs, as well as the drop in Credit Default Swap (CDS) premiums and Türkiye's improved ratings from international credit agencies, may pave the way for a more predictable and stable economic environment. While 2025 may not bring significant changes for the banking industry, we anticipate that more optimistic conditions could emerge, positively impacting profitability in particular.



DEVELOPMENTS IN THE BANKING INDUSTRY

The easing of inflationary pressures and the stabilization of interest rates contributed to a gradual recovery in credit demand throughout 2024. Domestic demand, particularly among retail customers, began to pick up in the last quarter of the year.

Overall, 2025 is expected to be marked by controlled credit growth, improved profitability margins, and stabilized domestic demand in terms of the banking industry.

In 2024, inflationary pressures began to ease, and monetary policies followed a more predictable path for the Turkish banking industry. In contrast, 2023 saw macroprudential measures and regulations that constrained growth in the industry. During that time, funding costs rose, and credit demand was weaker than in previous years. However, with the recent regulatory simplifications, the industry adapted to the new economic administration's anti-inflation policies.

The easing of inflationary pressures and the stabilization of interest rates contributed to a gradual recovery in credit demand throughout 2024. Domestic demand, particularly among retail customers, began to pick up in the last quarter of the year. However, if tight monetary policies persist alongside simplification efforts, there may be renewed pressure on credit growth.

Furthermore, 2024 presented a balanced outlook for profitability. The anticipated increase in extended funds is expected to improve margins. Additionally, a further decline in policy rates is likely to lower funding costs by reducing financing rates, which is a crucial factor in supporting banks' profitability.

In 2025, selective loan types are anticipated to gain prominence in the banking industry's financial performance, depending on how macroeconomic dynamics and regulations will fare. Loans for strategic areas, including investment, export, production, leasing, and agriculture, will remain a key focus for the industry in 2025. Banks will continue to support the financing needs of individual consumers and the real economy. However, the risks associated with overdue receivables and pressures on credit growth will require careful monitoring throughout the year.

Overall, 2025 is expected to be marked by controlled credit growth, improved profitability margins, and stabilized domestic demand in terms of the banking industry. Nevertheless, the industry's performance will still depend on the evolving macroeconomic environment and regulatory landscape.



2024 SUSTAINABILITY AGENDA

At COP29, Türkiye presented its 2053 net zero emission target and sustainable development policies to the international community, emphasizing its commitment to combating climate change.

The European Union's Carbon Border Adjustment Mechanism (CBAM), introduced in 2024 to address climate change, aims to reduce carbon emissions and promote more sustainable production processes.

2024 was a year in which the devastating effects of the climate crisis were felt most intensely, with extreme weather events affecting natural ecosystems and human life heavier than ever. The World Meteorological Organization (WMO) announced that 2024 is on track to be the hottest year on record, underscoring the urgent need for accelerated and decisive action against climate change.

Türkiye's Active Role in COP29 Decision-Making

The 29th United Nations Climate Change Conference (COP29), held in Baku, Azerbaijan, from November 11 to 22, 2024, served as a critical platform for fostering international cooperation. Developed countries pledged USD 300 billion annually to developing nations by 2035 to help them address the impacts of climate change, directing these funds toward the needs of the nations most affected by the crisis. Significant progress was also made in negotiations regarding carbon markets, resulting in an agreement to establish a global market for regulating the trading of carbon credits.

At COP29, Türkiye presented its 2053 net zero emission target and sustainable development policies to the international community, emphasizing its commitment to combating climate change. The country introduced projects to increase renewable energy capacity, reduce its carbon footprint, and transition to cleaner technologies in the industrial sector. Türkiye also highlighted the necessity of better access to climate finance for developing nations and explored cooperation opportunities in this area. By actively participating in discussions on circular economy initiatives, energy efficiency, low-carbon transportation solutions, and strengthening the carbon trading system, Türkiye demonstrated its commitment to expanding financing mechanisms for green transformation projects and contributed to the development of collective solutions to the climate crisis.

Carbon Border Adjustment Mechanism (CBAM) and Related Developments in Europe

The European Union's Carbon Border Adjustment Mechanism (CBAM), introduced in 2024 to address climate change, aims to reduce carbon emissions and promote more sustainable production processes. By imposing additional costs on carbon-intensive products imported into Europe, the mechanism seeks to ensure that domestic producers maintain a lower carbon footprint. This regulation particularly impacts energy-intensive sectors such as steel, aluminum, cement, fertilizers, and electricity.

For countries like Türkiye, which have strong trade relations with Europe, the CBAM necessitates a significant harmonization process. In order to preserve the competitiveness of the Turkish industry in the European market, it has become imperative to invest in carbon-reducing technologies within production processes and to adopt sustainability standards. Consequently, Turkish businesses must develop strategies to minimize their carbon footprint and closely monitor regulatory developments in Europe.



The "2022-2025 Sustainable Banking Strategic Plan," published by the Banking Regulation and Supervision Agency (BRSA), aims to align economic growth with environmental and social responsibilities by promoting the integration of sustainability principles in the banking industry.

The implementation of the CBAM reflects the growing demands and regulatory frameworks for sustainability in Europe. It is essential to analyze the economic and environmental impacts of these changes on Türkiye. These developments in Europe provide a vital impetus for Türkiye to achieve its sustainable development goals.

Agenda for Sustainable Banking in Türkiye

As the global sustainability agenda rapidly picks up speed, Türkiye has also made significant advancements in this area, particularly within its banking industry. The "2022-2025 Sustainable Banking Strategic Plan," published by the Banking Regulation and Supervision Agency (BRSA), aims to align economic growth with environmental and social responsibilities by promoting the integration of sustainability principles in the banking industry. In line with this strategic plan, Kuveyt Türk is shaping its own strategy, developing innovative sustainable financing solutions, and supporting green and social projects. The BRSA's Communiqué on Green Asset Ratio, along with its draft Regulations and Guidelines on Effective Management of Climate-Related Financial Risks for Banks, provides essential frameworks for banks to identify their green assets and further their resilience to climate-related risks. These regulations establish a roadmap

2024 SUSTAINABILITY AGENDA

In 2024, artificial intelligence and digitalization emerged as key topics shaping the future of communities and economies.

Turkish Sustainability Reporting Standards aim to ensure that companies report their environmental and social impacts more transparently and comparably.

for banks to create more sustainable portfolios. The national taxonomy studies conducted by the Ministry of Environment, Urbanization, and Climate Change will set standards for defining and classifying industry activities in terms of sustainability in Türkiye. This will assist investors and banks in identifying sustainable finance opportunities. These efforts are a significant step toward promoting sustainability in the financial markets. Another key development in Türkiye is the introduction of the Turkish Sustainability Reporting Standards (TSRS), established by the Public Oversight, Accounting and Auditing Standards Authority (KGK), which will make sustainability reporting mandatory for companies within its scope starting in 2024. These standards aim to ensure that companies report their environmental and social impacts more transparently and comparably. As a result, companies will be encouraged to regularly monitor their sustainability performance and provide comprehensive information to their stakeholders.

These initiatives are vital for the development of sustainable banking in Türkiye and play a crucial role in accelerating the industry's transformation. At Kuveyt Türk, we are committed to aligning our activities with the regulations set forth by legal authorities and will continue our efforts together with our employees to drive sustainability forward.

Artificial Intelligence and Next-Generation Technologies were again on the Agenda in 2024

In 2024, artificial intelligence and digitalization emerged as key topics shaping the future of communities and economies. The rapid advancements in AI capabilities raised global concerns regarding data privacy and ethical usage. A central point of discussion was whether regulatory frameworks could keep pace with this swiftly evolving technology. The impact of artificial intelligence on the workforce was a heated discussion, with worries that automation could displace human labor in certain sectors.

Moreover, the rise of systems capable of recognizing emotions and predicting human behavior highlighted the need for clear ethical boundaries. Conversely, the potential solutions offered by artificial intelligence in areas such as combating climate change, enhancing energy efficiency, and promoting sustainability showcased the technology's positive contributions. During this time, issues related to AI algorithm impartiality, misinformation prevention, and social impact attracted significant attention from both governments and technology companies.

KUVEYT TÜRK'S POSITION IN THE INDUSTRY

In 2024, Kuveyt Türk maintained its position among the top 10 banks in Türkiye by asset size, demonstrating a dynamic and flexible approach to industry changes and developments.

In 2024, Kuveyt Türk maintained its position among the top 10 banks in Türkiye by asset size, demonstrating a dynamic and flexible approach to industry changes and developments. Our balanced growth strategy enabled us to sustain profitable growth while making decisive progress toward our goals.

To become a solution partner for our customers, we strive to provide a seamless, easy, fast, and efficient experience. Our objective is to be recognized as one of the financial institutions delivering the best customer experience in Türkiye. In 2024, we took significant steps to shape data-driven business models of the future by utilizing data effectively and prioritizing this approach in all our decision-making processes.

We concluded the year with strong results in balance sheet and profitability indicators, increasing our net profit for the year by 30% to TL 34.7 billion. We maintained our robust financial structure with a capital adequacy ratio of 24.46%. Additionally, we upheld our leading position in the participation banking industry, achieving an average return on equity of 53.2% and significantly exceeding industry averages with a net interest (profit share) margin of 6.37%.

We upheld our value-added banking approach by directing our resources toward the priority needs of the real economy. Our strong industry position was reinforced by increasing our extended fund size to TL 434.7 billion and expanding our total funding base to TL 707.5 billion. With successful growth in corporate financing, we extended further support for the real economy and continued to gain market share.

In line with our strategy to expand our customer base and deepen relationships with them, we introduced innovative services in both individual and corporate segments, leveraging our digitalization-focused solutions. In an era where banks can open accounts remotely, we distinguished ourselves by providing uninterrupted and rapid solutions for our customers.

Our strong performance throughout 2024 indicates that we are making significant progress toward our 2025 targets. As Kuveyt Türk, we remain committed to contribute to the industry through a sustainable, profitable growth strategy while prioritizing value creation for our customers.

Market Shares

	December 2021		December 2022		December 2023		December 2024	
	Banking Industry	Participation Banking	Banking Industry	Participation Banking	Banking Industry	Participation Banking	Banking Industry	Participation Bankingı
Total Assets	2.76%	35.42%	2.68%	32.39%	2.84%	32.75%	2.61%	32.04%
Funds Extended	2.33%	31.43%	2.44%	29.62%	2.68%	30.70%	2.50%	30.08%
Funds Raised	3.83%	37.54%	3.24%	33.25%	3.22%	32.63%	2.91%	31.95%

SUMMARY OF FINANCIAL INDICATORS

We concluded 2024 with strong performance in both our balance sheet and profitability indicators. Our net profit for the period increased by 30% to TL 34.7 billion. Our capital adequacy ratio stood at 24.46%.

Summary of Financial Indicators (TL thousand)*	2023	2024
Profit Sharing Income	63,057,751	129,337,843
Profit Sharing Expense (-)	27,876,292	80,903,588
Net Fee and Commission Income	3,428,469	9,139,091
Other Revenues	13,270,947	17,130,763
Other Expenses	18,377,467	28,446,951
Tax Provision (-)	6,894,037	11,603,702
Net Profit for the Period	26,609,371	34,653,456
Total Assets	668,168,215	852,120,403
Total Shareholders' Equity	47,985,688	82,227,494
Capital Adequacy Ratio (%)	25.27%	24.46%

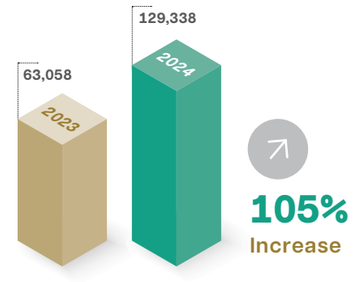
*** Unconsolidated figures.**

Our objective is to be recognized as one of the financial institutions delivering the best customer experience in Türkiye.

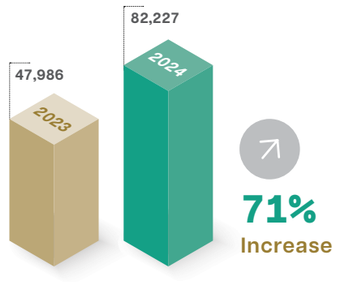
TL 129.3 billion
Profit Sharing Income

Our strong performance throughout 2024 indicates that we are making significant progress toward our 2025 targets.

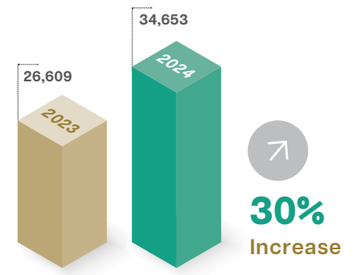
PROFIT SHARING INCOME (TL MILLION)



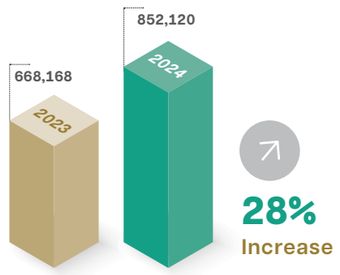
TOTAL SHAREHOLDERS' EQUITY (TL MILLION)



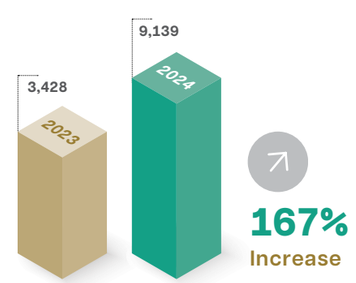
NET PROFIT FOR THE PERIOD (TL MILLION)



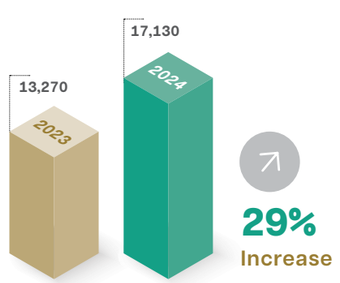
TOTAL ASSETS (TL MILLION)



NET FEE AND COMMISSION INCOME (TL MILLION)



OTHER REVENUES (TL MILLION)



AWARDS IN 2024

Kuveyt Türk Portföy received the “Participation Mutual Funds Portfolio Size Leader” award at the 9th TSPB Golden Bull Awards, hosted by the Turkish Capital Markets Association (TCMA), which evaluated the performance for 2023.

We were awarded the title ‘Most Open to Collaboration Bank’ at the “Pioneers of Digital Finance” event organized by KPMG Türkiye and FINTR.

Our achievements in HR have been recognized at the global level
Kuveyt Türk won six gold awards at the HCM Excellence Awards, one of the most prestigious business awards in human resources, organized by the Brandon Hall Group, a leading consulting firm worldwide. “Best Selection and Recruitment of Interns,” “Best Talent Acquisition Process,” “Best Corporate Culture Transformation,” “Best Benefits, Health and Welfare Program,” “Best Use of Blended Learning Program,” and “Best Corporate Training University” were the categories in which we garnered the golden award at Brandon Hall Group’s HCM Excellence Awards in 2024.

Our digital competencies continue to gain recognition
We were awarded the title ‘Most Open to Collaboration Bank’ at the “Pioneers of Digital Finance” event organized by KPMG Türkiye and FINTR.

Kuveyt Türk Portföy greatly honored with awards
Kuveyt Türk Portföy, our wholly-owned subsidiary, received the “Participation Mutual Funds Portfolio Size Leader” award at the 9th TSPB Golden Bull Awards, hosted by the Turkish Capital Markets Association (TCMA), which evaluated the performance for 2023.

Kuveyt Türk was named “Türkiye’s Strongest Islamic Bank” at Islamic Retail Banking Awards (IRBA).

We have been named the Best Islamic Bank of Türkiye
We were honored as the “Best Islamic Bank of Türkiye” at the IFN Awards, organized by Islamic Finance News, a leading publication in the financial markets that recognizes excellence in the interest-free finance sector. This is yet another achievement we boast on the international stage.

We distinguish ourselves with innovative Islamic banking solutions.
At the International Finance Awards 2024, we received “Most Innovative Islamic Bank in Türkiye” and “Best Foreign Trade Finance Islamic Bank in Türkiye” awards.

Strong player of Islamic Banking
Kuveyt Türk was named “Türkiye’s Strongest Islamic Bank” at IRBA. IRBA, organized by Cambridge IFA, assesses the performance of the banking sector through academic analysis and recognizes institutions that make a difference in Islamic banking. This honor reaffirms Kuveyt Türk’s leadership in the sector and highlights its robust financial structure.

We continue to lead in innovation
World Business Outlook, a prestigious business magazine that annually identifies the most innovative and successful institutions in finance, technology, banking, and business, has named Kuveyt Türk “Türkiye’s Most Innovative Participation Bank.”

KUVEYT TÜRK'S VALUE-CREATION MODEL

INPUTS

Financial Capital

- Robust capital and partnership structure
- Sustainable financial growth
- Resource diversification and liquidity
- Total assets
- Equity capital
- Deposits
- Fund size
- Proactive financial risk management
- Effective customer segmentation

Intellectual Capital

- Digital banking operations
- Digitalized business processes
- Innovative and accessible digital channels
- Digital marketing efforts
- Strong cybersecurity infrastructure
- Smart solutions with artificialintelligence and data analytics
- API Marketplace Platform

Manufactured Capital

- Nationwide branch and ATM network in Türkiye
- International service locations
- Accessible branches and ATMs
- Customer-centric banking products and services

Social and Relational Capital

- Effective communication and good relationships with stakeholders
- Corporate memberships and supported initiatives
- Customer-centric banking approach
- Financial inclusion perspective
- Socially impactful projects with social awareness
- Sustainable supply chain management

Human Capital

- Competent Kuveyt Türk employees
- A work culture inspired by values
- Employer profile embracing participation banking principles
- Flexible (Hybrid) working model
- Equal and fair recruitment processes, compensation, and benefits
- Training programs supporting employee development through Kuveyt Türk Academy
- Approach prioritizing employee health and well-being
- Investment in programs for employee loyalty

Natural Capital

- Climate change and environmental compliance efforts
- Climate risk management
- Responsible use of resources
- ESG impact in lending
- Sustainable and green financing
- Environmental footprint measurement and reduction efforts
- Paperless banking practices

KUVEYT TÜRK'S BUSINESS OPERATIONS

- Retail Banking
- SME Banking
- Corporate and Commercial Banking
- Treasury and International Banking
- Digital Banking
- Accessible Banking

OUTPUTS

FINANCIAL CAPITAL

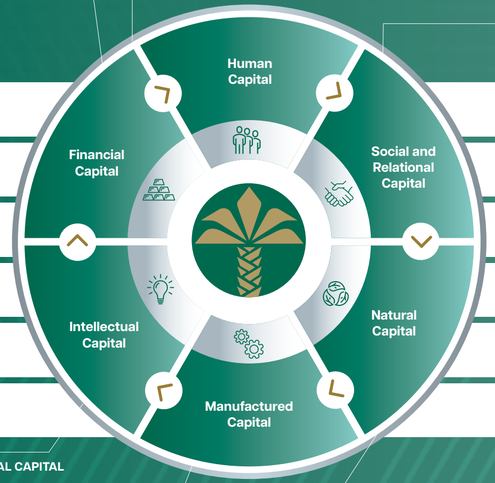
- Total assets: TL 852.1 billion
- Equity size: TL 82.2 billion
- Collected funds size: TL 585.6 billion
- Loan disbursement: TL 434.7 billion
- Profit share income: TL 129.3 billion
- Net profit: TL 34.7 billion
- Capital adequacy ratio: 24.46%

HUMAN CAPITAL

- 6,112 competent employees
- Kuveyt Türk Academy's 2024 training hours: 299,000 hours
- 2024 sustainability trainings: 489.05 hours
- Number of employees receiving OHS training: 1,073

SOCIAL AND RELATIONAL CAPITAL

- Number of supported corporate memberships and initiatives: 20
- Customer growth rate: 4%
- Customer satisfaction score: 89%
- Geographic coverage rate: 90%
- Number of children reached through the Entrepreneur Explorer program: 8,000+
- Number of schools reached through the "Software for the Future" project: 70
- Number of local suppliers: 494
- Number of foreign suppliers: 6



INTELLECTUAL CAPITAL

- Digital customer count: 3 million
- Number of digital channel transactions in 2024: 714 million
- Ratio of remote customer acquisition to account openings: 45%
- Number of APIs offered on the API Marketplace Platform: 400
- Number of API transactions conducted in 2024: 300 million
- Number of employees in digital transformation and innovation: 27

MANUFACTURED CAPITAL

- Total number of branches: 449 (448 domestic - 1 Bahrain)
- Total number of ATMs: 1,314
- Number of newly installed ATMs: 104
- Number of ATMs accessible for orthopedic disabled customers: 28
- Number of employees completing sign language customer communication training: 3,267

NATURAL CAPITAL

- Total carbon footprint Scope 1+2: 32,976 tons CO2e
- Share of renewable energy projects in total project financing: 35%
- Installed capacity of solar power plants: 13.7 MWp
- Purchased YEK-G and I-REC certificates: 28,000 MWh
- Amount of greenhouse gas emissions prevented through YEK-G and I-REC certificates: 12,555 tons CO2e
- Total water consumption: 34 thousand m³
- Total waste delivered to recycling companies: 63 tons
- Number of saplings planted in 2024 through the "Çiftçiye Hayat Olsun" project: 10,000

CREATED VALUE

- Providing financial support to individuals and the real sector, contributing to financial life and economic development
- Sustainable financial profitability achieved through widespread banking activities
- Ensuring access to financial services for all segments of society through the participation banking approach and encouraging their participation in the economy

- Providing 24/7 uninterrupted banking services
- Improving customer satisfaction and experience
- Maximizing efficiency in business processes through digitalization
- Minimizing environmental impact and operational risks through digitalized processes

- Enhancing access to financial services for all customers
- Reaching all segments of society with an inclusivity approach
- Supporting an accessible lifestyle
- Addressing the financial needs of all customers across various domains

- Strengthening stakeholder communication and increasing stakeholder engagement
- Expanding the sustainability impact through memberships and supported initiatives
- Facilitating customers' financial lives by responding to their needs, issues, and suggestions
- Reaching various segments of society with an inclusive approach
- Creating social value through projects for the community
- Ensuring sustainability in the supply chain

- Transmitting Kuveyt Türk's corporate culture to future generations
- Increasing employee engagement through practices that enhance employee satisfaction
- Enhancing employee competencies through development opportunities
- Strengthening Kuveyt Türk's preferred employer profile and strong employer brand management by providing employees with a comfortable, happy, and peaceful work environment

- Developing an exemplary environmental and climate change approach for participation banks
- Ensuring responsible use of natural resources
- Supporting the transition to a low-carbon economy
- Measuring environmental footprint and taking reduction actions
- Promoting the Zero Waste approach
- Supporting the circular economy through paperless banking practices

SDGs

Kuveyt Türk, Türkiye's leading participation banks, aims to follow a sustainable and profitable growth strategy. In order to measure the value it creates in economic, environmental, and social areas, our bank closely monitors the interaction between its financial and non-financial resources with clear indicators.

As of 2024, Kuveyt Türk takes a holistic approach to the added value it provides to all stakeholders through financial capital, intellectual capital, manufactured capital, social and relational capital, human capital, and natural capital, within the framework of the 'Value-Creation Model.' This model enables our bank to evaluate its contributions to the industry and society in a concrete framework, in line with the principles of open innovation, sustainable growth, and ethical banking.

Aligned with this approach, Kuveyt Türk continues its operations with the goal of creating long-term value for its stakeholders, contributing to sustainable development not only through its financial successes but also through its socially impactful projects.

SUSTAINABILITY GOVERNANCE AND ORGANIZATION

We strive to be a responsible and sustainable participation finance institution and, through solid banking values and sustainable participation banking practices, aim to provide guidance to our industry.

As part of our sustainability strategy, we work closely with all our stakeholders, act with the awareness of our environmental, social, and governance responsibilities.

Participation finance principles and sustainability practices are concerted and consistent. Kuveyt Türk operates in line with these principles while shaping the participation finance sector, and takes firm steps towards becoming a participation finance institution guiding all our stakeholders with the goal of leaving a sustainable world to future generations. We further strongly support sustainable economic development.

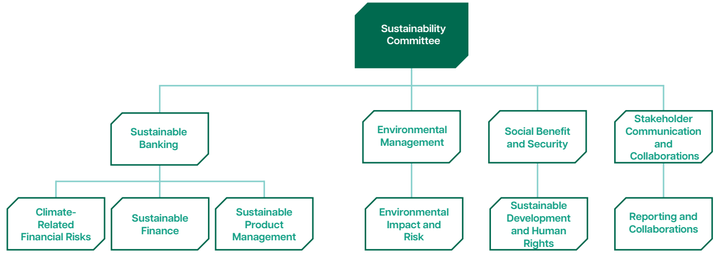
The basic principles of participation banking, such as ensuring sustainable economic development, prioritizing social benefit and welfare, engaging in activities creating added value, fulfilling responsibilities towards the environment and society, protecting nature and living things, preventing conditions that may threaten human health, avoiding activities that may disrupt biodiversity, providing a working environment of fair and equal opportunities for employees, and ensuring financial inclusion, also form the foundation of our sustainability endeavors.

As part of our sustainability strategy, we work closely with all our stakeholders, act with the awareness of our environmental, social, and governance responsibilities. We closely monitor the works of local and global authorities on sustainability and conduct our operations in compliance with relevant regulations and legislation.

We strive to be a responsible and sustainable participation finance institution and, through solid banking values and sustainable participation banking practices, aim to provide guidance to our industry. In this vein, we support sustainable economic development and devise policies and strategies to guarantee a sustainable business model of participation banking. At Kuveyt Türk, we have established **the Sustainability Committee** to meet our responsibilities for all stakeholders based on the principles of transparency and reliability, and to add value in light of our approach toward responsible and responsive banking for society and the environment.

The Sustainability Committee's primary objectives are to determine the necessary steps to be taken in environmental, social, and governance areas and to embed a sustainability approach into all Bank processes. The Committee comprises senior management members, including the General Manager and Executive Vice Presidents. Six Working Groups are reporting to the Sustainability Committee, focusing on Sustainable Banking, Environmental Management, Social Benefit and Safety, Communication with Stakeholders, and Collaborations. Decisions regarding the implementation of the Sustainable Banking Strategy, formulated by the Working Groups, are made by the Sustainability Committee.

Sustainability Committee



The Sustainability Committee ensures that the Sustainability Policy and Strategy approved by the Board of Directors is implemented in all decision-making processes within Kuveyt Türk and establishes sustainability-focused targets.

The Sustainability Committee ensures that the Sustainability Policy and Strategy approved by the Board of Directors is implemented in all decision-making processes within Kuveyt Türk and establishes sustainability-focused targets. In line with these targets, it evaluates proposals prepared by the Working Groups and makes decisions.

Responsibilities of the Sustainability Committee

- It identifies the priorities in our Bank's strategy by factoring in the risks and opportunities that climate change poses to Kuveyt Türk.
- It assists the Working Groups in identifying physical and transition risks and in formulating corresponding action and transition plans.
- It ensures that significant climate-related financial risks are embedded in the Bank's strategy and risk management framework.
- It guides the Working Groups to ensure the Bank's compliance with sustainability-related regulations and national/international best practices established by legal authorities.
- It ensures the integration of the Sustainable Banking Strategy, developed in accordance with ESG issues, into the entire banking business model and supports incentives for full employee participation.

Responsibilities of the Working Groups under the Sustainability Committee are organized into four main categories:

- Writing and revising sustainability-related policies for presentation to the Sustainability Committee and sharing them with the Committee as needed.
- Presenting issues relevant to their areas of activity and the Sustainable Banking Strategy they have developed to the Sustainability Committee.
- Analyzing the Bank's climate-related physical risks (both acute and chronic) as well as transition risks, creating the necessary action plan, identifying opportunities, and submitting these for inclusion in the strategic plan to the Sustainability Committee.
- Monitoring national and international developments in sustainable banking and enhancing its banking practices by implementing measures to comply with legal regulations.
- Striving to integrate innovative solutions into the Bank's operations by adhering to best practices that promote positive environmental and social impacts.
- Engaging with relevant initiatives and stakeholders to improve Kuveyt Türk's global and local sustainability performance and reporting in accordance with the principles of transparency and reliability.

At Kuveyt Türk, two dedicated services focus on the reporting and governance of sustainability activities, ensuring that financial operations adhere to ESG standards and meet the expectations of legal authorities. The **Sustainability Service** operates within the Investor Relations and Sustainability Department, while the **Sustainable Finance Service** is part of the Credit Policies and Decision Support Systems Department.

ACTIVITIES OF THE WORKING GROUPS UNDER THE SUSTAINABILITY COMMITTEE IN 2024

The 2024-2026 Sustainability Strategy was developed, and key sustainability performance indicators (KPIs) were defined and incorporated into the unit target sets.

A 13.7 MWp solar power plant was established in Isparta to meet 80% of our electricity needs.

In the meetings held with our Senior Management, our Sustainability Strategy Plan for 2024-2026 was approved and submitted to the Board of Directors. Working Groups were supported by the Sustainability Committee to implement our Sustainability Strategy Plan approved by the Board of Directors. Important activities carried out in 2024 are as follows:

- The 2024-2026 Sustainability Strategy was developed, and key sustainability performance indicators (KPIs) were defined and incorporated into the unit target sets.
- A prioritization analysis was conducted, and the United Nations Sustainable Development Goals (SDGs) to which our Bank contributes were determined.
- Technical infrastructure efforts have begun to establish a greenhouse gas emissions inventory system.
- As part of the Zero Waste Project, waste continued to be recycled.
- The Electronic Waste Recycling Project was implemented.
- A 13.7 MWp solar power plant was established in Isparta to meet 80% of our electricity needs.
- Scope 2 emissions from electricity consumption in 2024 were neutralized by obtaining a Renewable Energy Resource Guarantee (YEK-G) and I-REC certificate.
- Within the “Çiftçiye Hayat Olsun” Project, 10,000 olive saplings were planted. Participation in the Carbon Disclosure Project (CDP) was ensured.
- Environmental and social sustainability policies were updated.
- Sustainability and Climate Risk training was provided to the Board of Directors.
- The 2023 Sustainability Report was published.
- The Paperless Banking Project, focusing on digitalization, continued.



SUSTAINABILITY STRATEGY

As Kuveyt Türk, we have established our goals for the 2024-2026 Strategy with the vision of “Leading the way in building a sustainable world.”

As a participation finance institution committed to promoting awareness of sustainable banking and societal development, we take action to fulfill our responsibilities toward all stakeholders and align our strategy accordingly. As Kuveyt Türk, we strive to develop sustainable participation banking practices by offering products and services that benefit the environment or minimize negative impacts. Guided by the “People First - Employees First” principle, we provide a fair working environment for our employees, focusing on continuous development. Our commitment to environmental and social policies aims to foster societal development. In this context, we create lasting value for society through social financing, donations, and sponsorships. By prioritizing sustainability in our decision-making processes and adopting a responsible banking approach, we aim to collaborate with all stakeholders within the Kuveyt Türk family to contribute to sustainability. We actively monitor national and international sustainability standards and update our sustainability management system as needed. Throughout this process, we adhere to the principles of transparency and accountability, communicating our sustainability journey to our stakeholders.

As Kuveyt Türk, we have established our goals for the 2024-2026 Strategy with the vision of **“Leading the way in building a sustainable world.”** To achieve this vision, we have developed our objectives, strategies, and tactics by analyzing national and international regulations, legislation, and best practices. Accordingly, we have identified our Key Performance Indicators and begun integrating them into our business model. We remain committed to our 2024-2026 Sustainability Strategy and are continually refining our ESG model.



2024-2026 Sustainability Strategy Plan

Environmental Objective	**Minimizing negative environmental impacts**
Strategy	Calculating and reporting the Bank's direct and indirect environmental obligations
Strategy	Executing emission reduction projects to achieve carbon neutrality
Strategy	Supporting sustainable development through sustainable participation finance products
Strategy	Aligning with national and international environmental standards
Strategy	Establishing a reporting system as prescribed in the communiques, guidelines, and regulations introduced by legal authorities
Social Objective	**Demonstrating full commitment to sustainable and social policies to ensure societal development**
Strategy	Reviewing Human Rights policies, informing stakeholders, and adhering to OHS policies
Strategy	Formulating policies on sustainability training, raising employee awareness, and ensuring their participation
Strategy	Supporting societal sustainable investments through social finance, donations, and sponsorships
Governance Objective	**Increasing collaborations aimed at sustainability and promoting development goals**
Strategy	Keeping the Board of Directors and Senior Management updated on the sustainability agenda
Strategy	Reporting in full compliance with national and international standards
Strategy	Championing sustainable development goals and undertaking efforts aligned with international initiatives and the Bank's strategy

One of our key objectives is to provide sustainable financing. We have initiated efforts to enhance our support for sustainable financing as part of our banking activities and have established target sets to guide these efforts.

As Kuveyt Türk, we adopt a comprehensive approach to our sustainability strategies and goals. **Our strategies and performance indicators extend beyond financial targets and also encompass environmental and social impacts.** While we strive to integrate sustainability into all operations of our Bank, we continue our research and development activities in this area.

One of our key objectives is to provide sustainable financing. **We have initiated efforts to enhance our support for sustainable financing as part of our banking activities and have established target sets to guide these efforts.** Additionally, we place significant emphasis on contributing to the environmental and social development of our country by creating sustainability-focused products and services.

We are dedicated to taking concrete steps to reduce our environmental impact. In this context, we are collaborating with Working Groups to plan and implement environmental restoration projects. We also emphasize investments with social impact and aim to provide significant social financing in this regard. With a strong sense of social responsibility, we strive to support vulnerable groups.

We train our employees to raise awareness of sustainability and engage in activities in line with our strategy by closely monitoring the activities of sustainability initiatives to strengthen our collaboration with external stakeholders. We have developed an action plan to this end. To promote transparency and accountability, we started to share our sustainability activities with our stakeholders. We aim to elevate our sustainability efforts by participating in ESG ratings, enabling an independent assessment of our performance.

In the long term, we strive for continuous improvement in sustainability and aim to become a leading bank in the participation finance sector in this area. With our strong banking foundation, we aim to advance our sustainability efforts each day and maximize our impact in combating climate change.

As Kuveyt Türk, we clearly demonstrate our commitment to sustainability through our strategies and targets. Our comprehensive approach addresses financial, environmental, and social goals simultaneously. While we focus on achieving our short-term objectives, we also communicate our long-term vision across all units and integrate it into our performance system. This ensures that **sustainability becomes an integral part of our corporate culture.**

Our Strategic Decision Making Approach Driven by Sustainability

Kuveyt Türk's strategic plan and sustainability goals demonstrate our commitment to balancing sustainability risks and opportunities in our strategic decisions. This balance highlights our desire to meet our environmental and social responsibilities while pursuing our financial objectives. We incorporate sustainability factors into our strategic decision-making processes as follows:

Comprehensive Approach: We view sustainability through a holistic lens that encompasses environmental, social, and governance dimensions. Our decisions consider not only their environmental impact but also their social and economic consequences.

Concrete Targets and Indicators: We establish concrete indicators to achieve our sustainability goals. Concrete indicators guide our decision-making processes and allow us to make strategic adjustments as needed.

Raising Employee Awareness: We conduct training sessions to broaden our employees' understanding of sustainability principles. These training sessions empower employees to effectively incorporate sustainability considerations into their decision-making processes.

Stakeholder Engagement and Collaboration: We build strong partnerships with our stakeholders, engage in sustainability initiatives, and integrate diverse perspectives into our strategic processes. This collaborative approach enables us to make more balanced and inclusive decisions.

Transparency and Accountability: We share our sustainability activities with our stakeholders and track our Environmental, Social, and Governance (ESG) ratings. Through these efforts, we reaffirm our commitment to transparency and accountability.

Environmental Impacts: We assess environmental factors such as energy consumption, carbon footprint, and waste generation when making new investments. Our goal is to minimize our environmental impact.

Social Opportunities: We create jobs, support economic development, and hone social skills through our investments. This approach helps us roll out opportunities that promote social justice.

Technological and Digitalization Investments: Our digitalization initiatives focus on minimizing paper use and boosting energy efficiency. By switching to cloud-based services, we lower the energy consumption of our data centers and optimize resource utilization.

Financial Decisions: We aim to increase the financing we provide for sustainable projects and boost our green asset ratio. These financial decisions are designed to support our long-term revenue growth goals while also helping to mitigate environmental impacts.



MANAGEMENT OF SUSTAINABILITY RISKS AND OPPORTUNITIES

To effectively manage sustainability risks, we identify, evaluate, and integrate relevant sustainability-related risks into our processes, and implement necessary actions.

Robust governance structures and policies have been established to manage sustainability and climate change risks.

Analysis and Assessment of Sustainability-Related Risks

We systematically address sustainability risks within our risk management processes, recognizing their importance in achieving our Bank's long-term strategic goals. To effectively manage these risks and opportunities, we employ a comprehensive approach. This includes identifying, evaluating, and integrating relevant sustainability-related risks into our processes, as well as implementing necessary actions. We also aim to regularly assess and analyze physical and transition risks associated with climate change.

Robust governance structures and policies have been established to manage sustainability and climate change risks. In 2024, our Board of Directors approved the Sustainability Risk Policy, which is now in effect. Sustainability risks are regularly reported to our Bank's Risk Committee, which, in turn, informs the Board of Directors about key aspects of sustainability risks concerning the necessary actions to be taken within the Bank. The Risk Committee also oversees the adoption, execution, and Bank-wide roll-out of the Environmental and Social Risk Governance Frameworks. These efforts ensure the integration of sustainability risks into our overall risk management processes.

For sustainability-related risks in our portfolio, we prioritize risks arising from regulations and legal compliance, striving for full adherence to relevant authorities.

To facilitate the practices of the Sustainability Committee and governance bodies, the governance body is regularly updated on sustainability-related risks and opportunities. The identification, impact assessment, monitoring, and management of physical and transition risks—across credit, market, operational, and other non-financial domains—are conducted annually and reported to the Risk Committee quarterly for oversight. Furthermore, sustainability-related opportunity assessments are performed annually and presented to the Risk Committee. As outlined in the Sustainability Risk Policy, the Credit Risk Unit conducts a Heat Map analysis at least once a year to assess climate risk, which is also presented to the Risk Committee.

In determining sustainability risks, we consider compliance and integration with the Bank's broader risk management processes. We assess the impacts of sustainability-related risks on our operations in terms of operational (financial), business continuity, legal, reputation, strategic, and liability risks.

Kuveyt Türk's strategic plan aims to achieve sustainable growth and financial success in the medium and long term by incorporating short-term cost increases into its projections.

Impacts of Sustainability Risks and Opportunities

Kuveyt Türk assesses the impacts of sustainability-related risks and opportunities on its financial position, performance, and cash flows across short-, medium-, and long-term horizons. These impacts can significantly influence corporate strategies as well as revenues and expenses.

The Bank researches and analyzes both direct and indirect sustainability risks and opportunities over these timeframes. Insights regarding climate-related risks and opportunities identified in 2024 have been provided. The maturity of these risks is outlined in the table below.

Term of Risks

SHORT	Up to one year
MEDIUM	1-5 Years
LONG	More than 5 years

Based on industry studies and internal analyses, climate risks are expected to impact the repayment capacity of companies financed by the Bank in the short and medium term. This is primarily due to evolving regulations and new taxes on the loan portfolio, which could, in turn, present regulatory challenges for the Bank. Exposure to new regulations and laws is also regarded as a climate risk. Our Bank is expected to face risks stemming from legal regulations in the short and medium term. Our efforts to comply with sustainability standards indicate that compliance costs will likely increase. Furthermore, adapting to new regulations may also raise our operational costs. In the medium and long term, there is a risk that loans extended to sectors vulnerable to environmental risks may not be repaid. For example, financial challenges faced by our customers in industries affected by climate change could lead to an increase in non-performing loans (NPLs) within our Bank's portfolio. Additionally, a long-term rise in NPL ratios due to physical and transition risks may negatively impact the Bank's profitability. The Bank's financial position could also suffer from a potential loss of value in collateral due to these same risks. In response to this, the Bank developed a Sustainability Strategy Plan and began collaborating with the Sustainability Committee and six affiliated working groups in 2024. As part of this initiative, risks were identified, targets were set, and concrete steps were taken based on opportunity analyses. We initiated research on the sectors we fund, selected sample sectors for our investment emissions, and conducted pilot studies. Assessments were carried out on lending policies, and a Sustainability Risk Policy was developed for climate risk governance.

Regarding market risks, the Bank does not foresee any depreciation or liquidity decreases in its portfolio in the short or medium term. The potential risks associated with sustainability that could affect the Bank's operations are expected to have varied effects over the short, medium, and long term. The negative impacts of climate risk on opportunities such as "Innovation and Research and Development, Reputation, Capital, Resource Efficiency" are expected to be mitigated in the medium and long term. Different impacts may emerge in the short, medium, and long term for other identified opportunity types.

Kuveyt Türk's strategic plan aims to achieve sustainable growth and financial success in the medium and long term by incorporating short-term cost increases into its projections. The implementation of sustainability practices is expected to provide the organization with a competitive advantage and contribute to long-term success.

Timeframe	Risk/Opportunity	Financial and Other Impacts
Short-Term	**Sustainable finance goals** Increased investments	• Investments would drive operational costs up. • Helps us broaden the customer base and drive up revenues in the long term.
	Technology investments Digitalization and transition to cloud-based services	• Results in high investment and development costs in initial phases. • Brings along operational efficiency and cost savings in the long term.
	Employee training Awareness-raising courses for sustainability	• Results in higher training and staff costs. • Allows staff to be more conscious and productive.
	Marketing and brand recognition Advertising and communication efforts for sustainability awareness	• Raises marketing costs. • Heightened brand value and customer loyalty.
Medium Term	**Regulations and taxes** Compliance costs stemming from new regulations	• Could reduce firms' repayment capacity. • Regulation compliance costs would rise, but reputation would be preserved.
	Sustainable policies and green assets Extension of finance to a higher number of projects	• Positively contributes to the income statement. • Uptick in revenues linked with green projects.
	Technology investments and digitalization Optimization of operational processes	• Aids in mitigating operational costs. • More effective utilization of digital channels boosts efficiency.
	Customer satisfaction and loyalty Transparency and impact of sustainability practices	• Triggers a more consistent revenue flow and a more loyal customer base. • Protects the brand reputation and supports new customer acquisition.
	Competitive advantage Championing sustainability practices	• Solidifies the Bank's reputation in the industry. • Expands the market share and facilitates access to financial sources in the long term.
Long-Term	**Sustainable business model** A resilient structure for environmental and social risks	• Secures consistent and sustainable growth. • Strengthens cash flows and improves financial performance.
	Investments in sustainable projects Social value and high potential for returns	• Drives revenues up in the long term. • Enhanced resilience through environmental and social risk governance.
	Investor relations Transparent reporting and sustainability-driven efforts	• Boosts investors' trust. • Cuts financing costs and delivers financial flexibility.
	Financial impacts arising from opportunities Implications of sustainability initiatives on revenues and costs	• Increased expected credit losses might reduce bank profitability and capital adequacy ratio. • Higher non-performing loan (NPL) ratios and losses in the value of bank collateral might negatively affect the bank's financial indicators, such as capital adequacy and liquidity adequacy ratios. • To avoid these scenarios, the Sustainability Committee and its affiliated Working Groups, the Risk Committee, and other Committees of the Bank have started working within the scope of the 2024-2026 Sustainability Strategy Plan.

Below are the **short-, medium-, and long-term risks and opportunities** related to sustainability that may impact the **Bank's operations. The risk assessment identified no "High" level climate risks that could affect the Bank's operations.**

Risks	Opportunities
• **Water Availability and Scarcity:** The Bank's access to the water it needs becomes more difficult due to climate change • **Water Pollution and Quality:** Increased water pollution and decreased quality due to climate change • **Wind-Related Weather - Climate Events:** Damage to Bank assets due to wind caused by climate change • **Water-related Weather-Climate Events:** Damage to the Bank's assets due to extreme precipitation caused by climate change. • **Temperature-related Weather-Climate Events:** Damage to the Bank's assets due to elevated temperatures caused by climate change. • **Structural Movement:** Damage to the assets resulting from structural movement in buildings caused by climate change. • **Regulatory and Legal Framework Changes:** The Bank's inability to adapt to new legislation and laws arising from climate change. • **Material and Product Transition:** The Bank's procurement needs may not align with the evolving product structure due to climate change. • **Energy and Water Efficiency Transition:** Failure to diversify energy and water resources in response to climate change. • **Technology and Data Systems:** Lack of access to climate change data that could impact the Bank's operations, along with challenges in data access and monitoring. • **Health:** Adverse effects on the health of Bank employees due to climate change. • **Reputation:** Deterioration of the Bank's reputation among customers and the public resulting from climate change-related events.	• **Corporate Strategy and Engagement:** The Bank enhances employee engagement, explores new market opportunities, and gains a competitive edge through technology advancements that lower costs. It also adapts and improves its business model while diversifying its operations. • **Energy Transformation:** The Bank utilizes alternative, affordable, renewable energy sources that are environmentally friendly. • **Innovation and Research and Development:** The Bank embraces new technologies to develop innovative products and services. • **Reputational Capital:** The Bank increases its brand value and recognition by raising its social relevance through environmentally responsible practices. • **Resource Efficiency:** The Bank focuses on achieving cost savings and improving efficiency in resource management.• **Sustainable Financing & Investment Options:** The Bank is capable of offering new products and services based on the funds it collects and the loans it extends. • **Third Party Management:** The Bank effectively collaborates with its suppliers to ensure operational efficiency.

Use of Scenario Analyses

As Kuveyt Türk, we utilize scenarios from the NGFS (The Network for Greening the Financial System) and RCP (Representative Concentration Pathway) to identify and assess the physical risks associated with our loan portfolio. This analysis is particularly focused on hydroelectric power plant projects and water-dependent activities in the agricultural sector, where we examine factors such as land exposure to rainfall and drought based on future projections. Evaluations are made according to the loan's location, utilizing province-based scenarios (e.g., RCP4.5 or NGFS delayed transition) and negative scenarios (e.g., RCP8.5 or NGFS Current Policies).

In various sectors, key risk parameters such as temperature, land exposure to forest fires, and humidity are identified and analyzed according to different scenarios. The resulting data is then assessed in relation to the Bank's risk appetite and risk limits. During the planning and analysis phase, regulatory impacts are also evaluated. It is well recognized that the physical risks expected to most significantly impact Türkiye in the future include drought and water stress. In this context, reference is made to a report prepared by the Ministry of Agriculture and Forestry, which evaluates the location-based risk associated with loans provided to Türkiye's most water-intensive sectors, such as textiles and food and beverages, using the Aqueduct water risk atlas.

In terms of market risks, scenarios of mild, moderate, and severe conditions are established to estimate the potential value losses of assets under each scenario.

Evaluation of Transition Risks

Transition risks are defined as changes in technology and consumer preferences driven by legal regulations such as carbon taxes, emission targets, and the shift toward a low-carbon economy. The magnitude of these risks is assessed by evaluating the sensitivity of the Bank's loan portfolio to these factors and their potential impact on financial performance.

Our loan portfolio's exposure to transition risks is categorized according to NACE codes, following the Climate Policy Relevant Sectors (CPRS) method. These codes are then aligned with variables from the Integrated Assessment Modeling (IAM) and NIGEM models. Once this mapping is complete, we will evaluate transition risks for the future projection of the loan portfolio.

[1]https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=w_awr_def_tot_cat&lat=30&lng=-80&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&threshold&timeScale=annual&year=baseline&zoom=3
[2]Battiston, Stefano and Monasterolo, Irene and van Ruijven, Bas and Krey, Volker, The NACE – CPRS – IAM mapping: A tool to support climate risk analysis of financial portfolio using NGFS scenarios. (September 19, 2022). Available at SSRN: https://ssrn.com/abstract=4223606 or http://dx.doi.org/10.2139/ssrn.4223606
[3]Detay için https://www.iamconsortium.org/scientific-working-groups/data-protocols-and-management/iamc-time-series-data-template/
[4]https://niesr.ac.uk/nigem-macroeconomic-model

In assessing all physical and transition risks, five risk categories -Low, Low-Medium, Medium, Medium-High, and High- have been established and are aligned with a scoring system ranging from 1 to 5.

Regulatory risks and those arising from legal legislation are given special attention, with full compliance targeted.

Additionally, current studies aim to identify which financial assets may face significant climate risks and to assess the material impact of these risks on the bank. After finalizing the relevant processes, we will develop methodologies for inclusion in credit loss estimation models.

Assessment of Physical Risks

As part of sustainability risks, acute risks include sudden events such as floods, storms, droughts, and forest fires, while chronic risks encompass gradual changes like rising sea levels and increasing temperatures. These events can have a direct impact on the Bank's physical assets and operations, potentially diminishing customer creditworthiness. The likelihood of physical risks is assessed based on location using scientific climate projections from internationally recognized authorities (e.g., NGFS, IPCC), which analyze historical climate events and trends. The potential financial impact on the Bank's loan portfolio, physical assets, and operations is then calculated according to these probabilities.

The assessment of sustainability-related risks that may affect the Bank's operations involves the following steps:

1. Identification of Risks: This step involves identifying risks likely to impact the Bank by reviewing the risk list in published reports and previous studies.

2. Investigation of Risks: In this phase, the identified risks are investigated, examined, and analyzed from a global, national, sectoral, and bank-specific perspective.

3. Determining Risk Preparedness (Workshops): This step includes conducting workshops with representatives from relevant departments to discuss the identified risks.

In the workshops, risks were evaluated separately for their impacts in terms of operational (financial), business continuity, legal, reputation, strategic and liability risks within the short, medium and long term.

4. Consolidation and Analysis: During this phase, the collected data is processed and analyzed.

5. Scoring of Risks and Evaluation of Residual Risks: This step involves creating ratings based on the collective opinions of relevant units.

6. Reporting: In this step, the results are prepared for presentation.

Risks are evaluated on a 5-point scale in terms of probability and impact, leading to a determination of the residual risk level.

Prioritization and Management of Risks

Sustainability-related risks are prioritized over other types of risks. Regulatory risks and those arising from legal legislation are given special attention, with full compliance targeted. Action plans are developed and implemented for risks identified as a high priority in the scoring system. Risks assessed above a reasonable level are closely monitored.

In assessing all physical and transition risks, five risk categories—Low, Low-Medium, Medium, Medium-High, and High—have been established and are aligned with a scoring system ranging from 1 to 5.



In assessing all physical and transition risks, five risk categories have been established.

We use 5 different risk categories to assess risks in terms of their nature, probability, and magnitude:

Risk Level	Description	Score
Low	Minimal impact and low probability	1
Low-Medium	Relatively low impact and probability	2
Medium	Moderate impact and probability	3
Medium-High	Significant impact and probability	4
High	High impact and probability	5

Management of Sustainability-Related Opportunities

Our Bank uses the following processes to identify, evaluate, prioritize, and monitor sustainability-related opportunities:

- **Exploring Opportunities:** · This step involves reviewing published reports to identify opportunities that are likely to affect the Bank.
- **Research on Opportunities:** Examining, analyzing, and assessing the recognition and consideration of identified opportunities at the global, national, sectoral, and institutional levels.
- **Determining Opportunity Preparedness (Workshops):** This step includes conducting workshops with representatives from relevant departments to discuss the identified opportunities. The workshops analyzed opportunities in terms of current preparedness and planned future activities in terms of long-, medium-, and short-term benefits and costs.
- **Consolidation and Analysis:** During this phase, the collected data is processed.
- **Evaluation of Opportunities:** In this step, the level of preparedness for opportunities is determined with the input of relevant departments.
- **Reporting:** The stage where the results are prepared for presentation.

SUSTAINABILITY OBJECTIVES

“Leading the way in building a sustainable world” motto reflects our commitment to structuring our sustainability journey with a long-term vision and aligning our goals accordingly.

“Leading the way in building a sustainable world” is one of the primary objectives outlined in Kuveyt Türk’s strategic plan. This statement reflects our commitment to structuring our sustainability journey with a long-term vision and aligning our goals accordingly. We strive to minimize our negative environmental impacts, fully adhere to social and sustainable policies, and increase our collaborations in sustainability. Through these sub-goals, we aim to ensure the continuity and permanence of our sustainability efforts.

Short- and Medium-Term Targets and Commitments

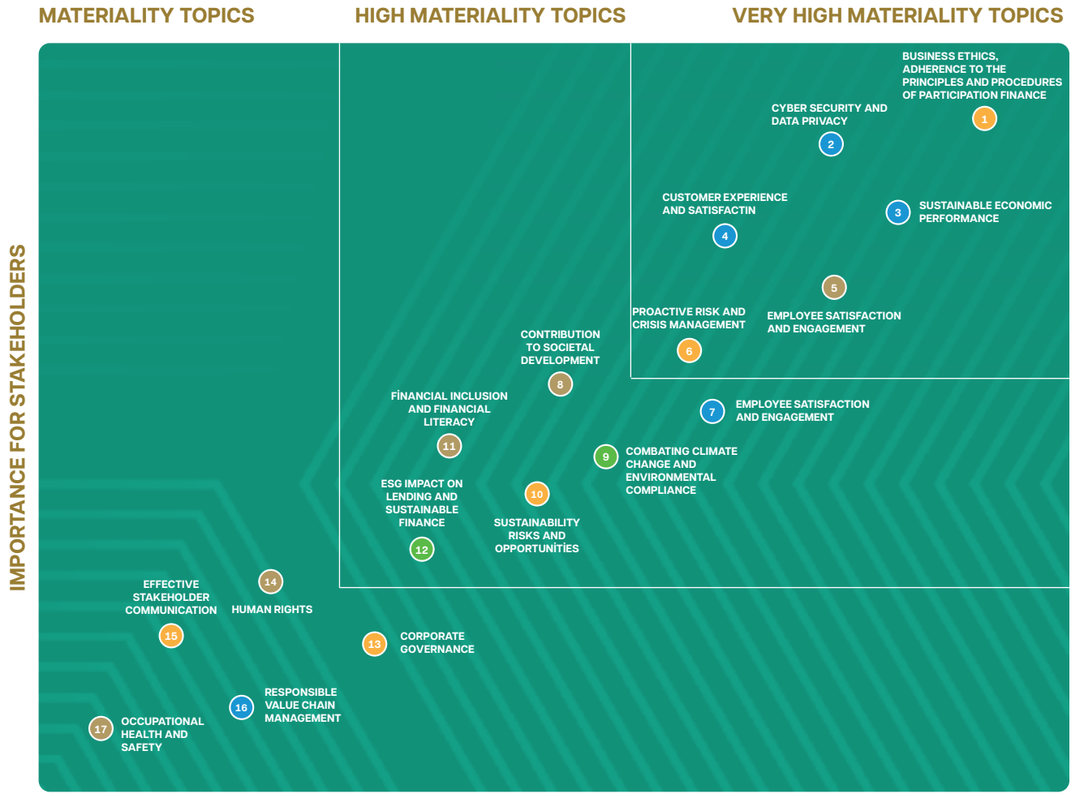
Period	Category	Target	Status of Implementation
Short-Term	**Regulations and Legislation**	Actions have been initiated by the Working Groups under the Sustainability Committee to ensure full compliance with sustainability-related regulations.	Regular meetings were held with the Working Groups under the Sustainability Committee, and relevant topics were addressed.
	Greenhouse Gas Emissions Inventory System	Planning has been carried out for the systems to be established to calculate the Bank’s environmental liabilities.	The Bank’s environmental obligations were calculated using scientific methodologies, and screen designs for banking systems were initiated.
	Support for Vulnerable Groups	Numerical targets have been set for supporting vulnerable groups.	Support for vulnerable groups continued. Projects that create environmental and social added value were carried out, reflecting our commitment to corporate social responsibility.
	Sustainability Training	Awareness-raising training on sustainability has been planned for employees, with a particular focus on the Board of Directors and Senior Management.	Training on Sustainability and Climate Risk was provided to the Bank’s Board of Directors. Additionally, training sessions were held for employees based on their needs, and activities under the Sustainability Academy continued.
	Reporting	Infrastructure work for sustainability reporting according to national and international standards has been planned, and reporting has been carried out.	The 2023 Sustainability Report, in compliance with the GRI (Global Reporting Initiative) Standards, was published.
	Emission Reduction Activities	The purchase of renewable energy certificates was planned.	Kuveyt Türk neutralized the emissions resulting from electricity consumption under Scope 2 Indirect Energy Emissions by acquiring YEK-G and I-REC certificates for the 28,397 MWh of electricity consumed.
	Renewable Energy Supply	For Scope 2 emissions from electricity consumption	A 13.7 MWp solar power plant was commissioned in Isparta, meeting 80% of the electricity needs across all our locations.
Medium-Long Term	**Sustainable Financing**	Considering credit growth targets and regulatory developments, a numerical sustainable financing growth target was set for 2026.	The work is ongoing.
	New Sustainable Products	A target was set for creating numerical sustainable products by conducting a customer needs analysis.	The work is ongoing.
	Measurement of Investment Emissions	A target was set to measure Scope 3 Category 15 investment emissions according to the GHG Protocol.	Pilot projects were conducted for selected priority sectors within the Carbon Border Adjustment Mechanism (CBAM), funded by the Bank. Work is ongoing.
	Afforestation Projects	Afforestation projects were planned within the framework of corporate responsibility to contribute to environmental restoration and social benefit.	Afforestation activities were carried out.
	Participation in Initiatives	Increasing participation in and membership of sustainability initiatives aligned with the Bank’s strategy and vision was planned.	The work is ongoing.
	CSR Ratings	The monitoring of the Bank’s sustainability performance through CSR ratings has been aimed, with the goal of inclusion in sustainability indices.	The work is ongoing.
	CDP Score	The goal is to achieve an “A” level CDP (Carbon Disclosure Project) score.	The work is ongoing.

MATERIAL TOPICS AND MATERIALITY MATRIX

We conducted a comprehensive materiality analysis to clarify our sustainability goals and strengthen our strategic foundation. In this study, we engaged our employees and managers to evaluate sustainability issues by priority and gain a better understanding of how these issues are perceived by our internal stakeholders.

During the analysis, we developed an evaluation framework with 17 sustainability topics, based on comparisons with industry competitors and our corporate priorities. We thoroughly analyzed participant feedback using survey methods and identified our material topics based on the data collected.

As a result, we categorized our sustainability issues into three groups: “very high materiality,” “high materiality,” and “materiality.” This classification serves as a crucial guide for shaping our sustainability strategy and setting our goals.



Very High Materiality Topics

1. Business Ethics, Adherence to the Principles and Procedures of Participation Finance
2. Cyber Security and Data Privacy
3. Sustainable Economic Performance
4. Customer Experience and Satisfaction
5. Employee Satisfaction and Engagement
6. Proactive Risk and Crisis Management

High Materiality Topics

7. Digital Transformation and Innovation
8. Contribution to Societal Development
9. Combating Climate Change and Environmental Compliance
10. Sustainability Risks and Opportunities
11. Financial Inclusion and Financial Literacy
12. ESG Impact on Lending and Sustainable Finance

Materiality Topics

13. Corporate Governance
14. Human Rights
15. Effective Stakeholder Communication
16. Responsible Value Chain Management
17. Occupational Health and Safety

SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

As Kuveyt Türk, we have established our sustainability strategy and identified material issues in alignment with the United Nations Sustainable Development Goals (SDGs). As part of this effort, we have mapped our material issues to the relevant SDGs.

Kuveyt Türk's 2024 Priority Sustainability Issues	SDGs
Economic	
Cyber Security and Data Privacy	
Sustainable Economic Performance	
Customer Experience and Satisfaction	
Digital Transformation and Innovation	
Responsible Value Chain Management	
Governance	
Business Ethics, Adherence to the Principles and Procedures of Participation Finance	
Proactive Risk and Crisis Management	
Sustainability Risks and Opportunities	
Corporate Governance	
Effective Stakeholder Communication	
Social	
Employee Satisfaction and Engagement	
Contribution to Societal Development	
Financial Inclusion and Financial Literacy	
Human Rights	
Occupational Health and Safety	
Environmental	
Combating Climate Change and Environmental Compliance	
ESG Impact on Lending and Sustainable Finance	

RETAIL BANKING

In alignment with Kuveyt Türk's retail banking strategy, we have achieved numerous milestones in 2024 to develop products and services that accompany our customers at every stage, from spending to saving.

Our digital financing solutions played a crucial role in addressing customers' financing needs, contributing to Kuveyt Türk's goal of boosting customer satisfaction.

6.72%
Sector Market Share

33.60%
Participation Banking Market Share

SDGs we contribute to with Retail Banking



Quality Education: Campus Banking



Reduced Inequalities: İnci PPS, Accessible Banking



Responsible Consumption and Production: All our products and services

Retail Marketing

In alignment with Kuveyt Türk's retail banking strategy, we have achieved numerous milestones in 2024 to develop products and services that accompany our customers at every stage, from spending to saving. We maintained and strengthened our pioneering position in participation banking through our robust financial performance, advanced technology, and a customer satisfaction-focused approach.

Kuveyt Türk is everywhere its customers are with its digital financing solutions!

In 2024, we placed a strong emphasis on our digital channels in Consumer Finance. Our digital financing solutions played a crucial role in addressing customers' financing needs, contributing to Kuveyt Türk's goal of boosting customer satisfaction. Notably, our Digital Vehicle Financing product, the first in Türkiye, accounted for 59% of the vehicle financing extended during the year through Kuveyt Türk Mobile. By prioritizing a seamless customer experience, we became the only bank that allows customers to apply for vehicle financing anytime and anywhere, using automobile, commercial vehicle, and motorcycle financing simply by visiting a notary public.

With our Shopping Finance product, we solidified our position as the first participation bank in Türkiye's leading e-commerce marketplaces and expanded our portfolio by adding new e-commerce giants. During this period, we established the infrastructure for the İhtiyaç Card application through our website and integrated this process with remote account opening, creating a new channel for customer acquisition.

As for insurance services, we enabled customers to take out the Travel Health Insurance from the mobile branch. In alignment with our sustainability and paperless banking goals, we developed a mobile approval system that allows customers to easily approve transactions initiated at our branches through our mobile app.

Drawing on our extensive experience in vehicle and shopping financing, we provided our customers with a unique experience in both online and physical channels. Leveraging ongoing projects and collaborations, we will remain at the disposal of our customers to meet all their needs.

We made a radical change to the Sağlam Card ecosystem by adopting a fully customer-centric approach, moving away from traditional segmentation based on card types (Platinum, Gold, Regular).

Kuveyt Türk in the world of payment systems

Türkiye's payment systems market is experiencing rapid digitalization and significant momentum due to the widespread adoption of card transactions, the strengthening of domestic payment schemes, and the introduction of innovative technologies that swiftly address customer needs. In this dynamic landscape, Kuveyt Türk distinguished itself in 2024 through customer-oriented transformations and strategic advancements in payment systems.

We made a radical change to the Sağlam Card ecosystem by adopting a fully customer-centric approach, moving away from traditional segmentation based on card types (Platinum, Gold, Regular). This shift allows for a personalized card experience that delivers unique advantages tailored to each customer. Our revamped Sağlam Card designs, along with features like QR codes and contactless payments, provide users with the ability to create virtual cards instantly, offering flexible and secure solutions to meet their daily financial needs.

Customer experience was at the forefront of all our processes throughout 2024. By enhancing our digital channels, we enabled transactions such as issuing additional cards and updating limits with just a few taps on our mobile application. Simplifying user interfaces accelerated transaction flows and provided our customers with a more enjoyable payment experience.

These advancements helped us increase our market share in card payment systems and strengthen our position in the sector. Notably, we boosted our support for the Troy payment scheme, becoming one of the leading banks backing the domestic payment infrastructure. These initiatives not only offered our customers local and national payment alternatives but also contributed to the development of the ecosystem.



In 2024, we made significant strides in the participation banking sector by separating participation pools. In this context, we introduced Fig and Olive Participation Accounts.

We continued to integrate gold kept at home into the national economy by organizing gold collection days at our branches and with contracted jewelers.

The strategic collaborations we established to cement customer satisfaction and provide a wider range of options attained rapid progress in 2024. Through agreements with leading e-commerce platforms, we enabled our users to complete their shopping quickly, easily, and securely. Our campaigns for Troy credit and debit cards also contributed to the steady growth of our market share.

In the upcoming period, the transformation of digital payments will persist at a rapid pace. As Kuveyt Türk, we are committed to investing in next-generation payment technologies, mobile solutions, and data-driven innovations. Our goal is to provide our customers with a more personalized, integrated, and superior payment experience each day. In doing so, we will enhance our country's evolving payment ecosystem while also making our customers' financial lives easier and more enjoyable.

TL Deposit Focus

In 2024, we made significant strides in the participation banking sector by separating participation pools. In this context, we introduced Fig and Olive Participation Accounts, aiming to improve the appeal of Turkish Lira participation accounts.

To assist customers seeking short-term savings, we launched our Daily Profit Participation Account product, which allows account openings for periods ranging from 2 to 29 days across all our channels.

In our gold collection efforts, we expanded our service network with a strong emphasis on customer experience. We continued to integrate gold kept at home into the national economy by organizing gold collection days at our branches and with contracted jewelers.

Campus Banking

As Türkiye's leading participation finance institution, we are committed to developing projects for young people. University students aged 18-25 can take advantage of tailored opportunities through our youth program, Kuveyt Türk Kampüs. Sağlam Kart Kampüs offers benefits with no card fee, including the ability to earn gold points, receive instant discounts on purchases, and enjoy cash back after shopping. Every support we provide to young people is an investment in the future of our country. As Kuveyt Türk, we will continue to facilitate the lives of young people by offering innovative products and services with unique approaches.

We assist our customers in achieving their sustainable transportation goals through our financing products for electric and hybrid vehicles, charging stations, bicycles, and electric bicycles.

Biz Bize Banking

Biz Bize Banking is a banking application designed to deliver a unique banking experience by providing our customers with tailored products and special advantages. Through this program, we offer competitive exchange rates for foreign currency and precious metal trading, free HGS (High-Speed Toll System) stickers, complimentary bridge tolls, advantageous car insurance, benefits in the private pension system (BES), discounts on safe deposit boxes, priority service at branches, customized investment instruments, and personalized opportunities.

Financing Support for Eco-Friendly Transportation Solutions

As Kuveyt Türk, we are devoted to sustainable development by promoting accessible, clean, and modern energy technologies. Our efforts focus on creating an energy-efficient and environmentally friendly smart city infrastructure while supporting transportation solutions that help reduce greenhouse gas emissions to combat climate change. We assist our customers in achieving their sustainable transportation goals through our financing products for electric and hybrid vehicles, charging stations, bicycles, and electric bicycles.

Eco-Friendly Transportation Vehicle Financing

Bicycle Financing: To encourage the adoption of eco-friendly transportation solutions, we launched a service named bicycle financing. Our bicycle financing service promotes environmentally friendly transportation, by making it easier for individuals and organizations to acquire bicycles.
Electric Charging Station Financing: We offer financing support for the installation of electric charging stations, enhancing the use of electric vehicles, and contributing to the development of sustainable cities.
Electric and Hybrid Vehicle Financing: We provide financing options for electric and hybrid vehicles to encourage the use of eco-friendly vehicles.
Electric Vehicle Insurance: We have created a motor insurance product tailored for electric vehicles.

Highlight Campaigns

Sağlam Card Campaigns

As part of our Golden Opportunities campaigns, customers were able to earn Golden Points for their monthly spending in selected sectors. Additionally, through our agreements with e-commerce platforms, they enjoyed the advantage of shopping in installments without any late charge.

Miles&Smiles Kuveyt Türk Credit Card Campaigns

Miles&Smiles Kuveyt Türk Credit Card holders earned Miles for every purchase. They also had the opportunity to earn extra Miles in designated sectors during weekends. Furthermore, they benefited from installment options and earned additional Miles on purchases made at contracted e-commerce websites.

Campaigns for Professional Groups and Special Occasions

We develop campaigns tailored to various professional groups to enhance the satisfaction of our existing customers and attract new ones. Additionally, we create unique and beneficial campaigns for special occasions to add value for our customers.

Dear Teachers

In recognition of teachers' hard work, we offered special card, invoice, and BES advantages during the week of November 21-30. These small but meaningful gestures were intended to express our gratitude for their efforts.

Shopping Finance Campaign

Throughout November, Kuveyt Türk Shopping Finance offered five installments of up to TL 10,000 on selected electronic products at Trendyol and Hepsiburada, with no late charge. Additionally, we provided our customers the option of up to 36 months of installments at a profit rate of 1.99% on all products from Trendyol, Hepsiburada, and Teknosa. These campaigns improved our customers' shopping experiences, and we continued to support them with our financing solutions.

To maintain the highest levels of customer satisfaction, we will proactively identify their needs using analytical models backed by artificial intelligence.

TL 8,000

New Promotion Amount for Retired Customers

As Kuveyt Türk Retail Banking, we aim to develop innovative tools that contribute to our customers' savings and spending experiences by 2025.

Pension Plan for Women: İnci PPS
Designed exclusively for our female customers, the İnci PPS product stands out in the private pension system with its unique, customer-focused services. Alongside offering assistance services as part of this product, we also celebrated its launch by presenting our customers with an elegant brooch as a special gift.

Pensioners
In our campaign package for pensioners, we increased the promotion amount to TL 8,000. Additionally, we offered pensioners the benefit of making free transactions at common-point ATMs. We also established a dedicated Pensioner Hotline to provide them with convenient access to customer representatives.

2025 Targets

As Kuveyt Türk Retail Banking, we aim to develop innovative tools that contribute to our customers' savings and spending experiences by 2025. By diversifying and expanding our Turkish lira investment products, we seek to grow our retail customer base and increase our market share in TL.

In line with customer needs and industry developments, we will continue to focus on delivering flexible, digital, and user-friendly services. We prioritize perfecting our customers' digital experience by broadening the range of digital transactions available.

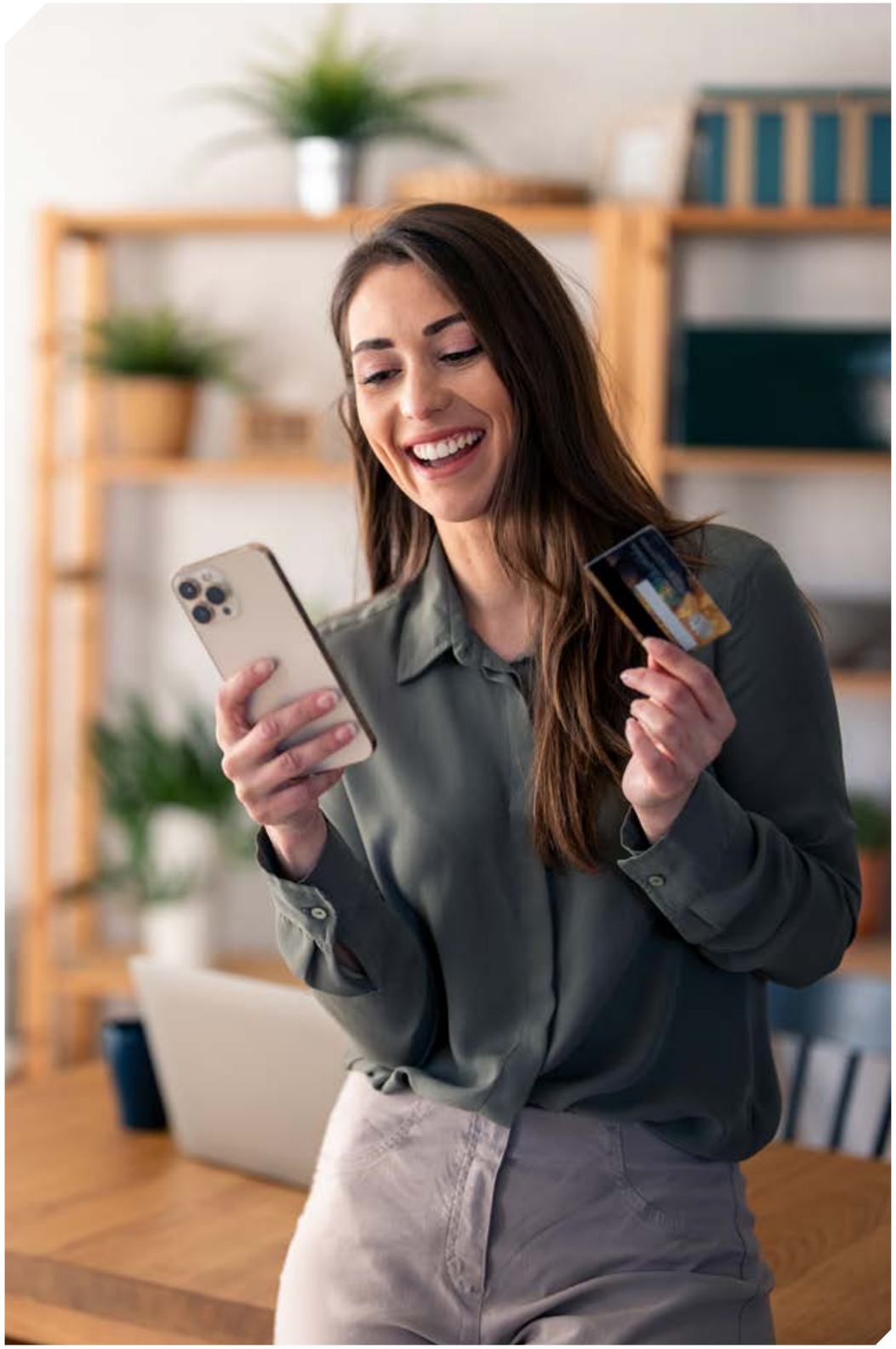
We will continue to lead innovations in the payment systems sector. To achieve this, we plan to bolster our collaboration with payment institutions, support our customers with the latest technologies, and improve their payment experience.

Our primary goals include projects aimed at increasing financial access and product diversity for women and youth, as well as expanding the representation of these groups within our customer base. We intend to introduce these individuals to Türkiye's customer-focused banking system through streamlined service processes specifically designed for our foreign clients, dedicated branches with staff fluent in foreign languages, and digital channels.

We aim to boost our individual financing support, thereby increasing our positive impact on the environment through sustainable, eco-friendly transportation financing products.

To maintain the highest levels of customer satisfaction, we will proactively identify their needs using analytical models backed by artificial intelligence. Through regular analysis and research conducted by our customer insight team, we strive to provide the most effective solutions tailored to their needs.

In 2025, our marketing automation initiatives will be a key strategic priority. Our goal is to connect with customers at the right moments in their life cycles, delivering the right solutions they need through automated systems. By doing so, we aim to build customer satisfaction and engagement through effective communication planning.



SME BANKING

Throughout 2024, we focused on delivering high-value-added services to our customers in the SME Banking business line. In this context, we introduced the Consultative Banking vision.

TL 197 billion

The Volume of Funds Collected in 2024

TL 400.2 billion

Total Size of Funds Extended in 2024

SDGs we contribute to with SME Banking

- Affordable and Clean Energy: Green Energy Finance, Rooftop SPP
- Sustainable Cities and Communities: Green Energy Finance
- Responsible Consumption and Production: Contributing to National Economy, Financing Agriculture

Kuveyt Türk is a leading private bank in SME Banking and ranks among the top banks in both public and other banks. In 2024, we made significant strides through our digitalization projects and initiatives aimed at supporting sustainable growth.

We focused on a strategy centered on digitalization and sustainability throughout the year. A key initiative was the Corporate Remote Customer Acquisition project, which allows officials from limited and joint stock companies to become our Bank's customers through a fully digital process, eliminating the need for documentation or stamps/signatures.

To improve the customer journey, we refined our processes to ensure greater ease and efficiency. We developed customized services by segmenting our offerings based on customers' size, volume, financial structure, and sectoral status. Our digital systems improved efficiency in pricing and customer management. Looking ahead, we aim to provide faster and more effective solutions to meet our customers' needs through our digitalization and sales strategies.

Throughout 2024, we focused on delivering high-value-added services to our customers in the SME Banking business line. In this context, we introduced the Consultative Banking vision, which involves analyzing company ecosystems and developing systems that foster deeper relationships with our customers.

In addition, we focused on increasing the Turkish lira deposit ratio to support the "liraization" strategy and on investment and export credits to support growth. By the end of 2024, we further advanced our position in the sector by increasing the volume of funds collected to TL 197 billion, and the size of funds extended to TL 400.2 billion.

We took a significant step to expand the digital financing channels available to our corporate customers and improve their user experience

72%

Automatic Pricing Rate

These results reflect our success in SME Banking:

- **493 thousand** total number of customers
- **TL 197 billion** deposits raised
- **TL 400.2 billion** cash extension
- **TL 19.9 billion** non-dividend income
- **TL 227.2 billion** FX credit risk
- **TL 50.5 billion** leasing risk volume

While we implemented our project pricing system with the price algorithm developed for customer-specific efficiency, 72.1% of transactions utilized the automatic pricing system. Additionally, we expanded our product offerings to include the Digital Letter of Guarantee, New Online Finance, Card, and POS and undertook comprehensive promotional activities for these products.

In 2024, within the scope of partnership projects, we collaborated on 169,409 projects across 1,318 different sectors through mudarabah (labor-capital partnership) contracts, providing a total of TL 400.2 billion in disbursements. Furthermore, we continued to offer centralized portfolio consultancy services to our commercial customers in provinces without commercial branches through our Large Business team. These projects and innovations not only strengthened our position in the sector but also enabled us to deliver more proactive and effective solutions to our customers. In 2025, we aim to sustain this momentum by further intensifying our efforts.

Product Development Activities

Mobile Online Finance

We took a significant step to expand the digital financing channels available to our corporate customers and improve their user experience. At the beginning of 2024, we launched the mobile version of our existing online finance product. With mobile financing, we provide a fast and user-friendly solution to meet our customers' needs. Our corporate customers can now access financing via their mobile devices, regardless of their location, in accordance with specified limits and conditions.

Digital General Credit Agreement

In June 2024, we launched our General Credit Agreement (GKS) service aimed at individuals and sole proprietorships on digital platforms. This initiative enables our customers to sign credit agreements more quickly and easily. They can now complete their transactions online by signing the GDS through our Bank's digital channels.

Letters of Guarantee

To increase our market share in the Letters of Guarantee product, we implemented strategic initiatives. We organized campaigns and established significant collaborations to create a comprehensive ecosystem for letters of guarantee. By partnering with third-party companies, we elevated our marketing efforts and provided 360-degree marketing opportunities.

We are committed to providing innovative services by leveraging technology and prioritizing our customers. To assist our corporate customers in tender processes, we have launched a cooperative initiative.

We have made significant efforts to personalize the pricing of cash financing products for our corporate customers.

Additionally, we offer our corporate customers data on potential tenders they can participate in, and we analyze and share details about submitted bids and their winning status.

Customer Tender Notifications

We are committed to providing innovative services by leveraging technology and prioritizing our customers. To assist our corporate customers in tender processes, we have launched a cooperative initiative. Based on the data from the Public Procurement Authority, we keep our clients informed about all relevant tenders in their respective fields. This service enables our customers to expand their business opportunities and gain a competitive edge, allowing them to access pertinent tender information without sifting through extensive lists. Additionally, our mobile and online platforms enable clients to easily identify potential tenders.

We also promptly and efficiently address our customers' letter of guarantee needs through our digital channels for those participating in tenders.

Credit Marketplaces

In 2025, we plan to expand our credit customer network by collaborating with credit marketplaces. This initiative aims to provide our customers with faster and easier access to services through digital platforms. By leveraging credit marketplaces, customers will have more opportunities to compare and evaluate credit offers that meet their needs. This approach will also strengthen our financial position by diversifying our credit portfolio.

Pricing

We have made significant efforts to personalize the pricing of cash financing products for our corporate customers. We established various segmentation criteria to determine final financing prices based on these criteria. Additionally, we implemented a systematic structure that allows prices to vary periodically according to customer personas and industry sectors.

Corporate Deposit

In 2024, the Corporate Deposit team successfully met our targets related to deposit segmentation and personalized solutions. We developed strategies aimed at increasing both deposit sizes and mutual fund usage by prioritizing customer needs.

Throughout the year, we offered five distinct mutual fund proposals tailored to specific customer segments. Our efforts led to:

- 330% increase in total relevant mutual fund volume
- 137% increase in the average deposit balance.

TL 50.5 billion
Volume of Leasing Receivables

TL 726.8 million
Surety Support

The KGM, KPA, KSR, KSV, and KCV funds were key players in these efforts. We also optimized risk management by diversifying the customer portfolio.
Through our product dissemination strategies, we achieved:

- 20% increase in the average current deposit volume among customers using related products.
- 40% growth in the number of mutual fund customers.
- 15% increase in the utilization rate of related products.

While we initially targeted a total deposit balance of TL 10 billion with products offering high profit-sharing rates, we surpassed this goal, achieving a success rate of 140%.

As a result of these efforts, we attained significant growth and improved customer engagement by providing the right solutions at the right time.

Building on our achievements in 2024, we are setting our sights on more ambitious targets for 2025. Our goals for the upcoming year include;

- Maximize the effectiveness of our solutions by furthering digital transformation and improving customer experience.
- Conduct in-depth analyses of the needs of each customer segment through our deposit segmentation studies, aiming to boost customer satisfaction with tailored products.
- Expand our market share by introducing innovative investment products.

In 2025, we will uphold the principles of "strong relationships, innovative solutions, and sustainable growth" as we work to achieve these goals and maximize our service quality and customer satisfaction.

Leasing and Subsidized Transactions

Kuveyt Türk's leasing receivables grew by 36% in 2024, reaching a total of TL 50.5 billion. During this period, we supported investments across various sectors, signing a total of 6,713 lease agreements with customers.

To sustain our support for production and investment activities, we raised the volume of financing provided under investment incentive certificates to TL 25.6 billion.

As part of our protocol with Katılım Finans Kefalet A.Ş. (KFK), we extended TL 726.8 million in financing support. We also continue to provide surety support in line with the principles of participation banking.



To finance the Solar Power Plant (SPP) investments of OIZ members and OIZ directorates in Türkiye through leasing, Kuveyt Türk and OSBÜK have partnered and signed a protocol.

TL 3.8 billion
SPP Leasing Financing Support

TL 509.8 million
Financing Support for Exporters

In line with our digitalization goals, we have revamped our leasing and subsidized transaction processes, delivering faster and more effective solutions to our customers.

We supported exporters through Eximbank's "Credit Program for Participation Banks' Financial Leasing Transactions." As the first participation bank to join this program, we provided financing of TL 509.8 million for exporters in 2024.

In 2025, we will enhance our customers' experience and continue to support entrepreneurs by developing our solutions in these areas.

Supporting Clean Energy with SPP Leasing Finance

As Kuveyt Türk, we prioritize facilitating access to clean energy sources. Through our SPP Leasing product, we provided TL 3.8 billion in financing support to the sector during this period. Our commitment to sustainable energy is evident in our contributions to the establishment of numerous solar power plants and our support in energy transformation of various sectors. In 2025, we aim to lead energy investments while maintaining our environmentally friendly approach.

Our Rooftop SPP finance allows customers to meet all or part of their electricity needs through solar energy, a renewable resource, for many years to come. In 2024, we increased access to clean energy by providing SPP financing, with rooftop SPP financing making up 10.5% of our financial leasing transaction volume. In the future, we will continue to focus on developing products for financing clean and renewable energy in line with our sustainability strategy.

SPP Lending Cooperation Protocol between Kuveyt Türk and OSBÜK

The Organized Industrial Zones Supreme Organization (OSBÜK) was established in 2000 under the "Law on Organized Industrial Zones" and has since played a pivotal role in our country's economy. In line with the needs and activities of 401 Organized Industrial Zones (OIZs) and approximately 75,000 industrialists, initiatives are taken, and solutions are developed in collaboration with institutions and organizations. To finance the Solar Power Plant (SPP) investments of OIZ members and OIZ directorates in Türkiye through leasing, Kuveyt Türk and OSBÜK have partnered and signed a protocol. Under this protocol, the advantages offered to customers utilizing financing, related cross-selling products, and key considerations were outlined. Additionally, Kuveyt Türk provides special pricing for rooftop SPP requests from OSBÜK members within the scope of this agreement.

INDUSTRY-TARGETED ACTIVITIES

As the SME Group marketing team, we developed fast and effective solutions to meet customer needs by collaborating closely with SME Sales and all stakeholders during our Agile transformation.

In 2024, we focused on delivering high-value-added services within the SME Banking business line. Aligned with our Consultative Banking vision, we implemented systems designed to strengthen relationships with our customers by analyzing company ecosystems and developing tailored solutions.

We gained valuable insights in 2024 through persona studies, which helped us understand customer needs and craft personalized value propositions. Additionally, we deepened segmentation studies for the company partners, providing them with special services through targeted campaigns and exclusive advantages. For instance, we aimed to boost customer satisfaction with offerings such as complimentary lounge access, Fast Track services, and on-site healthcare.

TL 4.9 billion
Seed Card Turnover Amount

As Kuveyt Türk, we are committed to sustainable economic development by supporting our customers engaged in agriculture and animal husbandry.

TL 2.5 billion
EWR Transaction Volume

For the first time in the banking sector, we introduced a mobile branch service that allows joint stock and limited liability companies to open accounts without the need for documentation, stamps, or signatures. Corporate customers can easily set up accounts through digital channels using their company signatories. This innovation not only saved our customers time but also contributed to sustainability, with 20% of total account openings in 2024 taking place via digital channels.

By honing our digital competencies, we created services such as Digital Allocation (Corporate Credit Card), Digital GKS, and mobile POS applications. In 2025, we plan to provide more comprehensive offerings to our customers, including e-invoice and e-archive platforms.

We established onboarding processes that deliver tailored suggestions based on customers' needs from their first interaction with our Bank, thereby improving the quality of customer communication. Additionally, we launched a mobile loyalty application for our existing customers, helping them fulfill their needs through rewards and fostering sustainable relationships.

In 2024, we ran 15 campaigns targeting our SME customers. These campaigns aimed to add value by accurately analyzing their requirements. For instance, we supported e-commerce sellers by facilitating their financial processes with a special installment campaign without late charges. We continually refined our campaigns based on feedback and market analysis.

In 2025, we will enhance our innovative and effective solutions by further analyzing customer needs.

Agricultural Banking

As Kuveyt Türk, we are committed to sustainable economic development by supporting our customers engaged in agriculture and animal husbandry. Our innovative approaches in the agricultural sector help us provide tailored solutions for farmers. Through our Agricultural Banking services, we offer a wide range of solution-oriented options, including Seed Cards, crop production financing, animal husbandry support, tractor and field financing, agricultural machinery financing, State Supported Agricultural Insurance (TARSIM) brokerage services, and Electronic Warehouse Receipt (EWR) transactions.

Recognizing the vital role of the agricultural sector in sustainable transformation, our Bank actively monitors its developments and strives to provide solution-oriented and supportive services to farmers. By the end of 2024, we had reached 48,000 agricultural sector customers, with a financing volume of TL 25 billion. This figure encompasses agricultural financing and promotes sustainable agricultural practices such as irrigation systems and solar energy solutions. The Tohum Kart (Seed Card), which facilitates payments during harvest season, achieved a turnover of TL 4.9 billion, while our EWR transaction volume reached TL 2.5 billion. This amount includes all agricultural financing and support for sustainable agricultural practices, such as irrigation systems, solar energy systems, and more.

We also cemented collaborations with leading companies, unions, and cooperatives within the sector to deliver effective financial solutions to the agricultural ecosystem. To further support our farmers' production processes, we made supply agreements with various corporate partners, providing them with targeted and solution-oriented assistance.

Prioritizing digitalization in agriculture, our Bank has initiated integration efforts with FinTechs operating within the agricultural ecosystem. We have also expanded our remote account opening service for farmers through video calls and accelerated digital allocation transactions via Kuveyt Türk Mobile. As a result, our farmers now have instant access to Seed Cards.

Supporting Sustainable Economic Development through Agricultural Banking

As sustainable agricultural technologies continue to evolve rapidly in both global and local markets, interest in sustainable agricultural practices is increasing worldwide. At Kuveyt Türk, we support companies that contribute to the sustainable agriculture sector and develop new solution-oriented and sustainable financial instruments to meet the needs of the agricultural industry.

We provide innovative financial solutions to the agricultural ecosystem by collaborating with leading companies, unions, and cooperatives in the sector. Through our Agricultural Banking services, we provide financing for farmers with "Saving Irrigation and Sprinkler Irrigation Financing," aimed at higher water efficiency. Additionally, we support sustainable economic development through "Solar Energy Finance" to promote energy savings in agriculture and other sectors, as well as "Drone Finance" to encourage technology adoption.

Recognizing the significant value the tourism sector brings to our country, we are determined to continue supporting this area in the upcoming period.

In pursuit of sustainable economic and societal development, we are expanding the scope of our efforts daily.

Tourism Banking

Kuveyt Türk provides financing options with flexible payment plans, including seasonal payments, to accommodate the periodic needs of the tourism sector. Furthermore, we offer a grace period of up to 6 months with the Business Plus Card, exclusively for our sector customers. We are dedicated to creating solutions for all stakeholders in the tourism ecosystem, including agencies, vendors, suppliers, and hotels. We have implemented a comprehensive tourism strategy project to expand market share and diversify the range of products and services offered.

Recognizing the significant value the tourism sector brings to our country, we are determined to continue supporting this area in the upcoming period.

In pursuit of sustainable economic and societal development, we are expanding the scope of our efforts daily. These initiatives, fundamental to our strategy, are being pursued at full speed, drawing inspiration from digital and sustainable resources.

Payment Systems Activities

POS Marketing

The POS Marketing Unit manages not only physical and virtual POS products but also oversees the ownership of innovative payment methods.

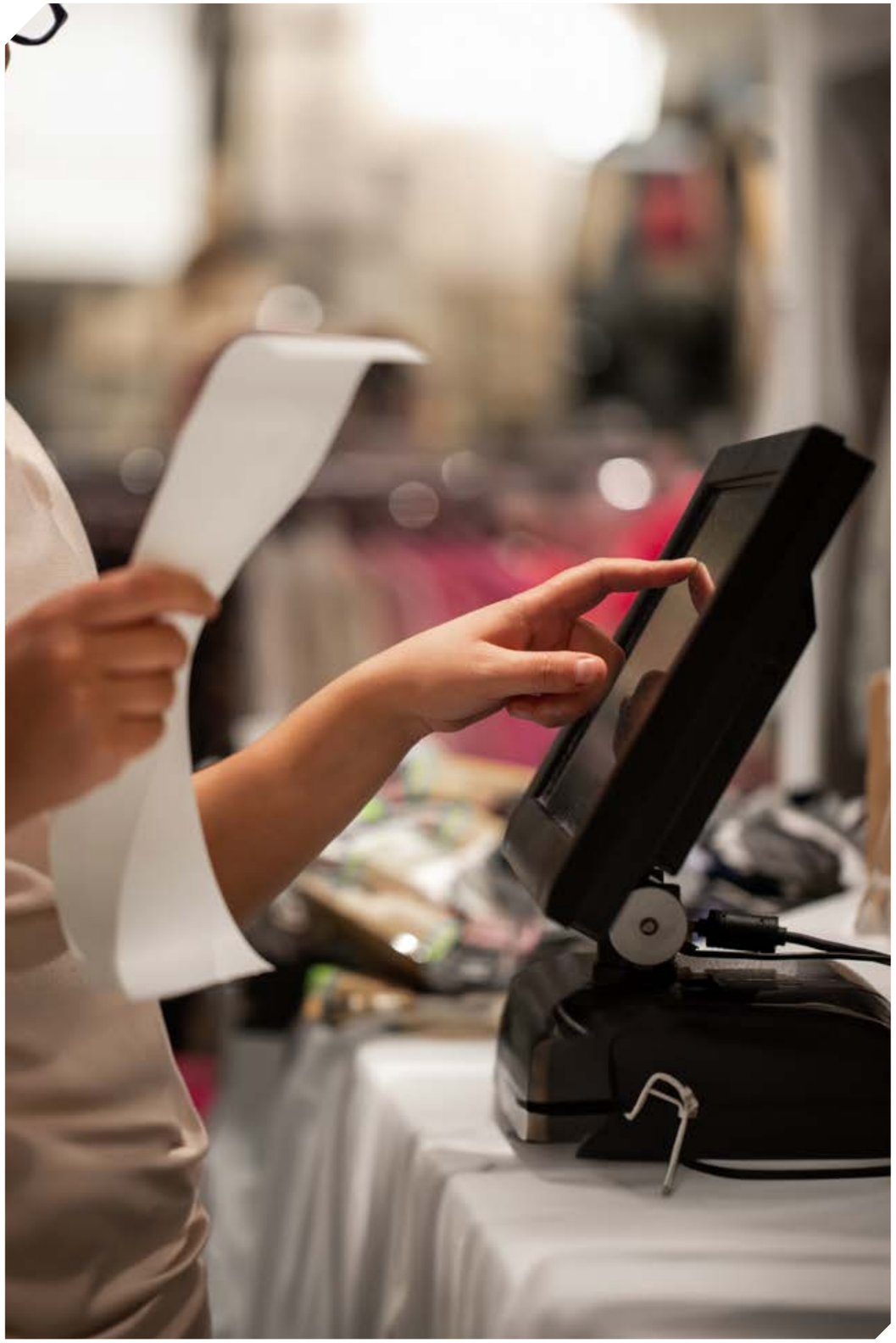
In 2024, as integration activities progressed with new POS models, the number of POS devices supporting contactless payments increased. Collaborations with FinTech companies led to the successful completion of QR payment and TR QR code integration projects.

Kuveyt Türk's Sağlam Card brand was extended to contracted member merchants, allowing them to offer installment options through POS devices. The number of member merchants, particularly among e-commerce websites and payment institutions, grew. Joint campaigns were launched with corporate cards to address the needs of these merchants. In this context:

- The Miles&Smiles Business Card provided additional miles for purchases made at member merchants.
- Business Plus Cardholders received extra discounts on purchases made through Kuveyt Türk POS devices.
- Users of corporate credit cards benefited from a membership fee discount on their monthly expenditures.

Virtual POS Upgrades

In 2024, we made significant upgrades to **Virtual POS UX,** focusing on areas such as menu views, installment options, user and card information, and end-of-day order tracking. We also began supporting innovative payment methods through collaborations with payment institutions and FinTech companies. Additionally, we expanded our installment integration network by adding a 2-12 month term Agricultural POS feature to our Virtual POS product.



To grow our member merchant network, we prioritize supporting our customer base, which is largely comprised of SMEs, while also strengthening partnerships with large corporations.

We have also initiated an NFC payment project to provide our customers with diverse payment experiences. Once the integration is complete, customers will be able to shop without needing their physical cards.

CebimPOS

Since 2019, we have been providing CebimPOS service to our customers via the Kuveyt Türk Mobile application. This fast, practical, and free solution transforms any smartphone into a POS device, offering great convenience, particularly in sectors that heavily rely on cash payments. In 2024, we developed e-invoice integrations and introduced our digital application service with an NFC feature for our customers. CebimPOS users can take advantage of:

- Installment options for Kuveyt Türk cards
- Deferred sales with the Seed Card
- Installment sales on credit cards issued by other domestic banks.

We also introduced end-to-end contactless payment support for our Android POS devices. Our commitment to developing CebimPOS continues, enabling our customers to manage all POS products on a single platform.

Member Merchant Brand Management

To grow our member merchant network, we prioritize supporting our customer base, which is largely comprised of SMEs, while also strengthening partnerships with large corporations. In line with our objective to broaden the installment network of Sağlam Card, we manage our portfolio from the Head Office. Our Member Merchant Brand Management Service oversees campaign and collaboration processes tailored to our member merchants.

Corporate Card Marketing

The Corporate Card Marketing Unit primarily focuses on extending and developing specialized credit card products for our corporate customers. These products enable our customers to meet their financing needs and establish payment plans aligned with their cash flows.

The corporate card products offered by our unit include:

- Miles&Smiles Business
- Sağlam Business Card
- Sağlam Business Finance
- Sağlam Seed Card
- Dijital Sağlam Dealer Card
- Tourism Card
- Sağlam Business Cash

The Tourism Card is specifically designed for customers who wish to create seasonal payment plans. This card allows off-season expenses to be deferred until the beginning of the season with a late charge, with payments spread over the season based on the determined number of installments.

We have also initiated an NFC payment project to provide our customers with diverse payment experiences. Once the integration is complete, customers will be able to shop without needing their physical cards. Additionally, we plan to consolidate the miles earned by Miles&Smiles Business card users under a single TK number, allowing miles accrued from spending on additional cards to be collected under the company owner's TK number.



We aim to reduce plastic card usage and minimize waste by promoting digital card adoption.

With the Sağlam Business Cash Card, offered to our corporate customers, we aim to enhance our presence in the debit card market and encourage companies to choose us as their deposit bank. We have also developed the Sağlam Business Cash Virtual Card for secure online shopping.

In 2024, we revamped the designs of our Sağlam Business Financing Card and other corporate cards. The Seed Card, which supports farming, agriculture, and animal husbandry activities, has been updated and rebranded as the Sağlam Seed Card. The popular Business Plus Card, which allows for installment payments, has also been redesigned and is now known as the Sağlam Business Card. Additionally, the Sağlam Dealer Card, intended for customers in a main dealer-sub-dealer relationship, is now available in digital form as the Digital Sağlam Dealer Card. This transition aims to reduce plastic card usage and minimize waste by promoting digital card adoption.

In 2024, we introduced corporate credit card applications on the Kuveyt Türk website. Similar to our mobile branch applications, we employ a digital allocation model for web applications. By analyzing the basic information of applicants, we conduct a limit assessment without requiring financial data. Customers whose limits are approved will have the opportunity to open an account via video call. In the future, we plan to expand this model to include legal entities that are not currently our customers.

As part of the Digital Slip project, we developed a digital document generation and storage system for credit and debit card transactions, aiming to reduce paper consumption in POS devices. This innovative practice provides our customers with an environmentally friendly solution.

In 2024, we launched campaigns such as Extra Miles, TL Discount, Rate Discount, and Golden Points to address our customers' needs. These initiatives successfully increased card sales and reactivated our passive customers. We are also in the process of developing a campaign module that will enable us to create a wider variety of campaign scenarios once completed.

CORPORATE AND COMMERCIAL BANKING

In the banking sector, we improve our products, services, and consultancy offerings through innovative strategies, including open banking solutions, artificial intelligence applications, and partnerships with FinTechs.

By the end of 2024, we have served our customers through a total of 3 corporate branches, 28 commercial branches, and 13 hybrid branches.

SDGs we contribute to with Corporate and Commercial Banking

- Affordable and Clean Energy: Green Energy Finance, Roof SPP
- Sustainable Cities and Communities: Green Energy Finance
- Responsible Consumption and Production: Contributing to National Economy, Agricultural Finance

As Kuveyt Türk Corporate and Commercial Banking, we continued to strengthen our customer-centric relational marketing management strategies in 2024. Our goal was to evaluate our customers in the commercial and corporate segments using an ecosystem approach, allowing us to better understand their financial and non-financial needs. With this insight, we offer tailored solutions and strive to refine their experience through our consultative banking role. While deepening relationships with our existing customers, we also focused on optimizing our new customer acquisition processes to reduce costs.

In the banking sector, we improve our products, services, and consultancy offerings through innovative strategies, including open banking solutions, artificial intelligence applications, and partnerships with FinTechs. This approach allows us to deliver prompt and convenient solutions to our customers. These communication strategies provide us with a competitive advantage and remain key strengths in our commercial and corporate segments.

New Branch Structuring

We have established new segmentation rules to better focus on a broader customer base within the corporate and commercial segments. In this context, we have continued to expand our commercial branch model, first introduced in 2021, based on analyses of our existing branches and evaluations from senior management. By the end of 2024, we have served our customers through a total of 3 corporate branches, 28 commercial branches, and 13 hybrid branches.

This restructuring has allowed our customer-facing teams to concentrate on their roles, fostering a supportive environment for specialization. We have updated the designs of our branches to align with our brand's strategic goals, strengthening Kuveyt Türk's image in the eyes of our customers.

Additionally, to provide more effective support to our branches, we have established a dedicated consulting staff within our Foreign Trade and Insurance teams. This initiative enables us to offer more tailored solutions to our customers and improve our operational efficiency.

Target Customers and Value Proposition

We recognize that offering the most comprehensive and competitive value proposition for all customers across every field is not always possible. Such a one-size-fits-all approach may hinder our ability to fully meet customer needs and deepen our relationships with them. To address this, we have categorized our commercial and corporate customers into persona groups based on their shared characteristics and requirements. From these groups, we have identified priority customer segments for the Bank. We regularly monitor these target groups and review our strategies annually, updating parameters to align with their needs.

As for cash management, we undertook comprehensive research to strengthen our market position and achieve our goal of becoming our customers' primary bank.

To gain a deeper understanding of the needs of our prioritized groups and to develop tailored solutions, we conducted detailed interviews with representatives from the Head Office, branches, and customers for each group. The insights from these interviews were combined with data analysis to create customer-focused value propositions.

Training

We assess our commercial customers not only as company accounts but also along with their representatives who conduct banking transactions on their behalf. Our portfolio representatives play a crucial role in effectively conveying our banking solutions and the value propositions we develop to our customers. Strong and effective communication is essential for accurately understanding customer needs.

With this in mind, we have developed specialized training programs aimed at improving the communication skills and product and service knowledge of our portfolio representatives, in line with our new field structure. These tailored programs are designed to equip our representatives with the expertise needed to meet our customers' expectations effectively.

Value Chain (Ecosystem) Strategy

In 2024, one of our key initiatives was the Value Chain Strategy. We laid the groundwork for an ecosystem that spans from corporate and commercial segments to retail customers. Within this framework, we crafted value propositions tailored to different customer segments and implemented processes designed to improve both customer experience and profitability. In 2024, we completed the infrastructure development and launched pilot implementations. We aim to roll out this strategy on a larger scale by 2025.

Cash Management

As for cash management, we undertook comprehensive research to strengthen our market position and achieve our goal of becoming our customers' primary bank. We thoroughly assessed our organizational structure, product and service portfolio, and potential collaborations with FinTech companies. We engaged in experience-oriented studies with specific customers regarding DDS, TFS, OTS Cheque, and Salary products. Additionally, we analyzed our processes, eliminated inefficiencies, and established a more effective structure.



Our platform banking efforts aim to ensure that all established integrations and collaborations, along with the products and services we offer, are accessible to our customers within a single digital environment.

We prioritize listening to our customers, thoroughly understanding their needs, and taking the necessary actions to address them.

We assessed the digitalization level of our products, particularly focusing on our customers' core offerings, and identified areas for improvement. As a result, we empowered our branch sales teams to conduct numerous sales and marketing transactions through digital channels.

As Kuveyt Türk, we continuously innovate our products—including Leasing, Leasing with Contribution Share, DDS, DDS with Contribution Share, and Supplier Financing—to meet our customers' evolving needs. Additionally, we distinguish ourselves in the sector by forging new partnerships with main dealers and signing dealer agreements tailored for companies in the commercial segment.

Our Digital Transformation Efforts

We implemented various initiatives to improve the digital banking processes for our corporate and commercial customers, aiming to provide superior service through our digital channels. We revamped the designs of our mobile and internet branches, adjusting roles and authorization functions to align with customer requirements. Furthermore, we updated our website, refining content and application screens specifically for our corporate and commercial customers. We also ensured the sustainability of our Online Finance and Online Letter of Guarantee platforms for our customers.

To improve our customer service, we successfully developed a mobile application this year that our branch personnel can use while engaging with customers in the field. This application enables us to complete sales and marketing processes from start to finish. Additionally, our portfolio managers can monitor their activities using this tool.

In the realm of open banking applications, we have crafted processes and strategies that create value for our customers, responding to their requirements and collaborating with relevant business units. Through API integrations, we continue to provide digital solutions for account transactions and money transfers.

Foreign Trade Strategy

Our vision is to become the preferred banking partner in foreign trade. To achieve this, we prioritize listening to our customers, thoroughly understanding their needs, and taking the necessary actions to address them.

To enhance customer experience and support our digital transformation, we have established agile teams that comprise experts from various business units. These teams focus on developing innovative solutions for specific foreign trade products. As a result of these initiatives, we have enabled online applications to import letters of credit through our internet branch—a first in the sector. We have also introduced the ability to view SWIFT messages through digital channels.

We aim to optimize the experience for our branch employees by addressing all their needs related to sales and marketing initiatives.

At our "Kuveyt Türk Meets with Exporters" event, we collaborated with Alibaba, a leading brand in the sector, to highlight the importance of digital trade and the opportunities presented by e-export.

As a pioneering step in the sector, our customers can now initiate export cash against document transactions through digital channels. These advancements in our digital transformation process have significantly improved the speed and efficiency of foreign trade transactions.

Launched in 2024, the foreign market fund extension project was implemented as part of our vision for digitalization. Through this project, we aim to move the financing services we offer to our foreign trade customers to digital channels, thereby increasing the accessibility of our services and streamlining transactions.

To support Türkiye's e-export targets, we organize various events with our foreign trade customers and other stakeholders in the sector, and we actively participate in the events of various institutions and organizations. At our "Kuveyt Türk Meets with Exporters" event, we collaborated with Alibaba, a leading brand in the sector, to highlight the importance of digital trade and the opportunities presented by e-export. These meetings provide our customers with insights into current trade trends and the benefits of digital transformation.

Additionally, to facilitate exporters' access to financing, we successfully launched our letter of guarantee product for Turk Eximbank's Murabaha product and expanded our export financing offerings to include service exports.

As for international trade, one of our key strategies for 2025 is to establish an e-export ecosystem and develop sustainable foreign trade products.

Our Goals for 2025

As Kuveyt Türk, we will stick to our customer-centered service model that keeps communication at the forefront under our Corporate and Commercial Banking structure. By adopting an Ecosystem Banking perspective, we will engage with our customers holistically rather than individually. To achieve this, we will establish working groups from various departments to develop a planning and sales strategy focused on the company ecosystem, enabling us to deliver comprehensive solutions to our target customers.

We will implement system improvements to create customer ecosystem maps, assess ecosystem values, segment ecosystems, and integrate the ecosystem approach within our Bank. To strengthen our relationships with corporate customers and enter into their commercial ecosystem, we will devise new strategies, explore partnerships with third parties, and design digital platforms that facilitate ecosystem creation. We aim to optimize the experience for our branch employees by addressing all their needs related to sales and marketing initiatives.

To develop services and products that meet our customers' needs, we maintain ongoing discussions with FinTechs and other business partners. We will continue integrating and collaborating to enhance our Bank's service quality and value-generation capabilities. Our platform banking efforts aim to ensure that all established integrations and collaborations, along with the products and services we offer, are accessible to our customers within a single digital environment.

To contribute to the growth of international trade volume, we became the first participation bank to join FCI, a global supply chain finance umbrella organization. Through this membership, we introduced our International Supplier Finance product for exporters. This product offers guarantees, receivables and collection management, and financing services by allowing them to assign their foreign term receivables arising from the sales of goods and services. With the expansion of this product, we aim to empower our customers, particularly those exporting goods, to enter new markets with greater confidence and access financing more easily.

TREASURY AND INTERNATIONAL BANKING

As we entered 2024, one of our primary goals was to broaden our liquidity management channels and boost resource diversity. We undertook significant initiatives to increase our engagement with all market participants.

As Kuveyt Türk, we aimed to create new domestic and international financing sources while diversifying the investment instruments utilized in managing these sources.

Assets and Liabilities Management Department

As the Asset-Liability Management Department, we adopted a proactive approach to treasury management at Kuveyt Türk, enabling us to respond swiftly and effectively to market fluctuations. We continuously monitored economic conditions, managing liquidity, market, and credit risks accordingly. By optimizing various financing sources, we met our liquidity needs and pursued new investment opportunities through local and international collaborations. Additionally, we aimed to enhance our efficiency by accelerating our digital transformation processes. These efforts significantly contributed to our sustainable growth and profitability targets.

The monetary policy decisions made by the CBRT throughout 2024 profoundly impacted our borrowing strategies and overall treasury management. These changes reshaped our liquidity management and cost calculations. We aligned our liquidity management strategy accordingly in response to the CBRT's reserve requirement regulations and adjustments in credit growth targets. To develop effective risk mitigation strategies, we adopted a data-driven analytical approach in our decision-making and management processes, ensuring automation through the digitalization of our operations.

As we entered 2024, one of our primary goals was to broaden our liquidity management channels and boost resource diversity. We undertook significant initiatives to increase our engagement with all market participants.

Diversification of Financing Sources and Investment Instruments: As Kuveyt Türk, we aimed to create new domestic and international financing sources while diversifying the investment instruments utilized in managing these sources.

Data-Driven Analytical Approach and Digital Transformation: We sought to expedite our transactions and improve efficiency by continuing the digitalization and automation of our treasury processes. We are committed to developing data-driven analytical approaches and transitioning to faster, more effective decision-making processes to adapt to changing market conditions.

Under the Dynamic Asset-Liability Management Strategic Project, we aimed to fine-tune our liquidity and balance sheet management models in collaboration with other participants.

The tight monetary stance and macroprudential framework established by the CBRT in the last quarter of 2023 and carried into 2024 resulted in increased funding costs. This situation posed a critical agenda item for the banking sector and highlighted the importance of managing our funding costs in a balanced and sustainable manner. Despite these challenging market conditions, the Asset-Liability Management Department focused on four key pillar strategies:

- **Efficiency:** We efficiently allocated our sources in both domestic and international markets in line with our requirements.
- **Interaction:** We strengthened our interaction with the Central Bank and other market participants on a sustainable, win-win basis.
- **Management:** · We optimized the cost-benefit ratio in resource and asset management through the execution of both short- and long-term transactions.
- **Opportunity:** · We analyzed market developments and took proactive actions, prioritizing the cost-benefit balance in our decision-making process.

We made significant strides toward increasing the diversity of our liquidity management tools. By effectively utilizing instruments such as money markets and fund transfer pricing, we maintained our position as the most active player in the BAP-Committed Transactions market and engaged actively in other organized domestic markets.

Management Strategic Project, we aimed to fine-tune our liquidity and balance sheet management models in collaboration with other participants. We continued to ensure that each component of these models was functional, and in this process, we developed and implemented a new methodology for Fund Transfer Pricing (FTP).

Throughout our digital transformation journey, we focused on expediting transactions and boosting efficiency by digitalizing and automating our Asset-Liability Management processes. We also strengthened our data-driven analytical approach to respond to changing market conditions, and we remain committed to this focus in the coming years.

Treasury Marketing Department

The Treasury Marketing Department, which aims to expand the customer base in Participation Banking and particularly for Kuveyt Türk, continued to add value to the lives of all stakeholders in 2024 as it has in previous years. By offering continuously improving digital experiences to all individual and corporate clients with savings and investments, and to all employees with business connections to Treasury products within Kuveyt Türk Finance Group, the Department worked towards achieving the institution's Treasury goals using data analytics, data science, artificial intelligence, and digital marketing opportunities.



By moving 97% of our treasury transactions to digital channels, we continued to invest in innovative services with new features that elevate the customer experience. True to our customer-centric approach, we spearheaded over 300 IT-driven initiatives.

In 2024, we intensified our focus on data analytics, data science, and artificial intelligence. By utilizing data to support our decision-making processes, we produced two graduates from the Data Analyst Training Program within Kuveyt Türk Academy.

Maintaining close interaction with other marketing group Departments, sales Departments, and subsidiaries, the Department engaged in smart activities in line with the institution's strategic objectives and successfully completed the year with activities supporting the achievement of financial targets and successful results. The Treasury Marketing Department, which has expanded its customer base over the years, succeeded in increasing its capital market customer base by 25% in 2024.

The Department ensured that 97% of Treasury product transactions were carried out through digital channels and continued to invest in new feature-rich services aimed at improving the experience. Focusing on customer experience, the Department led as a key stakeholder in over 300 information technology processes. These projects focused on improving experiences related to Treasury products across Head Office units, branches, and all digital channels.

In recent years, the Treasury Marketing Department has developed a dashboard interface for the TradePlus product's stock module, allowing customers to view all their investments and related products on a single page, after introducing stock screening, stock ratio trends, and stock comparison services. The TradePlus mobile application software, which offers a customer-friendly experience matured and differentiated with years of knowledge and expertise under the ownership of the Treasury Marketing Department, has been leased to Kuveyt Türk Investment Securities Inc. (KT YMD), a brokerage firm whose establishment was ideated by the Department, starting from 2024 (with the SaaS model). The Department played significant roles in determining KT YMD's strategy, identifying digital customer journeys, working on IT infrastructure, and bringing the brokerage firm to an operational level.

The Department added the stock module to Web TradePlus and integrated other renewed screens from mobile TradePlus (such as enhanced investment fund and sukuk modules, news, video news, daily bulletins, infographics, money transfer between accounts, and suitability test screens) into Web TradePlus. Additionally, a virtual portfolio creation feature (yield calculation) was added to both Mobile TradePlus and Web TradePlus products, allowing users to analyze the historical performance of investment tools.

Managing customer demands for Treasury products through its Treasury Business Development services, the Treasury Marketing Department evaluated customer communications as opportunities to improve experiences, managing 140 Information Technology requests and completing around 55 of them. Reflecting Kuveyt Türk's innovative culture, the Department provided idea maturation support for Treasury-related projects in idea competitions organized by the Digital Transformation and Innovation Department and initiated project records to implement awarded Treasury ideas, triggering relevant processes and undertaking the projects.

In 2024, the Treasury Marketing Department continued to base decision points on data by increasing its focus on data analytics, data science, and artificial intelligence studies. The Department graduated 2 new analysts from the Data Analyst Training Program under Kuveyt Türk Academy and planned training to graduate from Marketing Analytics and Data Scientist Development Programs. Last year, representing the Treasury and International Banking sector, the Department ranked second in the institution with 13 analytical projects in the Kuveyt Türk Analytical Product Inventory ranking. In 2024, it added 4 new projects to its inventory. The second version of its flagship analytical project, the



Going beyond traditional marketing methods, we utilized the latest technologies provided by digital marketing to re-channel interest in our capital market products toward our digital channels.

Treasury Value and Behavior Segmentation Project, was launched. Additionally, by incorporating new technologies into its data science activities, the Department added depth to its studies and continued to present its analytical projects to all analytical consumers within the institution through automation. Furthermore, by utilizing generative artificial intelligence technologies, such as large language models, for business purposes, the Department significantly increased efficiency, exemplifying the symbiotic coexistence of business professionals and artificial intelligence.

Organizing analytical campaigns for dozens of different personas, the Department carried out CRM activities targeting potential customers, lost customers, and customers needing retention, effectively utilizing the latest technologies in digital marketing in addition to traditional marketing, and successfully directing significant digital traffic related to capital market products to the Kuveyt Türk website. By supporting the digital marketing competencies of its employees, who are well-versed in the specific terminology and language of Treasury products, with diploma programs from international institutes in previous years, the Department elevated competency levels to advanced stages and successfully converted these competencies into financial results.

In 2024, the Treasury Marketing Department continued to implement many successful practices that set examples for modern marketing with its data analytics, data science, and digital marketing capabilities, while interacting with its stakeholder ecosystem. Thus, in today's market, where competition is rapidly increasing, customer loyalty is fluctuating, and regulations are variable, the Department continued to add value to customers' lives wherever they are, with data-driven marketing activities and differentiated service quality, centering on the ever-evolving digital customer experience.

Foreign Exchange and Precious Metals Department

The Foreign Exchange and Precious Metals Department governs the Bank's trading activities. With a vision to lead the banking sector, the Department operates across various trading areas, primarily focusing on Sukuk trading, physical precious metals trading, and algorithmic FX trading.

As of 2024, we are successfully implementing projects in areas such as rule-based transactions, arbitrage opportunities, and risk management by incorporating artificial intelligence and machine learning technologies into our algorithmic trading systems.



In 2024, the Correspondent Relations Unit engaged in business management and development activities with 105 countries and 892 financial institutions.

The Department is dedicated to optimizing the sukuk market by serving as the sole market maker for both Turkish lira and foreign currency-denominated sukuk issued by the Ministry of Treasury. In this role, the Bank not only provides liquidity to national and international markets but also supports infrastructure initiatives that enable customers to conduct transactions easily through digital channels, thereby promoting the sukuk product. Additionally, the Department invests in private sector TL-denominated lease certificates and acquires international foreign currency-denominated sukuk based on customer requests, making these offerings available to our customers.

Kuveyt Türk plays a vital role as a market maker in the BIST Precious Metals and Precious Stones Market, significantly contributing to the physical precious metals trade both locally and internationally. Our participation in the London Bullion Market Association (LBMA) summits helps us expand our correspondent network and maximize our existing business potential. By leveraging our extensive counterparty network, financial strength, and algorithmic trading expertise, we operate effectively in national and international over-the-counter markets.

Since 2016, Kuveyt Türk has been a leader in algorithmic trading, continuously strengthening its activities each year. As of 2024, we are successfully implementing projects in areas such as rule-based transactions, arbitrage opportunities, and risk management by incorporating artificial intelligence and machine learning technologies into our algorithmic trading systems. Our use of algorithmic trading strategies, high-speed trading capabilities, and optimized decision-making processes increases our market effectiveness. Looking ahead to 2025, we plan to expand our algorithmic trading operations backed by artificial intelligence, improve our infrastructure, and develop new strategies.

Through these initiatives, Kuveyt Türk aims to raise operational efficiency and strengthen its competitiveness in both national and international markets.

Financial Institutions

Our Financial Institutions Department aims to enhance the efficiency of Kuveyt Türk's correspondent network, diversify our products and services, and support the Bank's Treasury, Foreign Trade, and Transfer transactions by further developing existing relationships. This department contributes to the sustainability of our operations via resourcing in accordance with the principles of participation banking.

Looking ahead to 2025, product development and diversification geared towards heightened effectiveness of the Bank in new markets will remain among priority goals.

In 2024, the Correspondent Relations Unit engaged in business management and development activities with 105 countries and 892 financial institutions. By fostering strong and close relationships with our correspondents, we continue to deliver swift and effective solutions to our customers in terms of foreign trade and payments. The Unit developed strategies that prioritize customer satisfaction in both domestic and international payments. Moreover, it represented Kuveyt Türk in over 250 meetings at SIBOS and other international organizations, including EUROMONEY and the FCI (Factors Chain International) Annual Meeting.

In 2021, as the first participation financial institution to join FCI, we expanded our portfolio in 2024 by adding new factoring organizations from North America and Asia. We remain committed to providing high-quality service to exporters through our international supply chain product.

The Investment Banking Unit works to raise funds with effective maturities and rates from domestic and overseas markets for the Bank's balance sheet in line with Kuveyt Türk's liquidity requirements. In this context, the Unit undertook the following efforts:

- The Commercial Paper Program was established with a ceiling limit of $500 million for issuing foreign currency-denominated sukuk in foreign markets. The first issuance lower than the ceiling limit of USD 500 million under this program totaled USD 30 million. The program is intended to attract foreign asset management funds to Kuveyt Türk.
- In 2024, 32 sukuk issues were completed in the domestic market, generating a total volume of TL 11.6 billion. By the end of the year, the balance of sukuk in circulation reached TL 8.3 billion.

Looking ahead to 2025, product development and diversification geared towards heightened effectiveness of the Bank in new markets will remain among priority goals. Additionally, we will continue to increase the share of robotic processes and digital platforms in our daily operations and focus on sustainability-themed sourcing and lending activities.

Global Sustainable Tier 2 Subordinated Sukuk Issuance

In 2021, our Bank achieved a significant milestone by conducting the world's first "Global Sustainable Tier 2 Subordinated Sukuk Issuance." This issuance of USD 350 million attracted approximately 12 times of a demand. By allocating the net proceeds from our sustainable sukuk issuance to finance or refinance green and social projects, we actively support sustainable development. Furthermore, we published the Sustainable Finance Allocation and Impact Report for 2022 and 2023 after receiving second and third-party opinions, allowing us to share the impact of our sustainable sukuk issuance with our stakeholders.

CREDITS

In 2024, the Kuveyt Türk Credits Group evaluated and finalized over 250,000 credit offers for more than 150,000 individual customers and more than 140,000 credit offers for 86,000 legal entities, all supported by our experienced staff.

In 2024, we continued to advance our technological system infrastructure through strategic digital transformation projects focused on the Bank's credit processes.

As the Kuveyt Türk Credits Group, our goal is to achieve sustainable asset quality by fostering stable and high-quality risk growth, supported by systems designed to provide an exceptional user experience for both the Bank's internal stakeholders and customers. The strategic initiatives that have shaped our Group's organizational structure, business model, and future projections are designed to contribute significantly to Kuveyt Türk's corporate goals. In this regard, we set ourselves apart in the sector with our expert staff, who combine our experience, business knowledge, and the digital perspective necessary for the modern age and we sharpen our competitive edge, contributing to the Bank's strategic roadmap through the outputs we generate.

We manage our credit allocation processes through one Regional Credit Group Directorate and 22 Credit Directorates. Among these, 15 operate under the Regional Credits Group Directorate, while the remaining 7 report directly to the Assistant General Manager of Credits. The organizational structure of our Regional Credits Group Directorate includes Regional Credit Allocation teams situated in 15 different locations.

In 2024, we continued to advance our technological system infrastructure through strategic digital transformation projects focused on the Bank's credit processes.

Customer- and Risk-Oriented Credit Processes

In 2024, the Kuveyt Türk Credits Group evaluated and finalized over 250,000 credit offers for more than 150,000 individual customers and more than 140,000 credit offers for 86,000 legal entities, all supported by our experienced staff. During the same year, the Financial Analysis and Intelligence Department completed 1,800 financial analysis reports. When necessary, we conducted on-site customer visits or online interviews to cover more details in reports and improve their quality.

We also prepared sectoral financial analysis reports for 15 different business lines that are crucial to the Bank's credit portfolio. These studies were a collaborative effort between the Financial Analysis and Intelligence Department and the Credit Policies and Decision Support Systems Department.

To adapt to global digital transformation trends, macroeconomic conditions, and market dynamics, as well as to manage our credit portfolio in a healthy manner, we regularly reviewed our credit strategies, policies, implementation principles, and decision support systems in 2024. We made updates as needed, resulting in improved efficiency and quality in our credit processes, which allowed us to manage our customer portfolio in compliance with the legal framework.

Our performance in 2024 enabled us to maintain the Bank's non-performing credits ratio below the industry average, thanks to our integrated systems that deliver quick results and our strong focus on asset quality. Additionally, we contributed to the Bank's strategic goals by maximizing customer satisfaction throughout the credit processes.

In 2024, we financed hydroelectric, biomass, wind, and solar power plants, with a particular emphasis on rooftop solar power projects.

Renewable Energy Finance for a Sustainable World

The importance of renewable energy resources cannot be overstated enough for ensuring future generations have access to clean resources, reducing greenhouse gas emissions that contribute to climate change and global warming, protecting public health, and supporting sustainable economic development. As Kuveyt Türk, by prioritizing renewable energy financing, we are moving forward with the goal of building a sustainable world, which we emphasize in our sustainability strategy.

In 2024, we financed hydroelectric, biomass, wind, and solar power plants, with a particular emphasis on rooftop solar power projects. Our commitment to renewable energy investments remains strong, as evidenced by the 35% share of total project financing attributed to renewable energy projects.

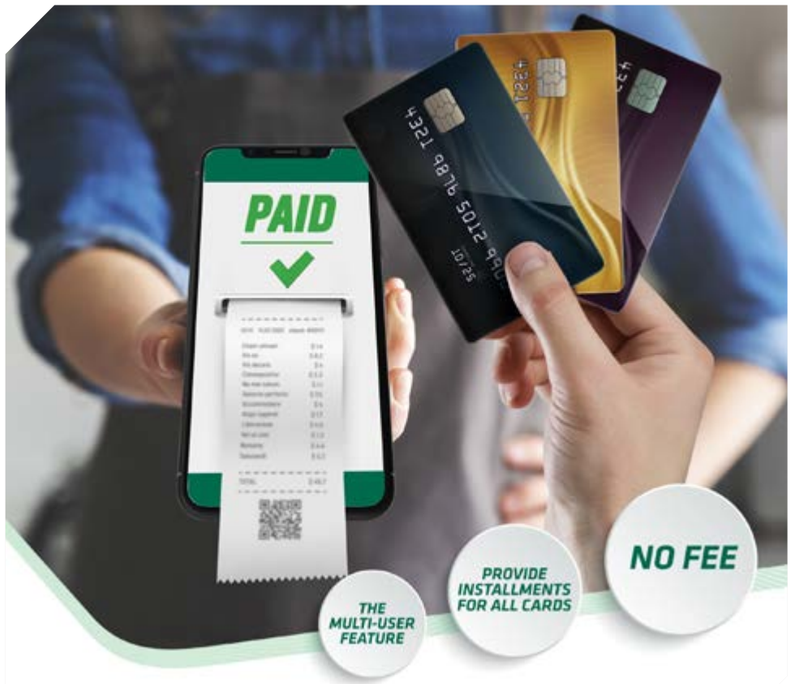
By financing renewable energy projects, we are not only promoting environmental sustainability but also fostering economic development as we continue our mission to build a sustainable world.

Highlight Projects of 2024

In 2024, numerous projects progressed under the leadership and partnership of the Credits Group, leading to enhancements in our existing products, services, and technologies:

Next-Gen Smart Credit Evaluation System (CredereArt)
In 2024, the Credits Group made significant strides in developing a next-generation credit assessment module powered by augmented intelligence. This system is designed to improve the processes of credit analysis, allocation, and revision, utilizing augmented intelligence-based analytical models along with a hyper-automated data processing infrastructure. The project also incorporated GenAI technology for data processing, summarization, and reporting.

Our goal with this system is to reduce existing credit analysis, reporting, and decision-making times by over 90%. We aim to evaluate customer creditworthiness



CREDITS

Following the initial phase of the Digital Credit Allocation Project, we became the first bank in the corporate banking sector to digitally allocate end-to-end credit card limits.



We initiated efforts to establish an Environmental, Social, and Governance Risk Assessment System (ESGRAS) for our credit allocation processes.

through concise analyses based on both financial and non-financial data, leveraging natural language processing techniques for publicly available information, and conducting project finance-specific rating calculations and projections. This will aid in determining optimum credit working conditions and managing our asset quality sustainably. As the project moves into live use, we plan to advance it further with the support of Agentic AI. We aim for this module to be systematically and effectively utilized by all Kuveyt Türk branches and related teams by 2025.

Digital Credit Allocation 2.0

Following the initial phase of the Digital Credit Allocation Project, we became the first bank in the corporate banking sector to digitally allocate end-to-end credit card limits. In retail banking, we moved credit card limit increase requests to the digital environment, streamlining the process via the use of artificial intelligence models. This effort included the development of periodic limit increases and simulation infrastructures, positively impacting our market share.

In the project's second phase, we aim to broaden our digital financing product offerings for corporate banking and consolidate our digital presence in retail banking. A key aspect of this objective will be the integration of digital channels through the new-generation credit assessment system, crediTecht, which is currently in the pilot phase and will be rolled out soon.

Retail Credits Transformation Project

As part of the Retail Banking Strategy, which involves the Credits Group and aligns with Kuveyt Türk's 2026 strategic goals, we seek to optimize the Bank's digital lending capacity within the banking ecosystem. To achieve this, we are working to facilitate customers' access to finance, establish infrastructure for API collaboration with integrator companies in shopping finance processes, and develop models and rule sets that provide faster and more efficient allocation results in the digital environment.

Sustainable Finance Projects

In 2024, we developed plans to create screens for identifying green assets as outlined in the Green Asset Ratio (GAR) Draft Communiqué published by the BRSA. Information regarding these planning processes was shared with relevant stakeholders.

We also initiated efforts to establish an Environmental, Social, and Governance Risk Assessment System (ESGRAS) for our credit allocation processes. This involved conducting comparative studies of sector best practices, reviewing sustainability reporting standards, and finalizing draft model plans.

Additionally, Proof of Concept (POC) studies were launched to calculate Scope 3 emissions associated with the credit customers in our portfolio.

We are executing a process optimization Project that emphasize "business continuity," "risk management," "operational efficiency," and" digitalization" in our credit financing processes.

Revenue Administration (RA) Financial Data Integration Project

We are establishing a structure to automatically receive the financial data of consenting companies through integration with the Revenue Administration (RA). This system will facilitate easy access to our customers' financial statements, enabling timely and effective limit allocation. Additionally, this project will significantly raise compliance with regulations.

Process Optimization for Credits Project

We are executing a process optimization project that emphasizes business continuity, risk management, operational efficiency, and digitalization in our credit financing processes. The goal is to reduce workload, increase operational efficiency, and improve customer satisfaction.

Data Warehouse Project

The Data Warehouse Project is intended to make sure our data is consistent across the organization. The Credits Group is in charge of this project, whereby they work on defining data and creating lists, moving the data over, and running any tests needed.

First Payment Default Model

This project aims to identify retail credit customers who are at risk of facing difficulties by the time their first installment is due. It will contribute to our ongoing digitalization efforts and support the development of automated decision-making systems in our retail credit processes. The model studies are expected to be completed by the end of 2024, with system integrations planned for 2025.

Retail Credit Limit Estimation Model

The Retail Credit Limit Estimation Model will determine the total limits of our retail customers for individual products, creating a ready limit mechanism. This will support marketing activities by allowing product-specific limits to be presented to customers before they apply for credits. Model studies are expected to conclude by the end of 2024, with system integrations planned for 2025.

IDC Project

Our unit is actively engaged in the ongoing project to advance the Internal Rating Model (IRM) scoring and update it to make sure that it aligns well with the evolving economic landscape.

Allocation Segment Transformation Project:

To adapt to sectoral shifts and developments and better serve our customers, we have decided to assess allocation proposals in departments and committees based on customer marketing segments, irrespective of the requested limit. As part of this initiative, the BOA Allocation Module will be restructured, with completion expected by 2025.

Robotic Processes

In 2024, two robotic processes were developed within the Credits Group. The first involves integrating intelligence data into retail credit allocation files, which is now operational. The second process, focused on preparing BRSA credit rejection reports, is currently in the coding phase.

STRATEGY

In 2024, Kuveyt Türk renewed its corporate vision, mission, and strategic plan, which are essential for the Bank's future achievements.

With a dynamic, flexible, and proactive structure, the Bank aims to take significant strides towards its 2026 targets by adopting a strategic approach that quickly adapts to change.

STRATEGY PLANNING AND CORPORATE PERFORMANCE MANAGEMENT

The Strategy Planning and Corporate Performance Management Department is organized into two distinct units within the new organizational structure. Aligned with Kuveyt Türk's mission, and vision, and in accordance with the macroeconomic landscape, current banking trends, and conditions of competition, the Strategy Planning and Monitoring function works to define the Bank's short-, medium-, and long-term strategies. It develops necessary target sets, road maps, and communication plans to implement these strategies. Additionally, it coordinates the preparation of the Bank's budget based on the strategic plan and performance program while monitoring and evaluating ongoing activities. The Department organizes Senior Management meetings and facilitates the annual evaluation and revision of strategic goals. It also oversees projects identified within the strategic framework, plans resource allocation, and monitors performance. Key performance indicators are developed to assess corporate performance, alongside the preparation of performance scorecards and both internal and external analyses. Furthermore, the Department conducts analysis, research, and projections on factors influencing our strategy and submits reports to the Senior Management. To improve these processes continuously, it conducts market research and integrates best practices into the Bank's operations.

Meanwhile, the Strategic Research and Development closely monitors market developments and industry peers, analyzing their effects on the Bank's strategies and conducting research. This unit is responsible for analyzing and reporting on economic and sectoral developments, which are then presented to the Senior Management. It evaluates the strategic viability of new investments and prepares feasibility reports. The unit also plays an active role in decisions regarding branch openings, closures, and service locations. It manages the Bank's segmentation structure, updates criteria, and ensures coordination with relevant units. Additionally, it represents the Bank in domestic and international meetings, fostering strategic collaborations. This unit also serves as the secretariat for the Board of Directors and supports the preparation of articles and interviews for publication on behalf of the organization.

In 2024, Kuveyt Türk renewed its corporate vision, mission, and strategic plan, which are essential for the Bank's future achievements. This renewal followed a comprehensive preparation phase that involved wide participation, long-term studies, detailed analyses, workshops, and insights from various business families. The resulting corporate strategy received approval from the Board of Directors. Accordingly, our renewed mission is **"To be the bank that carries its values into the future,"** and our vision is **"To be the preferred solution partner bank."**

Reinforcing its position among Türkiye's top 10 banks and being the largest participation bank in terms of asset size, Kuveyt Türk has reconstructed its 2024-2026 strategic plan under the leadership of the Strategy Planning and Corporate Performance Management Department. This plan takes into account global and local economic developments, customer expectations, and sector dynamics. As the Bank introduces nearly 10 million customers to sound banking practices, it will continue to create a service ecosystem characterized by high experience standards and a trust-based relationship banking approach centered on the customer. With a dynamic, flexible, and proactive structure, the Bank aims to take significant strides towards its 2026 targets by adopting a strategic approach that quickly adapts to change. Throughout this strategic period, it will maintain a customer-oriented focus aligned with its vision of "becoming the preferred solution partner bank," providing customers with an integrated, fast, easy, and lean experience. Kuveyt Türk will capitalize on the opportunities offered by digitalization and empower its decision-making processes with data-driven business models, while adhering to its prudent approach to asset quality and liquidity management and continuing to positively differentiate itself in the industry.

Throughout 2024, we have made significant progress toward our strategic goals through various projects.

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Number of Projects Included and Completed in Our 2024 Strategic Roadmap

With over 6,000 employees, 448 domestic branches, digital channels, and subsidiaries, we are a financial group that extends beyond traditional banking. Under the Kuveyt Türk umbrella, we enhance our group synergy and continue to deliver innovative solutions across various areas of finance. In the upcoming period, we will transform our physical branches into active marketing and consultancy centers, designed to support our customers in conducting high-quality, value-added transactions. We will also aim for optimal efficiency by integrating our services with digital channels. Furthermore, our investments in technology infrastructure and data-driven business models will empower our decision-making processes through artificial intelligence-based solutions and analytical systems. While we bolster our environmental and social responsibilities with sustainability-focused strategies, we will implement innovative projects to improve both customer and employee experiences.

The Strategy Planning and Corporate Performance Management Department is aware of the importance of sustainability for both our future and the next generations and considers the topic of sustainability beyond being a global trend. As sustainability remains a central focus for our Bank, we will prioritize support for green projects and sustainable financing solutions to minimize environmental impacts. Additionally, we will promote social financing projects that support societal development and contribute to our carbon neutrality goals, further strengthening our commitment to social responsibility.

STRATEGIC PROGRAM MANAGEMENT OFFICE

Kuveyt Türk Strategic Program Management Office consists of the Strategic Project Management Unit and Portfolio Management Unit. As the Portfolio Management unit, our primary focus is to prioritize the Bank's software development demands and projects, ensuring they align with our strategies while monitoring their performance. In our role as the Strategic Project Management unit, we initiate essential projects to achieve our strategic goals, manage Kuveyt Türk's strategic projects from start to finish, and oversee all strategic actions from a centralized spot.

In 2024, we successfully completed 18 of the 49 projects outlined in our strategic roadmap. Currently, we are actively working on 25 of the remaining 31 projects, while 6 projects are still in the planning stage. Notably, 41% of our ongoing projects are focused on digital initiatives.

Throughout 2024, we have made significant progress toward our strategic goals through various projects. Some of the key initiatives we undertook during this period include:

- **Digital Experience Analytics Project:** We began tracking customer interactions, which will help us optimize their experience across digital channels.
- **Website Transformation Project:**
- We revamped our website to make it more competitive, innovative, and sales-oriented.
- **Digital Credit Allocation Project:** We completed essential infrastructure developments to facilitate quicker and easier responses to our customers' limit requests.
- **Selim 2.0 Project:** We are implementing measures to create a smarter digital assistant that provides proactive service to our customers.
- Through the **Internet Branch UX project,** we will make a difference in internet banking with trend-oriented designs, ensuring a consistent experience across our digital channels.
- We will launch the **Integrated GRC Platform** to efficiently manage our Governance, Risk, and Compliance processes in a distinctive and sustainable manner.
- **The Branch Competency Transformation** project focuses on continuous development, enabling us to transform the skills of our branch employees to meet the requirements of the new era, paving the way for our Bank's future.
- **The Disaster Management** project outlines our roadmap to swiftly address the needs of our customers and employees, ensuring preparedness for potential disasters, with particular emphasis on the Marmara Earthquake.
- **The Future Sales Service Model** project aims to design and implement a business model that provides our retail customers with a unique experience both in our branches and through digital channels.
- **The Data Warehouse** project allows us to utilize data more effectively by creating a dedicated environment for all data enthusiasts.
- Through the **Campus** project, we have initiated actions to facilitate the acquisition of young customers for the Bank.

LAW AND RISK FOLLOW-UP

The Law and Risk Follow-up Group is responsible not only for managing non-performing loans and making restructuring decisions but also for monitoring performing loans that have not yet become delinquent.

In 2024, 537 legislative changes were implemented that directly or indirectly impacted the banking industry, and we communicated these changes within our Bank.

As of 2022, it has become mandatory for the entire banking industry to make loan allocation and restructuring decisions through separate units, as outlined in the Good Practice Guidelines on Bad Debt Resolution. Kuveyt Türk has taken a proactive approach in this area by establishing the Law and Risk Follow-up Group in 2010, well ahead of the regulatory requirements.

The Law and Risk Follow-up Group is responsible not only for managing non-performing loans and making restructuring decisions but also for monitoring performing loans that have not yet become delinquent. This way, the group oversees all credit customers following limit allocation and manages those that have transitioned to non-performing loan status. As a crucial component of the Bank's asset quality management, the Group effectively fulfills its responsibilities in this domain.

Tracking of performing loans

At Kuveyt Türk, all corporate loans are monitored using the Early Warning Model, which was launched in 2018 and is continuously refined. This model, integrated into our Bank's main banking system, allows for prompt action to be taken for each customer. Throughout 2024, updates were made to the Early Warning system in response to changing conditions, ensuring effective portfolio monitoring continued.

Additionally, watch lists incorporating geographical, sectoral, and behavioral micro-segments have been continuously developed. All infrastructure needs have been addressed, and the groundwork has been laid for these lists to become part of the institutional memory. This way, the Bank has strengthened its efforts to address potentially problematic receivables.

NPL Management

In 2024, we fully implemented the Artificial Intelligence-Based Corporate Collection Model, designed to streamline the collection of overdue loans and expedite these processes. This model aims to establish an infrastructure capable of meeting the medium- and long-term needs of our expanding customer base while utilizing fewer resources, thereby improving our existing efficient working model.

As part of this initiative, we identify and categorize customers with a high probability of non-performing loans (NPL) more effectively. This approach aligns with our goal of enhancing the asset quality of the Bank amid increasing loan volume and associated risks. Additionally, we intend to make informed decisions regarding the appropriate actions for delinquent customers and the timeline for these actions. The models are built with artificial intelligence support, allowing them to adapt to changing inputs over time.

Since 2022, we have been using the Smart Radar System, our analytical model for monitoring risks related to NPL and write-off statuses. This system has contributed to an increase in collections in this category. We ensure the efficiency of our Bank's non-performing loan management by utilizing analytical models throughout the entire process, from allocation to the final stage when a loan becomes non-performing and is resolved.

Legislation and Law

In 2024, 537 legislative changes were implemented that directly or indirectly impacted the banking industry, and we communicated these changes within our Bank. In cooperation with the relevant units, we have clarified the issues that were unclear with regard to the new regulations. Additionally, we ensured compliance with regulations by assessing the appropriateness of systemic changes made and identifying process and operational improvements to fully align with regulations such as KVKK (Law on Protection of Personal Data).



In 2024, the Law and Risk Follow-up Group made significant advancements in digitalizing the processes related to monitoring and managing asset quality.

1.62 %
NPL Ratio

The Information Sharing Committee, chaired by the Executive Vice President responsible for Law and Risk Follow-up, convenes at least twice a year. This committee includes the Customer Rights and Legislation Manager, Internal Control Head, Legal and NPL Affairs Manager, IT Group Manager, Information Security Manager, and representatives from relevant units. In accordance with the BRSA's Regulation on the Disclosure of Confidential Information, the committee coordinates the sharing of customer and bank confidential information, evaluates incoming requests, and documents these evaluations. The Customer Rights and Legislation Department serves as the secretariat for the committee.

We completed a project aimed at streamlining the working standards of the law offices we partner with during enforcement proceedings, ensuring their practices align with the Bank's workflows. In this context, we established minimum competency requirements for law offices and conducted studies on the necessary actions they should take. As a bank committed to fostering long-term solution partnerships, we support and guide our partner law offices in elevating their standards. Additionally, we continued to improve the Attorney Tracking System (ATS), which facilitates the digitization and tracking of transactions for lawyers.

Key indicators and practices

Kuveyt Türk's NPL ratio remained consistent with the industry average in 2024, just as it had in previous years. As of December 31, 2024, while the banking industry's NPL ratio stood at 1.78%, Kuveyt Türk recorded a ratio of 1.62%. Furthermore, our Bank concluded the year with a low Group-2 loan ratio of 7.06%, positioning us among the industry's leaders in this category.

Our skilled human resources and effective utilization of data-driven models and systems significantly contributed to this success. Thanks to our team's proactive and data-driven approach to bad debt management, we maintain our status as one of the banks with the highest asset quality in the industry. We aim to further strengthen our leading position through continued investments in this area.

In this context:

- Analytical models were utilized to improve collateral monitoring, thereby increasing both the frequency and reliability of valuations.
- Digitalization efforts for monitoring and sales processes of the Bank's assets progressed, generating TL 126 million in revenue in 2024.

In 2024, the Law and Risk Follow-up Group made significant advancements in digitalizing the processes related to monitoring and managing asset quality. By increasing the use of analytical models, the Group continued to develop the necessary infrastructure for Kuveyt Türk's medium- and long-term needs. The Group remains committed to supporting the Bank's sustainable success in this area and will persist in its efforts with determination throughout 2025.

DIGITAL BANKING

Digital Banking caters to both individual and corporate customers, aiming to transform business processes and foster collaboration by integrating digital and physical channels.

One of the most concrete examples of our commitment to new technologies and our vision in this field is Empatika, our in-house Neuromarketing Research Center.

Digital Banking in Figures

Number of digital customers	Number of Transactions Performed Via Digital Channels in 2024	Ratio of Remote Customer Acquisition in All Accounts Opened
3 million	**714 million**	**45%**

Kuveyt Türk Digital Banking Group is advancing its operations with a cost-effective, technology-driven, efficient, and customer-centric marketing strategy. This approach moves away from traditional branch-oriented banking by leveraging the full potential of the digital landscape.

Türkiye's vibrant population and the growing influence of digitalization are encouraging consumers to embrace digital solutions. Mobile banking, in particular, offers significant benefits in terms of financial inclusion and accessibility. In this context, our Digital Banking Group is committed to adapting rapidly changing technological solutions and marketing trends to fit the Kuveyt Türk culture, while maintaining a strong focus on our customers. Our goal is to provide a fast, accessible, seamless, and straightforward banking experience through digital channels.

Digital Banking caters to both individual and corporate customers, aiming to transform business processes and foster collaboration by integrating digital and physical channels. We prioritize increasing financial access and optimizing the cross-channel customer experience.

Our Digital Banking Group continuously monitors and optimizes customer experiences using data-driven methodologies. We also leverage artificial intelligence and GenAI technologies to deliver innovative solutions. This approach not only boosts customer and employee satisfaction but also streamlines our business processes and moves competitiveness forward.

Kuveyt Türk Digital Banking in 2024

Digital Marketing Department

As Kuveyt Türk, we strive to reflect our people-centric banking philosophy and corporate values across all customer touchpoints. To achieve this, we employ data-driven research as well as neuromarketing techniques to better understand consumer behavior. Our focus is on creating maximum value for customers through our digital marketing efforts. This strategy not only strengthens our competitive edge but also fosters a robust connection with our customers through effective communication. As a result, we strengthen our brand perception and successfully guide customers toward our digital banking channels for their financial needs.

One of the most concrete examples of our commitment to new technologies and our vision in this field is Empatika, our in-house Neuromarketing Research Center. As Türkiye's first and only bank to establish its own neuromarketing research center, we closely monitor technology advancements and take a pioneering role in elevating the customer experience. Unlike traditional methods, neuromarketing research allows us to understand our customers' cognitive journeys and motivations. This innovative approach enables us to analyze customer behavior in depth and develop strategies that effectively address their needs and expectations. Through Empatika, we are continuously improving customer satisfaction and maximizing the banking experience.

As Kuveyt Türk, we have successfully transformed our corporate website by prioritizing user experience, making it more user-friendly, innovative, and accessible.

Since 2021, the Mobile Account Opening process has led to a widespread and growing trend of digitalizing financial transactions for both banks and customers. In this competitive landscape of Remote Customer Acquisition, we have focused on increasing new customer acquisition and elevating the activity of our digital customers by designing tailored digital campaigns. We further increase our digitalization rate through compelling campaigns and products for customers who open mobile accounts. We ensure that our customers can open accounts safely and easily using advanced technology and artificial intelligence. By the end of 2024, the proportion of remote customer acquisitions to our Bank's total account openings reached 45%.

As the first participation financial institution to offer mobile account opening services to farmers and sole proprietorships, we allow our customers to open accounts via Kuveyt Türk Mobile by simply verifying their credentials, without the need to upload documents or visit a branch.

In 2024, we introduced a development allowing our corporate customers (Joint Stock and Limited Companies) to open accounts within minutes by entering their tax identification numbers and authorized personnel information, completely document-free and without requiring a stamp or signature. This service enables companies, regardless of the number of shareholders, to complete account-opening transactions significantly faster than in a branch.

We provide the Kuveyt Türk Mobile application to our customers through the App Store, Google Play Store, and Huawei App Gallery. For those who prefer a desktop experience, we offer services through our corporate website and Internet Branch. In 2024, the number of customers using our digital channels exceeded 3 million.

As Kuveyt Türk, we have successfully transformed our corporate website by prioritizing user experience, making it more user-friendly, innovative, and accessible. Our modern design and improved functionality allow customers to apply for products and services more quickly and easily. We also simplified access to financial services through the integration of an application center and renewed our Private Banking website, which is now integrated into our corporate site.



DIGITAL BANKING

As we upgrade the existing functionalities of Kuveyt Türk Mobile, the Internet Branch, Digital Assistant Selim, ATM, and Self Point channels, we are also adding new features to provide a better experience for our customers.

A key objective of our Digital Marketing efforts is to monitor and enhance our customers' digital experiences across our digital channels.

To promote accessibility, we have added an accessibility tool to our corporate website, providing support for various disability groups, including those with visual impairments, motor skill disorders, dyslexia, cognitive difficulties, color blindness, attention deficit hyperactivity disorder (ADHD), and epilepsy. Our goal is to create a more inclusive digital experience for all users.

Additionally, we have integrated new technologies into our infrastructure, focusing on optimizing the user experience on our Miles&Smiles and Sağlam Card websites.

We are also pursuing sub-strategies to strengthen our digital capabilities, including expanding our digital product range, implementing API integrations, and pioneering next-generation banking through service-oriented business models. We aim to become one of the top financial institutions in Türkiye, delivering an uninterrupted, easy, fast, and seamless experience during the Remote Customer Acquisition process.

A key objective of our Digital Marketing efforts is to monitor and enhance our customers' digital experiences across our digital channels. To achieve this, we have incorporated AI-backed technology tools to address customer needs and expectations. Furthermore, we collaborate with popular consumer brands to provide exclusive discounts through our digital channels, increasing active user engagement on Kuveyt Türk Mobile, the Internet Branch, and our website.

Digital Channel Management

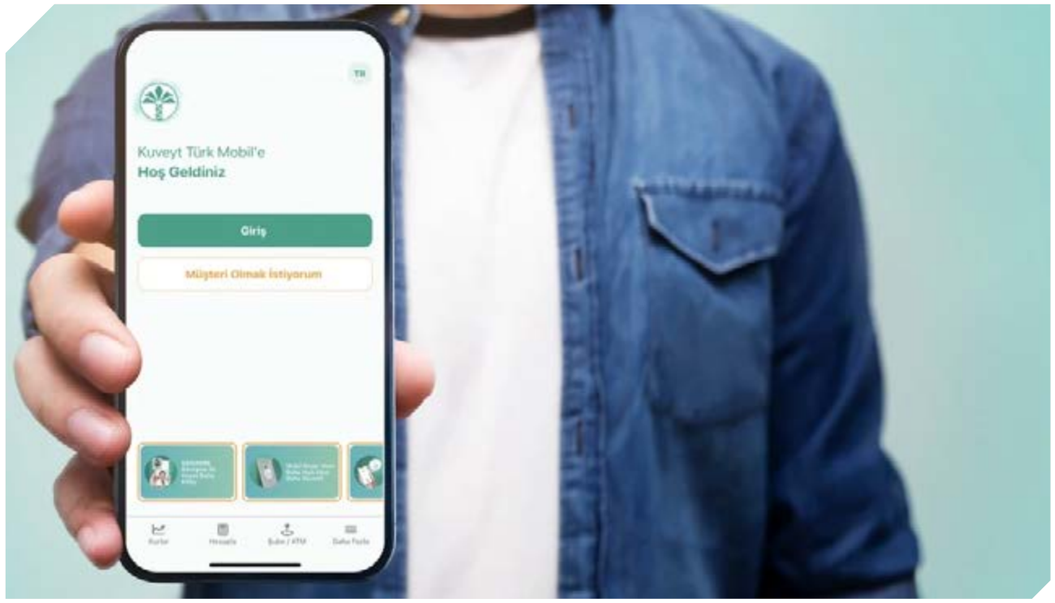
Our Digital Channel Management Department is tasked with developing new products and enhancing existing processes across our ATM, Self Point, Digital Assistant Selim, Kuveyt Türk Mobile, and Internet Branch channels. The management of critical processes spans from initiating projects aimed at serving our customers through various channels, to going live, and finally to minimizing errors in the service environment.

To facilitate the development of our digital channels and strengthen connections with our customers, we have established agile teams. Our projects are focused on interface development to improve customer and user experiences, while we continue to innovate with new business models.

As we upgrade the existing functionalities of Kuveyt Türk Mobile, the Internet Branch, Digital Assistant Selim, ATM, and Self Point channels, we are also adding new features to provide a better experience for our customers. In 2024, the following improvements were implemented:

Kuveyt Türk Mobile and Internet Branch

- We launched the Request Payment feature, designed to streamline our customers' one-to-one money transfer and request management processes.
- To ensure a more secure shopping experience, we introduced the Secure Payment System, establishing a framework that protects the payments of both our customers and businesses.
- The Kuveyt Türk Mobile application was developed for Apple Watch users, expanding mobile experience environments.
- In accordance with BKM standards, we completed and launched enhancements to the Fast Pre-Login Menu, which simplifies the login process and raises security across digital channels.



We are also pursuing sub-strategies to strengthen our digital capabilities, including expanding our digital product range, implementing API integrations, and pioneering next-generation banking through service-oriented business models.

- To improve the design and user experience of the Kuveyt Türk Mobile application, we redesigned the card, investment, PPS, insurance, and account menus, aligning them with current trends for our customers. This innovation ensures that digital banking transactions are conducted through a more modern and user-friendly interface.
- As part of the Young Banking Project, aimed at providing special opportunities for young customers, we introduced a loyalty program for users aged 18-25.
- With the Digital Slip project, we enabled our customers to transition from physical slips to digital ones, allowing easy access to slip details for the past six months. This innovation promoted an environmentally friendly approach while driving up information accessibility for users.
- To help our customers meet their additional card needs more quickly and conveniently through digital channels, we made individual additional card applications available via the mobile branch. Similarly, digital debit card applications can now be accessed through the mobile branch, ensuring that customers have easy access to their digital card information.
- During the mobile branch activation process, we introduced a verification method using the Turkish ID card, enabling our customers to complete the activation process more rapidly.
- We launched the "Channel Activation Management" menu in the Mobile Branch, allowing our customers to activate or deactivate their Internet Branch usage.
- The Travel Health Insurance product is now available to our customers.
- Financial transactions and contract processes in our mobile and internet branches have been aligned with the circular issued by the BRSA.
- Our digital channels have been enhanced with tools designed to track customer behavior patterns, enabling us to offer a better experience.
- To better understand customer requests and provide tailored solutions, we developed Selim, a digital assistant powered by NLP technology and artificial intelligence, to deliver advanced service levels to our customers.
- We added a search engine to the main screen of the mobile branch to improve user experience and facilitate faster access to transactions. With this enhancement, customers can quickly find relevant menus by typing the names of the transactions they wish to perform.
- To raise digital security, we introduced a Notifications and Messages Screen in the mobile branch, allowing customers to confirm SMS messages sent to them and helping to prevent fraud incidents.
- We made significant improvements to allow our customers to perform limit update transactions quickly, easily, and securely using the NFC feature on their devices through the Mobile Branch.
- Through the Tender Recommendation System, we digitized banking processes for our corporate customers, enabling companies to view appropriate tender recommendations and submit their letter of guarantee applications via the mobile branch.

Through the Customer Contact Center Infrastructure Project, we established a new infrastructure that includes voice and video call capabilities, as well as recording and reporting processes for our customer contact center and digital sales teams.

Through the Fast QR merchant menu, we enabled businesses to receive payments from their customers quickly and securely. By simplifying the QR code payment process on our digital platform, we accelerated the payment processes for businesses.

- To facilitate faster and more practical check book application transactions, we made this service accessible through both mobile and internet branches.
- To allow our customers to receive reference letters more quickly and easily in a digital environment, we have streamlined this process through the mobile branch.
- To hone digital competencies in foreign trade, we introduced digital solutions for import and export transactions. As part of this initiative, we made Import Letter of Credit Applications and Export Cash Against Document Registration transactions accessible through our internet branch.
- We provided our customers with the cash against goods option for foreign currency transfers. In Swift transactions, we enabled features for listing incoming transactions and viewing Swift messages.
- In collaboration with the Proemtia marketplace, we offered our customers the digital Proemtia Dealer Card product.
- Through the Fast QR merchant menu, we empowered businesses to receive payments from their customers quickly and securely. By streamlining the QR code payment process on our digital platform, we expedited payment transactions and enhanced overall business efficiency.
- We improved remote customer acquisition processes, allowing legal entities to become customers via the mobile branch and facilitating account openings in a digital environment. Additionally, we developed a feature that uses the camera to read the Turkish ID number and date of birth during account opening. We also provided a step-by-step guide to assist customers through the account opening process.
- The customer experience was further refined with the launch of RA integration for sole proprietorship and farmer account openings.
- Our customers can now perform account deletion transactions on Android devices without needing to visit a branch.
- In compliance with regulations, we revamped our remote customer acquisition processes, shifting the approval of mandatory documents from before the video call to after login. Customers can now activate their accounts during the video call, set their passwords, log into the mobile branch, and approve their documents seamlessly.
- Through the Customer Contact Center Infrastructure Project, we established a new infrastructure that includes voice and video call capabilities, as well as recording and reporting processes for our customer contact center and digital sales teams.

These enhancements aim to provide our customers with a faster, more reliable, and modern banking experience. As Kuveyt Türk, we continue our digital transformation journey.

XTM

- The self-transaction menu has been activated on Self Point devices, expanding the variety of available transactions. We are also increasing the deployment of the new version of Self Point devices in our branches, which feature design and software developed entirely in-house and offer video call services to our customers.
- The device dashboard and My Accounts screen have been updated to create a more user-friendly and accessible menu structure.

We empower all our customers who demonstrate digital behaviors to access remote banking products and services, as well as benefit from our portfolio management offerings.

- We raised awareness of the device through targeted advertising and promotional activities.
- Thanks to the QueueMatic integration, the QueueMatic device is now connected to the XTM, allowing customers to take a queue number for XTM access.
- Device and Representative NPS rates improved through redesigned NPS screens and the implementation of surveys that appear at the end of transactions.
- The Card Login feature enables our customers to log in to XTM devices using their card information.
- With the XTM Proactive Sales Guidance initiative, customers without products are directed toward product sales upon logging into the device.
- We successfully increased customer acquisition through the development of invitation codes.
- MRZ-free and NFC-free processes were integrated into XTM, enabling our customers who had problems opening digital accounts to continue their transactions from where they left off in our branches.

ATM

- The Bank's ATM network has been expanded through common ATM agreements. Kuveyt Türk customers can now use ATMs at more than 9 thousand locations free of charge.
- Work was completed to ensure the standardization of ATM information receipt.
- Within the scope of sustainability and paperless banking, we started sending receipts for ATM transactions to our customers via e-mail.
- The ATM TTS integration allowed visually impaired customers to perform transactions via the audio menu.
- With the common ATM limit definition structure, we have created a structure where we can control transactions made from contracted bank ATMs.
- With the country-based limit definition, it was ensured that the transaction limit was determined according to the country, terminal and card number in ATM use.
- We renewed our ATM screens with the ATM UI/UX project.
- Based on penetration test findings, we eliminated the possibility of entering special characters and making transactions with someone else's Turkish ID number.

Digital Sales and Portfolio Management

Introduced as of 1 May 2021, remote account opening procedures through video calls marked a new era in banking. Thanks to this innovation, our digital sales teams provide product sales and portfolio management services to customers acquired through video calls. During these calls, we share detailed information about various products, including credit cards, invoice orders, and PPS, allowing us to receive applications instantly.

We facilitate account opening and product sales using Self Point devices in our bank branches, and we offer cross-product sales to customers using digital vehicle financing through the mobile branch. For our high-segment foreign customers, we provide innovative solutions such as video and voice portfolio management, optimizing their banking experience. Additionally, we assist customers with incomplete digital account openings by sending our digital field sales teams to visit them on-site and help them complete their processes.

We empower all our customers who demonstrate digital behaviors to access remote banking products and services, as well as benefit from our portfolio management offerings. Through our digital portfolio management, we provide customers with the same high-quality service in both physical and digital environments, tailored to their preferences. In this context, we are committed to improving the services and conveniences available to our customers in the following ways:

- A new organizational structuring for remote sales and portfolio management,
- Artificial intelligence models designed to increase the quality of remote services offered to customers,
- Infrastructure developments for the transformation of products and services in line with remote sales and marketing,
- Redesign of the digital communication and call management infrastructure to meet all demands of customers.

In particular, our digital portfolio representatives manage all processes and workflows, allowing product sales and marketing activities to be conducted entirely remotely and digitally.

DIGITAL TRANSFORMATION AND INNOVATION

We are currently updating our “Digital Transformation Roadmap” to reflect our current maturity level and align with our 2025 digital strategic goals. Aiming to lead the industry, we are accelerating our innovation efforts, supported by innovative models both within and outside the Bank.

Standing out with its innovative products and services, Kuveyt Türk actively organized idea competitions in 2024 on the Fikr’inn Platform, which was launched in early 2022.

Digital Transformation and Innovation in Figures

Number of APIs offered on Kuveyt Türk API Market Platform	API Transactions in 2024	Employee Count for Digital Transformation and Innovation
400	**300 million**	**27**

Our multidimensional transformation journey is ongoing

Digitalization has been set as a top priority for Kuveyt Türk’s 2025 strategy. By focusing on an innovative approach to our digital transformation journey with a global vision, our Bank has increased its service capacity and improved customer experiences through various digital initiatives implemented in recent years.

Under the roof of the Digital Transformation and Innovation Department, we explore our digitalization journey through different dimensions, including Innovation, Open Banking, and Data and Analytics Governance and Guild units. We conduct comprehensive studies and have developed a Digital Maturity Model tailored specifically for Kuveyt Türk, enabling us to regularly measure and evaluate our current digital maturity level. This model encompasses key areas such as digital strategy, digital channels and sales, customer engagement, data and analytics, organizational structure, people and culture, as well as processes and infrastructure.

We are currently updating our “Digital Transformation Roadmap” to reflect our current maturity level and align with our 2025 digital strategic goals. Aiming to lead the industry, we are accelerating our innovation efforts, supported by innovative models both within and outside the Bank.

As we continue our successful journey to generate sustainable value, we place a strong emphasis on our digital transformation and innovation strategies, in line with our objective of “becoming one of the most innovative banks” by 2025.

We continuously expand our support for innovative ideas

Standing out with its innovative products and services, Kuveyt Türk actively organized idea competitions in 2024 on the Fikr’inn Platform, which was launched in early 2022. In addition to thematic calls, Fikr’inn hosts the annual Ideathon Idea Contest for university students. The platform also makes research reports on today’s trending topics and concepts available for the users.

The Fikr’inn Platform extends beyond financial innovation, facilitating the sharing of innovative ideas that enhance our business processes in environmental and social areas. This initiative promotes environmental awareness within the organization by encouraging the development of sustainable and eco-friendly practices. In 2024, in addition to the reports titled “No-Code and Low Code,” “Crypto Currencies,” “Metaverse and Next-Gen Banking,” “The Future of Finance: Open Finance and Open Data,” “Data-Driven Banking” and “The Rise of Embedded Finance: Unlocking the Full Potential of Financial Services” we issued in the previous years, we released new reports with the following titles: “Technological Evolution of Insurance and the Rise of Insurtechs,” “Personal Finance Management (PFM)” and “Banking in the Age of Artificial Intelligence: Transformative Power of Generative AI.” These reports provide our users with insightful content that addresses emerging trends and their implications for the present and future.

In 2024, as Kuveyt Türk, we organized a special “In-house Ideathon,” themed “Your Ideas Underlying The Future.”

Our research reports cover not only participation finance services but also global trends and innovative technologies. In the monthly Digital Bulletins published on the Fikr’inn Platform, we compile developments in digital transformation, innovation, and technology initiatives from both global and local perspectives to share with our users. The platform has become a vital source for those seeking the latest topics in the industry.

Since its launch, the Fikr’inn Platform has opened numerous calls in the categories of customer, student, startup, and employee. We developed projects for those winning ideas from among the collected submissions and rewarded their creators. We value every employee’s ideas through thematic idea calls and encourage participation with rewarding processes to bring these ideas to life.

In 2024, as Kuveyt Türk, we organized a special “In-house Ideathon,” themed “Your Ideas Underlying The Future.” In addition to a cash prize, the top three winners earned the opportunity to participate directly in the KFH Innovation Competition, organized by our main shareholder, Kuwait Finance House. We continue to strengthen our innovation culture through the “General Call for Ideas” and the “Let’s Make the Branch Experience Live with Your Idea on Digital Channels” competitions for our employees, designing projects to implement the winning ideas.

In 2024, we continued our “Digital Conversations” series, which we organized at the Innhouse Innovation Center. We hosted industry pioneers at events titled “Trends Shaping the World of Payments,” “Future Banking Strategies,” “Impact of Insurtech Initiatives on the Industry,” “What Changed in the Fintech Ecosystem in 2024?” and “Whose Place Will Artificial Intelligence Take?”. Among our guests was Aziz Serkan Oral, General Manager of Param, one of Türkiye’s largest FinTech companies collaborating with our Bank.

We also launched the “Data Talks” series to boost our data culture and literacy. This initiative aims to underscore the importance of data across the organization and foster a culture centered around it.

Digital transformation not only accelerates operational processes and reduces costs in the banking sector, but also plays a critical role in achieving sustainability goals. Goals such as managing resource utilization effectively, reducing environmental impact, and increasing customer satisfaction can be achieved faster by means of digitalization. As Kuveyt Türk, we address this transformation as a fundamental element of our sustainability strategy. In our operations where we prioritize R&D and innovation, we plan to implement many transformation steps in our sustainability strategy with the strength derived from digital resources.



Through the Kuveyt Türk API Market Platform, we facilitate product and service integration and data sharing via APIs for stakeholders in our ecosystem and customers who request it.

400
Number of APIs

The platform, built on modern technology infrastructure, continues to serve FinTechs and our banking customers with new features.

We closely monitor the most innovative and sustainable ideas and introduce them to our Bank

In 2024, we adapted the Proof of Concept (PoC) method in alignment with our Bank's principles, started to apply it effectively to develop innovative solutions and realize new ideas. This method allows us to test the feasibility and potential of innovative concepts, contributing to our digital transformation strategies. The PoC projects we conducted with 15 leading companies from various sectors generated significant value in increasing customer satisfaction, improving operational efficiency, and developing new financial services. We collaborated with companies such as 3P Metrics, Sustable, and Carbongate, particularly focusing on measuring carbon footprints and offsetting activities.

By adopting "design thinking," one of the most innovative methods for driving innovation, the Bank focuses on accurately aligning customer expectations when designing new products and services. This process involves creating collaborative business models with teams from various disciplines to develop solutions that meet customer needs. Before strategic projects and feasibility studies, design thinking is deployed with contributions from expert consultants. Once prototypes are prepared, customer feedback is gathered to guide the implementation processes. Additionally, business processes and needs are analyzed, and solutions are offered through on-site innovation methods.

Open Banking and Next-Generation Financial Services

Kuveyt Türk, 2017 yılından bu yana As one of the leading banks in Türkiye, Kuveyt Türk has been successfully conducting its open banking activities since 2017. Under the Digital Transformation and Innovation Department, we provide services in the realms of Open Banking, Service Model Banking, and Platform Model Banking, specifically tailored for open banking. We also lead FinTech collaborations by developing new business models.

Through the Kuveyt Türk API Market Platform, we facilitate product and service integration and data sharing via APIs for stakeholders in our ecosystem and customers who request it. This platform empowers ecosystem participants to develop innovative business models and swiftly respond to customer needs. As of 2024, we have expanded the number of APIs available on our platform to 400 and increased the number of integrated organizations to 106. This year, we launched 45 collaborations through APIs, resulting in approximately 300 million successful API transactions.

The platform, built on modern technology infrastructure, continues to serve FinTechs and our banking customers with new features. In 2024, we introduced shopping finance and embedded finance services through partnerships with e-commerce companies in addition to our existing products and services. We also actively develop innovative solutions by exploring collaboration opportunities with new partners.

Aligned with Kuveyt Türk's updated data and analytics strategy, we strive to be a leader in data utilization by integrating high-quality data with advanced analytical capabilities.

As part of the regulation published by the BRSA, Kuveyt Türk collaborates with interface provider organizations to deliver our products and services using API technology through applications beyond our Bank, thereby reinforcing our role as a service bank. We aim to provide various products and services as a service bank, including account services, investment products, card services, and financing solutions, to users of innovative startups across different sectors. We are taking the necessary steps to meet regulatory requirements. As of December 1, 2022, we completed the required infrastructure and integration work to enable APIs that meet the CBRT standards to provide services through the BKM API Gateway.

By linking their other bank accounts via Kuveyt Türk Mobile and Internet banking, our customers can view all their accounts on a single screen and make interbank money transfers without the need for multiple banking applications. Additionally, through our partnership with Kuwait Finance House, Kuwaiti customers with Kuveyt Türk accounts can access their accounts directly within their mobile apps. This project has resulted in international success in the field of open banking.

Our Open Banking team successfully completed the "Merge Bank Accounts" and "Request Payment" projects in collaboration with BKM. Through the Shopping Finance APIs, we integrated Kuveyt Türk's shopping finance product into the e-commerce platforms of Türkiye's largest companies. Additionally, we provided 15 financial technology companies with the opportunity to automate their money transfers and enhance account control. We also renewed the Kuveyt Türk API Market, one of the most robust API platforms in Türkiye, and launched the latest version for use by our customers.

In parallel with our open banking efforts, we are advancing service model banking and platform banking as part of our Next Generation Banking initiative within our 2025 strategy. We are committed to developing technology services that align with the principles of service model banking outlined in the BRSA regulation dated December 29, 2021. As a service bank, we are strengthening our infrastructure and exploring potential partnerships to facilitate smooth remote customer acquisition processes through interface providers. In the realm of platform banking, we aim to create a broader ecosystem for our customers by integrating third-party service providers' products and services into our existing digital applications.

Our primary goal is to be the bank that maximizes the use of data

Aligned with Kuveyt Türk's updated data and analytics strategy, we strive to be a leader in data utilization by integrating high-quality data with advanced analytical capabilities. To achieve this, we focus on effectively utilizing high-quality and reliable data, establishing data and analytics governance lifecycles, managing projects through a structured roadmap, and harnessing our analytical skills. These efforts are aimed at ensuring that data and analytics optimally support our strategy of becoming a customer-centric bank. With the involvement of all stakeholders, we have implemented collaborative mechanisms to manage and derive value from our data assets. The data and analytics governance activities conducted under our Directorate sharpen our competitive edge in the industry through a customer- and business-oriented approach.

In line with our 2026 strategy, we have launched significant initiatives within our data-driven banking roadmap. Our Data and Analytics Governance Committee meets biannually, and we regularly report relevant developments to the committee. We have established data governance processes and actively utilize our data governance portal, DataONE. To date, we have conducted extensive work on 15 datasets, with ongoing efforts on additional datasets.

Our data warehouse project is designed to organize our corporate data infrastructure and create data environments suitable for analysis, reporting, and analytical studies. We ensure that our data is accurately positioned within the data warehouse as a reliable source. Additionally, by defining and implementing our data quality standards, we conduct thorough quality assessments of our datasets.

As Kuveyt Türk, we conducted research and stakeholder interviews to enhance the effectiveness of data analytics and to support our analytical maturity initiatives.

On the DataONE platform, we define processes and standards that support each stage of the data lifecycle and develop features to enhance the effectiveness of these processes.

The DataONE platform, which we use to manage data governance and the data lifecycle, is continuously being improved to boost the efficiency of our Bank's processes. To increase the visibility of the data warehouse, we have cataloged datamarts and added definitions for concepts, metrics, and parameters to facilitate data discovery. These innovations contributed to our recognition in the Best Infrastructure category at the PSM Awards last year and in the Best Data & Advanced Analytics Project category at the Future of AI & Cloud Summit this year.

On the DataONE platform, we define processes and standards that support each stage of the data lifecycle and develop features to enhance the effectiveness of these processes. We will continue to enrich DataONE with new features, including a data dictionary and catalog improvements. Our commitment to expanding our data quality approach will remain a priority, particularly in areas that offer financial benefits.

With the completion of our data warehouse project, our data infrastructure is set to improve significantly, enhancing our capabilities for analysis, reporting, and analytical studies. We remain committed to providing the Bank with big data environments that facilitate the effective use of both semi-structured and unstructured data. Furthermore, as part of our reporting governance, we aim to strengthen our reporting solutions by refining the lifecycle and standards of reports. Our goal is to advance our data-driven banking strategies through initiatives focused on master and reference data management.

As Kuveyt Türk, we conducted research and stakeholder interviews to enhance the effectiveness of data analytics and to support our analytical maturity initiatives. These efforts led to an updated analytical roadmap aligned with our strategic objectives. We are also developing an Analytical Platform that will enable us to manage analytical governance processes and model lifecycles. This platform will leverage technology to oversee the processes and standards of analytical models. Additionally, we have created an inventory of our analytical products and models and are actively working to identify and monitor the business success criteria for these analytical products. To foster a data-driven banking culture and increase data literacy across the organization, we regularly share research, reports, and content. We have participated in significant data projects and conducted communication activities to maximize their benefits throughout the organization.

Our focus is on leveraging artificial intelligence and analytics to ensure high productivity within the Bank, supported by a robust infrastructure. As part of the Analytical Platform R&D project, which involves developing analytical governance processes and technology, we aim to establish a framework that ensures model lifecycles adhere to standards, increases productivity, and minimizes risks. We are also evaluating scenarios for the application of large language and image processing models in our business processes while exploring various uses of artificial intelligence in banking. To share our insights in this field, we prepared a report titled "Banking in the Age of Artificial Intelligence: The Transformative Power of Productive Artificial Intelligence," which we distributed through both internal and external channels.



Serving as a vital platform where Kuveyt Türk engages with technology and entrepreneurs, the Lonca Entrepreneurship Center completed its ninth term program and started its tenth term program in 2024.

We continue to foster a data and analytics culture by intensifying communication activities, promoting data-oriented application sharing, and strengthening interaction between teams. As part of our initiatives, we aim to transform our human resources by integrating the role of Data Scientist into our business teams within the Bank, utilizing our Hub&Spoke working model. We are equipping our technically skilled teammates for the Data Scientist role through on-the-job training to enhance our analytical capabilities. As a result of this model, we were selected as a finalist in the Team of the Year category at the PSM Awards.

We are also a significant player in the startup ecosystem through the Lonca Entrepreneurship Center. This center serves as a vital platform where Kuveyt Türk engages with technology and entrepreneurs. In 2024, the Lonca Entrepreneurship Center completed its ninth term program and has now launched its tenth term program. During the ninth term acceleration program, processes continued until April, culminating in a physical demo day event where eight teams graduated.

During the acceleration period, entrepreneurs received training and mentoring from industry experts, consultancy opportunities from specialized firms, and the essential networking and communication support needed to grow their businesses. They were also provided with a conducive office environment to continue their work. Additionally, technological infrastructure support was offered, and opportunities for collaborative project development with Kuveyt Türk and its subsidiaries were explored. A total cash grant of 995 thousand TL was awarded to the startups to assist in their product development processes. For the tenth term, the cash grant allocated to entrepreneurs was set at TL 250 thousand, with an additional TL 50 thousand earmarked for R&D and prototype support for teams developing devices.

In addition to the incubation programs conducted within its own organization, Lonca continues to support entrepreneurs through TÜBİTAK BiGG Implementing Organization activities in partnership with ITU ARI Teknokent. In this context, numerous startups received training, mentoring, and assistance in business plan preparation, enabling them to access the financial support offered by TÜBİTAK. Throughout 2024, up to 900 thousand TL in investment support will be available to startups under the program. Lonca and ITU ARI Teknokent provided training and mentorship to projects deemed suitable, while these projects were submitted to TÜBİTAK and supported by a jury during the selection process.

In the Take Off 2024 program, we awarded USD 10,000 to Helios, a startup focused on developing carbon capture technology. This support reflects our ongoing commitment to expanding our backing for sustainable initiatives beyond the Lonca program.

In line with our 2025 strategy, we are intensifying our efforts to promote our new open banking products and services to third parties through APIs.

Aligned with our 2026 strategy, we continue to pursue our goal of "Becoming One of the Banks that Make the Best Use of Data by Combining Quality Data with Advanced Analytical Competencies."

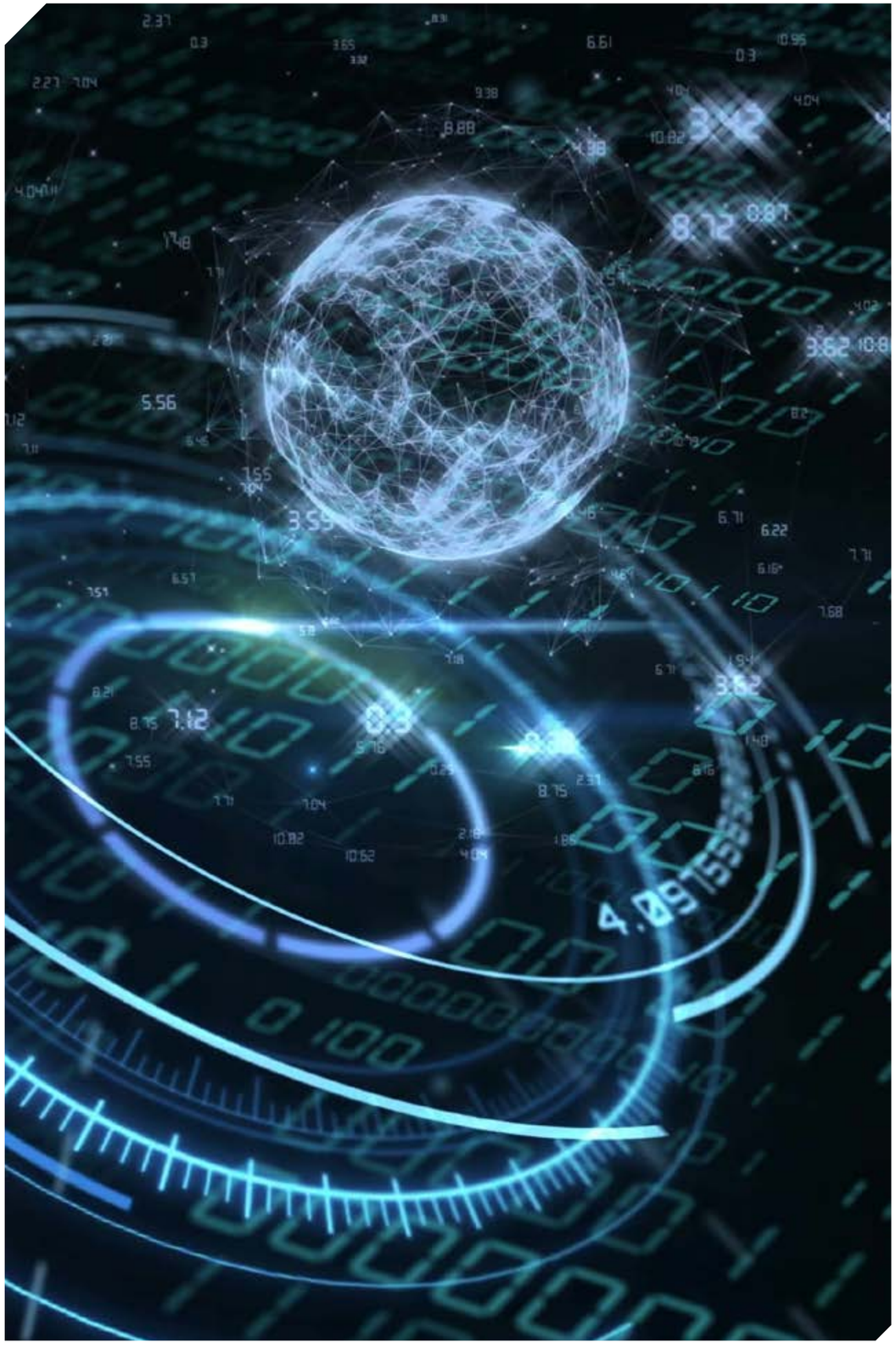
Our Goals for 2025

As part of our 2025 strategy, we are engaging all stakeholders of Kuveyt Türk in our innovation journey to become one of the most innovative banks. In 2024, we will continue to gather and implement ideas from our customers, entrepreneurs, students, and employees through idea competitions hosted on the revamped Fikr'inn platform. Additionally, we will organize Ideathon competitions for university students, where the best ideas are transformed into projects, and host the "Digital Conversations" series to foster a culture of innovation throughout the Bank. In our strategic projects, we will employ innovative methods such as design thinking, design sprint, and jobs to be done in the development of new products and services as well as in conducting feasibility studies.

In line with our 2025 strategy, we are intensifying our efforts to promote our new open banking products and services to third parties through APIs. Our goal is to position ourselves among the top API markets in Türkiye and to be recognized alongside leading global banks. To achieve this, we will launch an enhanced version of the Kuveyt Türk API Market, featuring design and technical improvements for our customers' benefit. With our vision of a service model banking, we aim to extend our existing infrastructure to applications beyond the Bank, broaden our capacity to reach new customers and deliver our innovative products and services through various channels. Furthermore, we are committed to platform banking, ensuring that solutions from third-party service providers, which will add value to Kuveyt Türk's digital channels, are integrated into the Bank's applications.

Aligned with our 2026 strategy, we continue to pursue our goal of "Becoming One of the Banks that Make the Best Use of Data by Combining Quality Data with Advanced Analytical Competencies." We aim to expand the areas of data utilization within our business units, equip our employees with technical skills, and cultivate a data-oriented culture. We have taken leaps towards our objectives of measuring and enhancing data quality, expanding the use of data warehousing, and increasing the adoption of DataONE, our data governance solution. We will further strengthen our analytics governance structure using Analytics Platform technology and continue to foster a data and analytics-driven corporate culture through ongoing communication activities. Additionally, we plan to promote the use of data-driven applications and collaboration across teams throughout the organization.

The Lonca Entrepreneurship Center, operating under the Digital Transformation and Innovation Department since June 2023, continues to add value to the entrepreneurship ecosystem. In addition to offering financial support mechanisms, we aim to assist entrepreneurs on their growth journeys by providing tailored training and mentoring resources. In alignment with Kuveyt Türk's vision of being an entrepreneur-friendly bank, we are dedicated to providing our products and services, along with those of our group companies, to entrepreneurs while offering necessary infrastructure and experiential support based on their needs and requests. Through these efforts, we aspire to hone our Bank's image and increase the visibility and recognition of the Lonca brand.



CYBER SECURITY AND DATA PRIVACY

Information security is not just a priority; it is a fundamental responsibility at Kuveyt Türk. In an era of rapid digitalization, we are committed to safeguarding the confidentiality and security of our customers' information by continuously improving our cybersecurity systems.

We continuously enhance our technological infrastructure in collaboration with our Architecht subsidiary and steadfastly pursue our digital transformation projects in line with our 2026 vision.

Information Technologies: Shaping the Future with Innovative Solutions

As Kuveyt Türk, we leverage the opportunities presented by digitalization in information technologies to undertake projects that shape the industry. With our customer-oriented approach and innovative technological solutions, we strive to deliver sustainable value to the financial sector. To support this goal, we continuously enhance our technological infrastructure in collaboration with our Architecht subsidiary and steadfastly pursue our digital transformation projects in line with our 2026 vision.

Technological Transformation and Digital Infrastructure Developments

In recent years, we have made significant progress in transforming our banking systems into a more robust, flexible, and user-friendly structure. We have modernized our Bank's digital infrastructure by integrating innovative technologies.

- **Cloud Native and Microservice Architecture:** By redesigning our digital systems with cloud-based and microservice architecture, we have improved the agility of our software development processes, enabling us to offer faster and more reliable services to our customers.
- **Disaster Recovery and High Availability Solutions:** We successfully implemented Disaster Recovery (DR) and High Availability (HA) projects to ensure continuous system operation.
- **Autonomous and Automation Solutions:** We introduced autonomous systems to enhance efficiency in our business processes and reduce human error.

Smart Solutions with Artificial Intelligence and Data Analytics:

As Kuveyt Türk, we are offering the banking experience of the future to our customers with AI-supported solutions. Our advanced artificial intelligence systems not only boost the customer experience but also employee efficiency in operational processes.

- **MLOps and Data Analytics: ·** We have integrated machine learning operations (MLOps) into our systems to optimize data-driven decision-making, allowing us to develop more effective solutions for both internal operations and customer services.
- **Productive Artificial Intelligence Assistants:** Our AI-based digital assistants empower users to easily execute banking transactions.

Innovative Projects in Digital Channels

Our digital banking projects are designed to elevate customer satisfaction and make a significant impact in the industry.

- **BOA and OBA Platforms:** We have launched customer-focused digital solutions like BOA and OBA to strengthen the digital infrastructure of our Bank. These initiatives provide our customers with a more modern experience through our next-generation Internet banking platforms.
- **Electronic Banking and Regulatory Compliance:** Through projects such as Power Factor, we set a benchmark for the industry by integrating our digital solutions in alignment with regulatory standards.

Cyber Security: We Keep Your Data Safe

Information security is not just a priority; it is a fundamental responsibility at Kuveyt Türk. In an era of rapid digitalization, we are committed to safeguarding the confidentiality and security of our customers' information by continuously improving our cybersecurity systems.

We maintain our leadership in data security and continuity by equipping our data centers with modern devices.

Innovative Security Approaches

We have adopted a proactive stance against cyber threats, reinforcing our security infrastructure with advanced technologies.

Identity and Access Management

We have developed Privileged Access Management (PAM) and Enterprise Password Management (EPM) systems to ensure maximum security in identity and access processes.

Data Protection Solutions

Our successful implementation of Data Leakage Prevention (DLP) and Data Access Management (DAM) projects effectively protects customer data.

Preventive Technologies

We employ technologies such as AIOps, Cyber Threat Intelligence (CTI), and Application Security Management (ASM) to identify potential risks early and take appropriate actions.

Awareness and Training Programs

We conduct regular training sessions and awareness campaigns to forge our employees' understanding of information security. This way, we help cultivate a robust cybersecurity culture throughout the entire organization.

Continuity in Data Security

We maintain our leadership in data security and continuity by equipping our data centers with modern devices. Our transparent security management ensures that customer information is accessible only to authorized personnel through secure data access initiatives.

Our 2025 Goals: Technologies Shaping the Future

As Kuveyt Türk, we will continue our technology investments in 2025 without respite. We will redefine the customer experience through artificial intelligence, cloud-based systems, and microservice architectures, while further strengthening our cybersecurity solutions. We will also develop digital banking projects that lead the industry and provide lasting value to the financial world.



VALUE-DRIVEN SUSTAINABLE SERVICE QUALITY

As Kuveyt Türk, we strive to minimize our environmental impact while maximizing operational efficiency through innovative digitalization processes.

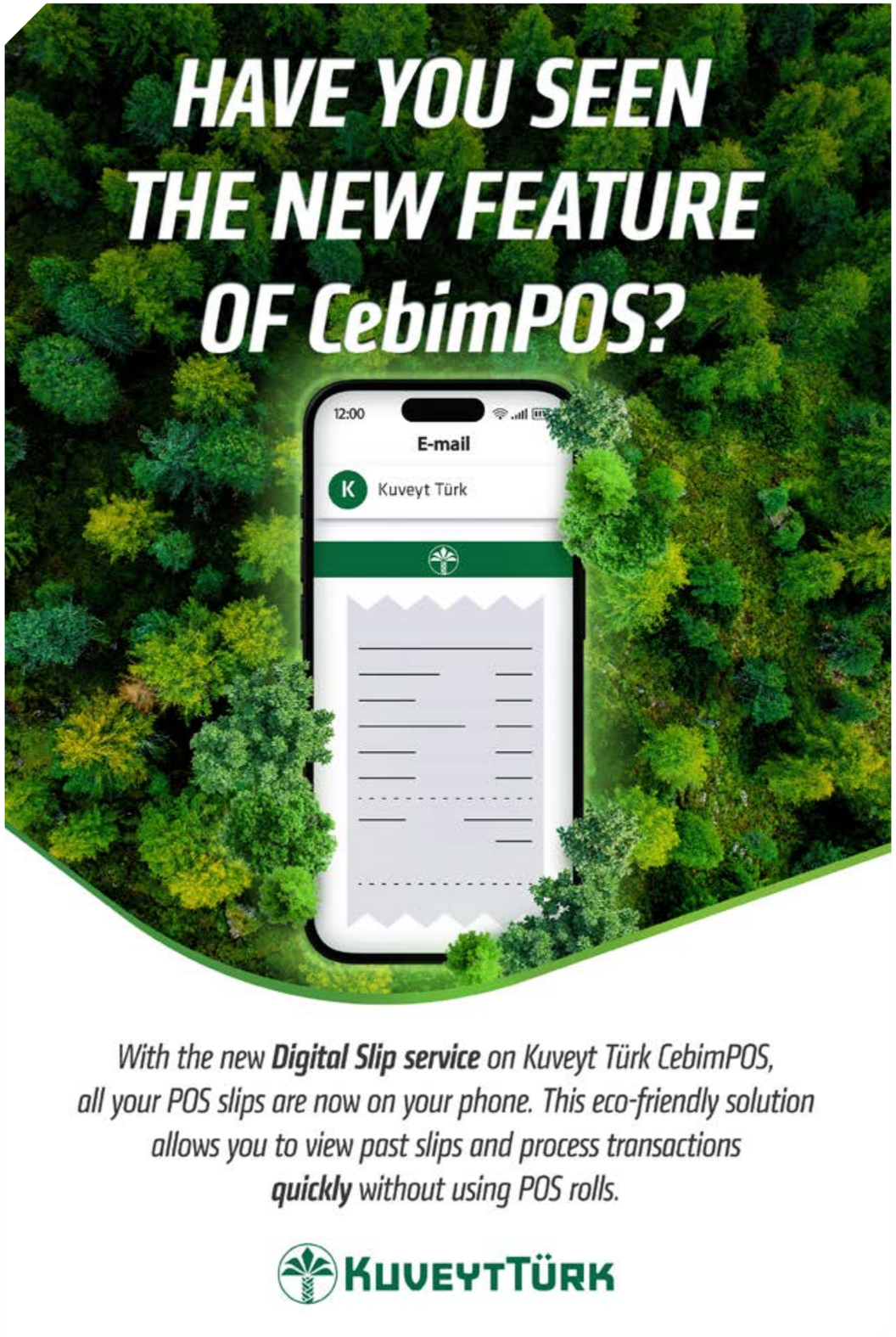
To align with our goal of reducing paper consumption, we are fully digitalizing our document approval and attachment processes.

Focus Area	Our Actions
Accessibility Solutions	**Branches:** Ramps, Braille Boards, Tactile Pathways **ATMs:** Voice Menu, Braille Keys, Orthopedic Designs **Digital Channels:** Screen Reader, Text Magnification, Voice Over, Sign Language Service **XTM:** Sign Language Support, Video Calling
Digitalization and Innovation	**Mobile App:** Video Transactions **Website:** User-friendly Design, Digital Compliance **ATM and POS:** Audio Transactions, Financial SMS Notifications
Sustainability	**Accessibility Projects:** Carbon Reduction, Operational Efficiency

Paperless Banking

As Kuveyt Türk, we strive to minimize our environmental impact while maximizing operational efficiency through innovative digitalization processes. A key example of this commitment is our “Paperless Banking” Project.

To align with our goal of reducing paper consumption, we are fully digitalizing our document approval and attachment processes. We have eliminated unnecessary paper by sending ATM transaction receipts to customers via email. Additionally, our Digital Slip application aims to decrease the use of non-recyclable thermal paper from POS devices during card purchases. These efforts not only bolster our environmental sustainability but also boost the speed and cost-effectiveness of our operations.



BRANCH AND ATM MANAGEMENT

In 2024, we expanded our ATM network to a total of 1,314 machines, including 104 new installations.

In 2024, we implemented significant physical upgrades to our branches to improve accessibility. We installed portable ramps at branch entrances, added tactile walkways, and created informative boards in Braille.

As Kuveyt Türk, we undertook highlight projects driven by our mission in 2024 that focused on delivering accessible, barrier-free financial solutions to all segments of society. Our service network—encompassing branches, ATMs, digital channels, and call centers—aims to offer an equal, inclusive, and high-quality banking experience. We are committed to boosting customer satisfaction across all areas while promoting financial inclusion and accessibility through strategic investments in both our physical and digital infrastructure.

Accessibility in Our Branches

In 2024, we implemented significant physical upgrades to our branches to improve accessibility. We installed portable ramps at branch entrances, added tactile walkways, and created informative boards in Braille. Additionally, we equipped entrance doors with call buttons to facilitate support for our disabled customers from our banking representatives.

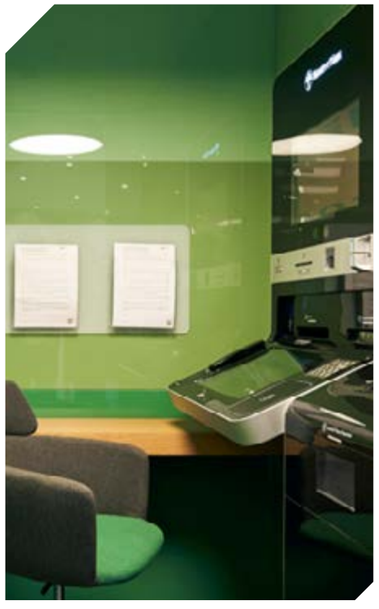
In compliance with BRSA regulations, we ensured that at least one ATM in each branch was accessible for visually impaired customers. We introduced a voice menu feature that activates when a headset is plugged in, streamlining the transaction process and advancing usability.

ATM and XTM Services

In 2024, we expanded our ATM network to a total of 1,314 machines, including 104 new installations. To better serve our visually impaired customers, we equipped our ATMs with Braille alphabets, embossed keypads, and headphone inputs. We also introduced a voice menu feature, making transactions like balance inquiries, withdrawals, and deposits more accessible. Additionally, we facilitated all transactions with video calls during remote customer acquisition processes.

We opened 28 ATMs specifically designed for customers with orthopedic disabilities, featuring ramped access and ergonomic designs to meet their needs.
At our XTM centers, we provide support for our hearing-impaired customers through our staff trained in sign language. A total of 3,267 employees completed the Customer Communication with Sign Language training, which is continually available on our digital training platform.

Through joint ATM agreements with Yapı Kredi and PTT, we offered our customers the opportunity to conduct free transactions at over 9,000 ATMs. This cooperation significantly broadened our reach, allowing us to deliver banking services to a much wider audience.



ACCESSIBLE BANKING

We are taking significant steps focused on responsible banking and digital transformation through our “Barrier-Free Banking” approach.

As Kuveyt Türk, we strive to ensure that everyone has access to banking services. To this end, we are taking significant steps focused on responsible banking and digital transformation through our “Barrier-Free Banking” approach.

Barrier-Free Services on Digital Channels

In 2024, we undertook significant initiatives to improve accessibility standards across our digital channels. We ensured that our Internet Branch, Mobile Branch, and website are fully compatible with screen reader programs for our visually impaired customers. Additionally, we enabled the security image to be read aloud for our visually impaired customers and activated VoiceOver support in the Mobile Branch.

For customers with partial visual impairments and those over the age of 70, we introduced text magnification and reduction features on our website. We also made information and one-time password SMS messages compatible with screen reader programs. Furthermore, all contracts and forms are now available on our website, allowing customers to listen to these documents using screen reader programs or view them in sign language.

Our hearing- and speech-impaired customers can now make video calls through Kuveyt Türk Mobile, receiving sign language support to open accounts and access various services, including lost or stolen card notifications, transaction limit updates, and account transactions.

These efforts align with our commitment to barrier-free banking, as we strive to provide an equal and accessible customer experience for everyone. More information about our efforts is available on our website.

BlindLook Collaboration

We collaborated with BlindLook to analyze the accessibility of our digital channels and identified areas for improvement. As a result, we raised our standards for visually impaired customers and developed prototypes and simulations of these services.

Additionally, we increased transaction security by sending text message notifications to our visually impaired customers regarding financial transactions conducted at ATMs and POS devices.

Our Approach to Sustainability and Barrier-Free Banking

As Kuveyt Türk, we strive to ensure that everyone has access to banking services. To this end, we are taking significant steps focused on responsible banking and digital transformation through our “Barrier-Free Banking” approach. Our “Barrier-Free Banking” principle aims to promote social equality and inclusion by making our services more accessible to individuals with disabilities. Our efforts not only eliminate physical barriers but also reflect our commitment to raising awareness about accessibility and equal opportunities. Adapting our banking services to meet the needs of people with disabilities and providing equal opportunities to all segments of society forms the basis of our vision of barrier-free banking. By enhancing the participation of individuals with disabilities in the financial sector, we aim to improve their quality of life and empower them economically. Additionally, our customers with disabilities and those over the age of 70 can access necessary services without encountering obstacles.

As Kuveyt Türk, we focus not only on increasing customer satisfaction through our accessibility initiatives but also on contributing to our sustainable growth goals. By digitalizing our processes, we have reduced our carbon footprint while lowering operational costs. Our innovative approaches, which blend technology and sustainability, continue to foster an inclusive financial ecosystem for everyone.

STAKEHOLDER MAP AND COMMUNICATION

Our strategic decisions revolve around a diverse array of stakeholders, including employees, customers, suppliers, public institutions, and regulatory authorities.



We believe that fostering relationships built on mutual trust requires timely and accurate responses.

As Kuveyt Türk, establishing a robust and sustainable communication network with our stakeholders is a core objective. Our strategic decisions revolve around a diverse array of stakeholders, including employees, customers, suppliers, public institutions, and regulatory authorities. Through effective communication processes, we gain valuable insights into their needs and expectations, allowing us to develop innovative strategies that address them.

We believe that fostering relationships built on mutual trust requires timely and accurate responses. To this end, we continually refine our communication methods and establish dedicated channels that resonate with each stakeholder group. The feedback we gather through surveys, feedback mechanisms, and regular meetings is instrumental in guiding the development of our corporate strategies.

Detailed information about the communication methods and frequencies tailored to the specific needs of our stakeholder groups can be found in the table below.

Stakeholders	Communication Method	Communication Frequency
Employees	E-mail, phone, face-to-face discussions Meetings and training courses Digital communication tools Digital training programs Employee satisfaction surveys Events targeted at employees Committee meetings Announcements and notifications Internal publications	Ongoing - Occasional - As needed
Customers	Banking channels (branches, ATM/XTM, Internet branch, Call center and mobile banking channels) • Customer relations representative • Meetings • Surveys • Corporate website •Social media channels	Ongoing
Suppliers	E-mail, phone, and face-to-face discussions Meetings Supplier audits Supplier portals	Ongoing - As needed
Media	Press releases Exhibitions, conferences, trade fairs Website Social media	Ongoing - Periodic
Public Institutions and Law-Making Authorities	Periodic reporting Meetings and conferences E-mail, phone, and face-to-face meetings Inspections	Ongoing - Periodic
Shareholders	One-to-one meetings Meetings E-mail communications	As needed - Occasional
Society	Corporate social responsibility projects and donation efforts	As part of social responsibility projects
Credit Rating Agencies	Meetings, reporting sessions, presentations, correspondence	Periodic
International Banks and Investors	Meetings and discussions with financial institutions we collaborate with	Ongoing

CORPORATE MEMBERSHIPS AND SUPPORTED INITIATIVES

Our strategic partnerships and active participation in international forums enhance our effectiveness within the financial system and ensure that our business processes are more transparent, reliable, and aligned with global standards.

As Kuveyt Türk, we are expanding our area of impact in the sustainability ecosystem with our corporate memberships

As Kuveyt Türk, we are leading the way in quality and sustainability while strengthening our position in Türkiye's financial services industry. Our strategic partnerships and active participation in international forums enhance our effectiveness within the financial system and ensure that our business processes are more transparent, reliable, and aligned with global standards. Our Bank is committed to being a leader in development within our operating environment, as demonstrated by our membership in the organizations listed below and our forward-looking vision.

- Kalder (Turkish Quality Association)
- Borsa İstanbul Anonim Şirketi (BİAŞ)
- Central Registry Agency (MKK)
- Istanbul Gold Exchange
- Turkish Capital Markets Association (TCMA)
- Interbank Clearing House
- Interbank Card Center (BKM)
- Participation Banks Association of Türkiye (TKBB)
- Takasbank (İstanbul Takas ve Saklama Bankası A.Ş.)
- Risk Center of the Banks' Association of Türkiye and Credit Registry Bureau (KKB-Kredi Kayıt Bürosu)
- Katılım Finans Kefalet A.Ş.

We extend support to the efforts of the following institutions/initiatives for sustainability:

- CDP (Carbon Disclosure Project)
- Sustainalytics
- United Nations Sustainable Development Goals
- GRI (Global Reporting Initiative)
- IFRS (International Financial Reporting Standards)
- ISSB (International Sustainability Standards Board)
- Public Oversight Institution
- TSRS (Sustainability Reporting Standards of Türkiye)



CUSTOMER EXPERIENCE AND SATISFACTION

Our 2026 strategic plan is designed to establish us as the "preferred solution partner," with a central focus on delivering a seamless experience for our customers.

We are transforming our service approach into an integrated structure by extending our genuine, customer-centric approach from physical channels to digital platforms

As Kuveyt Türk, customer experience is a cornerstone of our vision. Our 2026 strategic plan is designed to establish us as the "preferred solution partner," with a central focus on delivering a seamless experience for our customers. We aim to meet their needs and expectations swiftly and effortlessly while ensuring a consistent service experience at every touchpoint.

We are transforming our service approach into an integrated structure by extending our genuine, customer-centric approach from physical channels to digital platforms. In this vein, we map customer journeys, standardize experiences across channels, and place each customer at the center of personalized service models. As we develop the sales and service models of the future, we are committed to addressing not only the needs of today but also those of tomorrow.

An essential pillar of our customer experience strategy is fostering an experience-oriented culture throughout the organization. To this end, we conduct training programs aimed at raising awareness and equipping our employees with the skills necessary for customer-focused processes. The spread of this culture directly elevates our service quality and strengthens customer loyalty.

Customer Profile

- 94% Real Person Customers
  6% Legal Entity Customers
- 96% Domestic Customers -
  4% International Customers

Value Generated

- We inject power to national economy.
- We grow backed by international financial strategies.
- We form sustainable and robust relationships.
- We are making participation finance widespread.
- We contribute to the global financial ecosystem.

Based on the results from transaction-based SMS surveys we conducted to assess customer satisfaction, our Current Customer Satisfaction (CSAT) score was recorded at 89%.

Efforts that have optimized customer experience in 2024

In 2024, we undertook extensive efforts to increase customer satisfaction and enhance the customer experience. This year, we conducted comprehensive experience studies to gain deeper insights into our customers' interactions with our products, channels, and processes. We gathered direct feedback through one-on-one interviews, turning this input into actionable opportunities for improvement. We attentively gave an ear to customers' voices and conducted insight studies focusing on data. We conducted thorough analyses of customer needs and behaviors at Empatika, our pioneering neuromarketing research laboratory in the banking sector.

We established a User Experience Control Mechanism to assess and elevate customer experience across our digital channels. This mechanism allowed us to continuously monitor customer satisfaction at digital touchpoints. Additionally, we organized Experience Academy training sessions to raise awareness of customer experience within the organization. We also celebrated World Experience Day on October 1 with various events throughout the week to promote this awareness. Furthermore, we published an Experience Bulletin to share our experience-focused initiatives with both internal and external stakeholders.

We developed the Experience Findings System to systematically manage experience findings and ensure their ongoing improvement. Additionally, we conducted a Written Communication Alignment Study to unify our written communication channels. These steps were implemented as part of our commitment to elevating our customer-oriented culture.

We have implemented the Corrective and Preventive Actions Project to establish a more efficient process for handling grievances. As part of this project, we analyzed the root causes of complaints, eliminated process bottlenecks, and developed solutions to respond to customer requests more quickly. We also launched the Campaign Project to examine complaints about campaigns from start to finish and create lasting solutions.

Based on the results from transaction-based SMS surveys we conducted to assess customer satisfaction, our Current Customer Satisfaction (CSAT) score was recorded at 89%. We fully addressed all customer reports we received and implemented solutions to further enhance satisfaction.

Solid Collaborations for a Better Experience

- **The Branch Competency Transformation Project and the Branch Business Model Promotion Project** were crucial steps in maximizing coordination within the Bank. Workshops involving Sales, Marketing, and Regional Directorates significantly contributed to our goal of reducing branch-specific customer complaints.
- We **collaborated with the Strategy Planning and Monitoring** units to develop experience-oriented strategies throughout the organization and developed experience strategies.
- We established **agile teams** comprised of members from relevant business units to improve our products and services and optimize customer experience.
- We **partnered with research firms** to gather customer feedback beyond Kuveyt Türk and gain insights from a wider perspective.

FINANCIAL INCLUSION AND FINANCIAL LITERACY

Increasing the accessibility of financial services and offering solutions for all segments of society are among our top priorities.

For agricultural financing, we provide farmers with payment plans aligned with harvest periods through innovative products like the Tohum Card.

As Kuveyt Türk, we regard financial inclusion as both an economic goal and a social responsibility. Through the ethical and fair financing principles of our participation finance model, we aim to reach every segment of society and expand access to financial services. We believe that banking should be accessible to all, and we leverage technology to offer innovative products and services.

Our vision for financial inclusion is built on our digitalization strategy, customer-oriented approach, and sustainable development goals. Our evolving mobile banking platform allows customers to manage their financial needs around the clock. We raise accessibility by maintaining 448 branches across Türkiye, achieving 90% geographical coverage.

90%
Geographical Coverage

With our Kuveyt Türk Finance Group approach, we provide a comprehensive 360-degree service alongside our subsidiaries. Our subsidiaries, including Architecht for financial technologies, Katılım Emeklilik–Türkiye's first interest-free pension and insurance company, Neova Sigorta for non-life insurance, Kuveyt Türk Portföy for asset management, and Germany-based KT Bank AG–enable us to address all of our customers' financial needs.

Increasing the accessibility of financial services and offering solutions for all segments of society are among our top priorities. To support this mission, we implement comprehensive projects that facilitate the participation of individuals and businesses in the financial system. We also strive to raise financial awareness through training programs and social responsibility initiatives.

Agriculture and Tourism Banking

The agriculture and tourism sectors are key focus areas in our financial inclusion efforts. For agricultural financing, we provide farmers with payment plans aligned with harvest periods through innovative products like the Tohum Card. In collaboration with Eximbank, we have developed tailored solutions for exporters with interest sensitivity.

Additionally, we closely analyze field feedback regarding our financing models in specific areas such as agriculture and tourism. This allows us to create solutions customized to the needs of different sectors while continually refining our offerings based on the suggestions of our partner institutions.

Digital Banking

The role of technology in advancing financial inclusion is indisputable. Digitalization allows financial services to overcome geographical and economic barriers, making them accessible to everyone. As Kuveyt Türk, we are dedicated to consolidating our technological infrastructure and providing innovative solutions in this area. Our digital banking channels, user-friendly mobile applications, and artificial intelligence-supported digital assistant, "Selim" facilitate and expedite access to financial services. Additionally, offerings such as digital vehicle financing and mobile letter of guarantee applications move traditional banking procedures into the digital realm, saving our customers time and money.



As Kuveyt Türk, we will ensure that financial services reach a broader audience by offering integrated solutions through our subsidiaries.

As part of our digital banking strategy, we have made our mobile platforms more user-friendly and available around the clock. Through financing and installment agreements with marketplace platforms, we have established ourselves as the preferred solution partner for both existing and new retail customers.

We assess the effectiveness of our financial inclusion and literacy initiatives not only by their immediate outcomes but also by their long-term impact. Key indicators include the usage rates of our digital platforms, customer satisfaction metrics, and the number of people we reach. We regularly evaluate the problem-solving speed and contribution to customer satisfaction of our innovative solutions, such as "Selim" our AI-supported digital assistant. The data we gather informs our efforts to enhance customer experience and update our training programs.

The insights gained from these measurements and assessments not only highlight the success of our financial inclusion initiatives but also provide a clear roadmap for areas needing improvement. As Kuveyt Türk, we strive to advance our financial inclusion and literacy efforts to reach a broader group of customers.

In the short term, we will enhance access to financial services by further developing our digital platforms. In 2025, we will take a significant step forward in our Kuveyt Türk Finance Group approach to financial inclusion by launching our payment systems organization. We will also continue to support innovative business models through the Lonca Entrepreneurship Center in the upcoming period. In the medium term, we aim to improve customer experience by increasing our investments in financial technologies and expanding the use of products that facilitate access to finance, such as digital vehicle financing. In the long term, we will allocate more resources to green and social projects by diversifying our sustainable financing instruments.

Under the roof of Kuveyt Türk Finance Group, we will ensure that financial services reach a broader audience by offering integrated solutions through our subsidiaries. We view financial inclusion not merely as a vision but as an integral part of our corporate culture, and we strive to reach more individuals in this area every day. As Kuveyt Türk, we will continue to develop inclusive and sustainable financial solutions that benefit all segments of society.

In the 2023-2024 academic year, we successfully completed the Entrepreneurial Explorer program designed for primary and secondary school students.

As part of the Entrepreneur Explorer Program, we offered "My First Idea" training to more than 3,500 students across four selected pilot schools and through our online entrepreneurship training.

İnci PPS

Kuveyt Türk offers a special private pension plan exclusively for women called İnci PPS. This plan allows our customers' savings to grow with contributions from the state, and we regularly organize various campaigns specifically for our female customers.

Entrepreneurial Explorer

Since 2017, Kuveyt Türk has been supporting the entrepreneurial ecosystem and youth through the Lonca Entrepreneurship Center. We believe that fostering the spirit of entrepreneurship early in life is essential, which is why we launched the Entrepreneurial Explorer Platform in collaboration with Fikir Değirmeni in 2022. This platform is Türkiye's first online entrepreneurship education platform and continues to engage children through new events and workshops. The Entrepreneurial Explorer Platform brings children's ideas and dreams to life, offering opportunities in areas such as idea development, business planning, software creation, and maker training. With educational content that includes puppet shows and storytelling, children can turn their dreams into reality while gaining new experiences through fun competitions and live entrepreneurship-focused broadcasts. Exciting tasks across various categories including entrepreneurship, science, technology, art, games, social responsibility, and food await children.

In the 2023-2024 academic year, we successfully completed the Entrepreneurial Explorer program designed for primary and secondary school students. Through our comprehensive training initiative, we reached over 8,000 students via pilot schools and the online platform. Notable projects developed by students included a "smart seat belt to reduce casualties in accidents," a "store that accepts recyclable clothes," a "water production system using the sweating method from solar panels," a "timed technology usage application," and an "artificial intelligence-supported garbage collection machine."

As part of the program, we offered "My First Idea" training to more than 3,500 students across four selected pilot schools and through our online entrepreneurship training. Following this, around 1,000 students applied to the program, and approximately 100 were selected to receive specialized entrepreneurship training from experts and develop their projects with mentors. Those who successfully completed the "My First Idea" program presented their ideas and projects to a jury comprised of Kuveyt Türk executives, teachers, and parents during the Demo Day event. All presenting students received entrepreneurship certificates, and winners were granted various awards.

During this period, 4,734 students joined the online Entrepreneurial Explorer Platform. Within the course section of the platform, they enhanced their knowledge and skills by successfully completing 2,375 tasks.

To enhance financial literacy, we provide training and informative content through our digital platforms, including Kuveyt Türk Academy.



Additionally, students completed 923 tasks as part of the Financial Literacy program. The 45 live events held throughout the semester offered students valuable new experiences. As Kuveyt Türk, we are committed to continuing our Entrepreneurial Explorer program in the 2024-2025 academic year.

Youth Banking Implementation Project

In 2023, we launched the Kuveyt Türk Campus Program for our young customers. This program offers exclusive services and campaigns tailored for university students aged 18-25. The Youth Banking Implementation Project has been successfully completed.

As we develop brand and marketing activities to enhance Kuveyt Türk's perception and awareness among young customers who are potential affluent customers of the future, we have also established a loyalty program called "Kampüs" for our university customers in an attempt to foster product usage habits. Participants in the Kampüs program enjoy benefits such as advantageous discounts, cash back, gold points, and brand discount agreements. They can also earn gold points by completing various monthly goals on the campus tab in our mobile application.

Our goal is to attract new young customers and increase engagement time on our mobile application by raising awareness among young people. In this vein, we have enrolled 60,000 university students, whom we aspire to serve as their primary bank, into the Campus program via the Kuveyt Türk Mobile Branch. We have also established the necessary infrastructure to incorporate our Bank's products and services into the loyalty program as future needs arise. Additionally, we placed ATMs at the ITU Ayazaga campus.

Financial Literacy Training

To enhance financial literacy, we provide training and informative content through our digital platforms, including Kuveyt Türk Academy. While offering financial literacy training to our employees via the digital training catalog, we are also focused on increasing financial awareness within society. In the upcoming period, we plan to further our efforts in this area by fully leveraging technological advancements.

Moreover, through the Lonca Entrepreneurship Center, we support entrepreneurs with financing, mentoring, and the development of sustainable business models. Our social projects in education and financial literacy contribute to raising awareness about participation banking and financial literacy, particularly among university students.

We undertake numerous corporate social responsibility projects aimed at protecting, developing, and preserving social values and cultural heritage, guided by our “we grow with our values” philosophy.

We recognize our responsibility toward society as essential, and we are dedicated to passing on the core values of our ancient civilization -rooted in knowledge, experience, and expertise- to future generations.

Corporate Social Responsibility Approach

As Kuveyt Türk, we contribute to the growth of the participation finance industry through innovative products and services. Simultaneously, we undertake numerous corporate social responsibility projects aimed at protecting, developing, and preserving social values and cultural heritage, guided by our “we grow with our values” philosophy. To this end, we not only implement our own initiatives but also support non-governmental organizations that focus on projects with social benefits.

We recognize our responsibility toward society as essential, and we are dedicated to passing on the core values of our ancient civilization—rooted in knowledge, experience, and expertise—to future generations. We operate under the belief that our existence is tied to the value we add to society, and we strive to convert our earnings into benefits for our community. By centering sustainability in our corporate social responsibility efforts, we develop projects that will transmit our societal values from the past to future generations. Our initiatives align with sustainable development goals, providing significant benefits to society across various fields.

To date, we have partnered with numerous non-governmental organizations, regularly supporting institutions such as the Turkish Red Crescent, the Turkish Religious Foundation, the Mehmetçik Foundation, the Hope Foundation for Children with Cancer (KAÇUV), and the Environmental Organizations Solidarity Association (ÇEKUD). We actively sponsor and participate in national awareness and commemoration camps organized by the Turkish Scouting Federation in Çanakkale and Sarıkamış, encouraging our employees to engage in these efforts. Additionally, we aim to amplify social benefits through activities organized by our Corporate Social Responsibility Club, where employees voluntarily contribute their time and skills.

Our commitment extends to supporting the arts and cultural values. At the TDV KAGEM-Kuveyt Türk Art Workshops, established in collaboration with the Istanbul Branch of the Women, Family, and Youth Center of the Religious Foundation of Türkiye (TDV KAGEM), we provide regular training to individuals aspiring to develop their artistic talents.

Corporate Social Responsibility Activities

In 2024, Kuveyt Türk continued to add value to society through various social responsibility activities, spanning cultural and artistic endeavors to social aid initiatives.

Software for the Future Project

In light of the mounting demand for technology in education due to the coronavirus pandemic, we are undertaking substantial initiatives to address inequality of opportunity. By establishing computer laboratories in schools that need support, we have reached a total of 70 schools so far, and this number continues to grow daily. We provide training to students by introducing 1010 Kâşif Robotic Coding Kits into these laboratories. Additionally, we prepare young people for future technologies by creating Robotic Coding Workshops as part of the Software for the Future Project.

In the 2023-2024 academic year, the program reached over 8,000 students through pilot schools and an online platform, offering training in ideas development, project production, and financial literacy.

Entrepreneurial Explorer

Since 2017, Kuveyt Türk has been fostering the spirit of entrepreneurship and laying the groundwork for innovative thinking among children through the Lonca Entrepreneurship Center and the Entrepreneurial Explorer Platform. In the 2023-2024 academic year, the program reached over 8,000 students through pilot schools and an online platform, offering training in ideas development, project production, and financial literacy. Children brought their dreams to life with projects like a smart seat belt, a recyclable clothing store, and an artificial intelligence-supported garbage collection machine. The Demo Day event, held after the training, was an inspiring platform for students to showcase their creativity by presenting their projects to a jury and an audience. Supported by online training, the program enhanced children’s entrepreneurship skills through tasks, competitions, and live events, while raising awareness of financial literacy as well.

The new season of the podcast series “It’s Worth Talking About” showcases inspiring stories of young artists.

As part of our cultural and arts initiatives, we strive to preserve social values through art and pass them on to future generations. The “It’s Worth Talking About” podcast series brings together artists who bridge the past with the present, focusing on the inspiring stories of young artists in its new season. Last year, the series featured seven master artists who are experts in their fields; this season, it highlights passionate young talents practicing various art forms. Aiming to carry the timeless beauty of tradition into the future, the “It’s Worth Talking About” podcast shares the knowledge and experiences of artisans, accompanied by their life stories. This season’s guests on the



As Kuveyt Türk, we supported the initiative aimed at raising literacy in Islamic finance and the history of Islamic thought. Lectures on Islamic Economics and Islamic Schools of Thought will be broadcast on the Ilmiye Foundation's "e-Madrasa" channel on YouTube.

As part of the "Imagine, Discover, Endow" Youth Project organized by the General Directorate of Foundations, we facilitated trips for students from Kosovo to Istanbul and Bursa.

series, available on Spotify, Apple Podcasts, and YouTube, include marbling artist Garip Ay, pianist Büşra Kayıkçı, santur artist Sedat Anar, architect Melek Zeynep Bulut, director Yeşim Tonbaz, illustrator Ahmet Faruk Yılmaz, and miniature artist Leyla Kara.

"Gılaf-ı Reyya: Fragrance Bottles from the Ottoman Era to the Present"

Embracing the philosophy of "We grow with our values," Kuveyt Türk undertakes significant efforts to preserve cultural heritage for future generations. As part of this mission, we continue to organize impactful exhibitions that enrich cultural and artistic life. The exhibition "Gılaf-ı Reyya: Fragrance Bottles from the Ottoman Era to the Present," showcasing a diverse array of items, has been presented to art enthusiasts at the Museum of Turkish and Islamic Arts. The collection includes perfume bottles, censers, rosewater sprinklers, storage chests, presentation trays, and old perfume distillation machines, along with various fragrance apparatuses.

The exhibition, featuring selected works from collector Bekir Kantarcı's collection that focuses on Ottoman-era fragrances, was advised by Prof. Dr. Üzlifat Özgümüş and curated by Beste Gürsü. The opening ceremony was attended by Kuveyt Türk General Manager Ufuk Uyan, Istanbul Deputy Governor Özlem Bozkurt Gevrek, Istanbul Provincial Director of Culture and Tourism Dr. Coşkun Yılmaz, along with numerous art enthusiasts.

A Collection Illuminating Fragrance Bottle Culture

The exhibition features Bekir Kantarcı's meticulously assembled collection of fragrance bottles, spanning from the 18th century to the mid-20th century. It showcases a diverse array of items crafted from various materials and techniques, including Gülabdans, incense burners, Beykoz glass, and European crystals. The collection highlights an extensive range of materials such as precious metals like gold, silver, and tombak, along with porcelain, ivory, glass, ceramics, and enameled embroideries. Together, these fragrance vessels and perfume bottles, produced in both local and Western styles, provide a comprehensive perspective on fragrance bottle culture.

General Directorate of Foundations' "Imagine, Discover, Endow" Youth Project

As part of the "Imagine, Discover, Endow" Youth Project organized by the General Directorate of Foundations, we facilitated trips for students from Kosovo to Istanbul and Bursa. In the fourth edition of this project, conducted in collaboration with the General Directorate of Foundations, young people from Kosovo visited various foundations in Istanbul and Bursa and they were introduced to our common cultural heritage. In this project aimed at rediscovering shared historical and cultural ties, young visitors explored the streets of Istanbul, surrounded by significant monuments. They listened to the stories behind each stone and column and visited the Süleymaniye Mosque and Complex.

Ilmiye Foundation e-Madrasa Project

As Kuveyt Türk, we supported this initiative aimed at raising literacy in Islamic finance and the history of Islamic thought. Lectures on Islamic Economics and Islamic Schools of Thought will be broadcast on the Ilmiye Foundation's "e-Madrasa" channel on YouTube.



Through the "Let There Be Life for Farmers Income Generating Sapling Project," support is offered to farmers with limited resources by planting fruit saplings.

ÇEKUD Farmer's Life Project

ÇEKUD undertakes various projects—including conferences, symposiums, and competitions—focused primarily on afforestation to raise environmental awareness, develop environmental ethics, and create lasting solutions to environmental challenges. Through the "Let There Be Life for Farmers Income Generating Sapling Project," support is offered to farmers with limited resources by planting fruit saplings. In partnership with ÇEKUD, Kuveyt Türk assists farmers in the earthquake zone as part of this initiative. Specifically, we planted 10,000 one-year-old olive saplings in the burned olive groves of Muğla to aid the national economy and put idle land into productive use.

Our Focus Areas and Objectives

Kuveyt Türk has announced plans to undertake significant environmental, social, and governance initiatives by 2026. In line with its 2026 strategy, the Company offers its customers innovative products and services, continuously taking steps that add value to society and its shareholders with a strong capital structure and dynamic corporate governance approach. Publishing the Sustainability Policy as part of its sustainability efforts, Kuveyt Türk established the Sustainability Committee and four different working groups reporting to this committee for the sound management of these sustainability efforts in line with this policy. Kuveyt Türk aims to contribute to sustainability in environmental, social and governance fields with these working groups for the purpose of ensuring that future generations have the right to quality life and making a contribution to the environment.

RESPONSIBLE VALUE CHAIN MANAGEMENT

Our extensive value chain encompasses a diverse network of stakeholders, and we consider economic, social, and environmental factors collectively to create value for everyone involved.

In 2024, we improved our corporate portal and e-tender platforms based on user feedback and year-end evaluations.

As Kuveyt Türk, we prioritize sustainability and responsibility in all aspects of our operations, extending this commitment to our supply chain management. Our extensive value chain encompasses a diverse network of stakeholders, and we consider economic, social, and environmental factors collectively to create value for everyone involved.

Our supply chain comprises three key elements: the requesting business unit, procurement, and suppliers. We streamline our procurement processes through a digital e-tender platform integrated with our corporate portal, which manages the stages of request, offer, order, delivery, and invoicing. This approach enhances transparency and efficiency while minimizing our environmental impact by reducing paper usage. Additionally, we are committed to continuously improving our platforms by considering user feedback and advancing technology.

We recognize the significance of integrating digital solutions and innovative applications within our supply chain. We aim to accelerate information flow and raise transparency in our processes by utilizing electronic invoicing systems and supplier management software.

In 2024, we improved our corporate portal and e-tender platforms based on user feedback and year-end evaluations. In this regard, the Expense Management Project has been implemented, and development efforts for the Technology Acquisition Project have commenced. The Expense Management Project prevents expenditures from moving forward without approval from Expense Management and the Committee.



We hold annual evaluation meetings with our key suppliers to provide feedback and enhance collaboration.

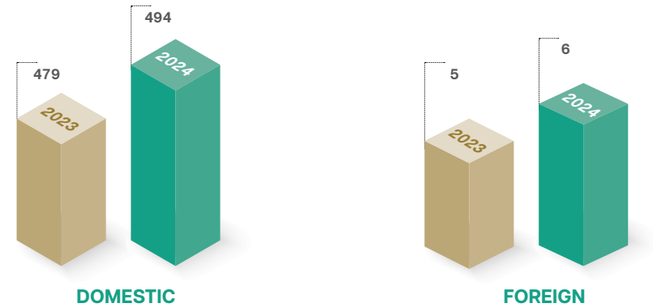
The Technology Acquisition Project aims to ensure that information technology requests are assessed for budget compliance, security, and legal considerations.

Supplier Selection and Management of Supplier Relationships

We view our suppliers as integral to our value chain and adopt a collaborative approach in our dealings with them. We build our relationships on mutual trust and aim for long-term cooperation. To facilitate this, we hold annual evaluation meetings with our key suppliers to provide feedback and enhance collaboration.

Our supplier selection process begins with identifying the required product or service through our relevant units. We conduct market research to identify potential suppliers, evaluating both existing suppliers and innovative companies in the industry and local suppliers. We pre-assess these suppliers based on criteria such as quality, price, delivery times, financial stability, references, and past performance. After completing the preliminary assessments, we request proposals and select the most suitable supplier based on our established criteria. When necessary, we conduct contract negotiations with the selected supplier in collaboration with the requesting business unit. We closely monitor supplier performance based on criteria such as on-time delivery, product quality, cost, and sustainability practices.

SUPPLIER COLLABORATIONS



We implement various measures to manage risks associated with our supply chain. We back up suppliers whenever possible to minimize the potential for disruptions in product or service delivery.

We prioritize building long-term, trust-based relationships with all stakeholders in our value chain.

We maintain regular communication with suppliers and requesting business units, supporting our processes through effective feedback mechanisms. We gather evaluations from our suppliers and requestors through satisfaction surveys and implement improvements based on this feedback. Periodically, we discuss our procurement processes and hold meetings to address any shortcomings. We focus on improving our collaboration with suppliers who receive low satisfaction scores by conducting visits and meetings to resolve their concerns.

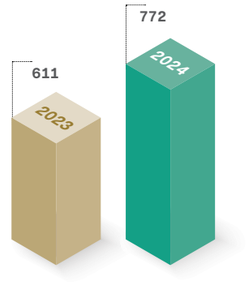
We prioritize building long-term, trust-based relationships with all stakeholders in our value chain. To achieve this, we consistently communicate with requestors and suppliers, conduct satisfaction assessments of our processes, and make improvements based on the insights we gather.

Effective Risk Management for a Sustainable Supply Chain

We implement various measures to manage risks associated with our supply chain. We back up suppliers whenever possible to minimize the potential for disruptions in product or service delivery. We also assess risks related to raw material availability and economic fluctuations, managing these risks through pre-sourcing when necessary.

We implement policies in harmony with environmental, social, and governance (ESG) criteria. The specifics of these policies are outlined in the Terms of Reference for Bid Collection, which we submit for our suppliers' approval on our e-tender platform. Within the framework of our specifications, we expect our suppliers to monitor their carbon footprint measurements, act in accordance with human rights policies, protect employee rights, provide a safe working environment by exercising occupational health and safety practices, support fair wage practices, and manage greenhouse gas emissions, waste, and resource utilization resulting from their operations in accordance with national and international standards, and refrain from employing child labor. For the purpose of promoting a responsible value chain management, we provide training programs for our employees. We regularly monitor the working conditions of our 772 outsourced employees. As our workplace is classified as less hazardous, we invite the suppliers we collaborate with to attend the Occupational Health and Safety Board meetings, which are held quarterly by our Occupational Health and Safety Specialist. In these meetings, we inform company representatives about our OHS activities and developments and receive their requests, if any, as feedback. Thus, we embrace the opportunity to carry out mutual endeavors in these areas.

OUTSOURCED EMPLOYEE



In our contracts with suppliers, we clearly communicate our expectations and requirements, fostering a relationship built on trust through the Voluntary Audit Line clause. Additionally, based on the results of our annual Supplier Satisfaction Survey, we recognize and reward our successful suppliers, sharing these achievements on our internal platforms.



HUMAN RESOURCES APPROACH

We prioritize creating a work environment where our employees feel happy, peaceful, and valued.



We organize a variety of training and development programs to promote both the professional and personal growth of our employees.

Kuveyt Türk's Human Resources Approach: A Work Culture Inspired by Values
Since our inception, we have believed that customer satisfaction naturally stems from employee satisfaction. Our human resources policy is built on this understanding, and we prioritize creating a work environment where our employees feel happy, peaceful, and valued.

To achieve this goal, we adhere to several fundamental principles:

- Participatory management and transparency are essential elements of our leadership approach.
- We strive for fairness between employee rights and corporate interests in all situations.
- We recognize and reward exceptional effort, honesty, and quality work.
- We provide comprehensive support to help our employees maintain a balance between their work and personal lives.
- We avoid making promises we cannot keep and ensure that we fulfill all our commitments.
- We handle complaints and suggestions impartially, evaluating them through a fair process.
- We view the development, motivation, inspiration, and encouragement of our employees as a corporate responsibility.
- We commit to the principles of sound banking, fairness, professionalism, teamwork, innovation, and trust in our efforts to achieve our goals alongside our employees.

For over 30 years, our leadership position in the industry has been a result of our unique corporate culture and strong network of relationships. The strength we derive from these values fuels our ongoing commitment to excellence in service. We remain determined in our pursuit of sustainable and profitable growth and extend our people-centered approach from our employees to our customers and society. This dedication continues to reinforce our leadership in the industry and our reliable brand identity.

Recruitment
This year, our HR Business Partnership Directorate executed recruitment processes through four distinct programs: MT, Explorer, Internal Control, and Audit (D3) as part of our talent initiatives. We recruited new graduates from Türkiye's leading universities for our MT and Internal Control and Audit programs, while also including fourth-year students from universities in our Explorer program.

Through our Campus at the Bank program, we continue to train future bankers. Third- and fourth-year university students gain valuable experience in our branches and Head Office units. We prioritize youth employment, recruiting 85% of our new hires from recent graduates. Our recruitment processes are conducted through 3İK and Youthall platforms, as well as our Bank's Instagram career account and LinkedIn account. We engage with university students and recent graduates both online and in person to share career opportunities at our Bank.

Career Development
We organize a variety of training and development programs to promote both the professional and personal growth of our employees. These training sessions are designed to enhance technical expertise, as well as improve leadership and management skills. Additionally, our commitment to continuous learning allows employees to stay updated on the latest developments in the business world. Our career development and promotion processes are grounded in a fair and transparent management approach. We conduct performance evaluations based on objective criteria and provide regular feedback, enabling employees to advance in their careers according to their performance.

Our performance assessment system is built on fair and objective criteria that prioritize the competencies and career development of our employees.

Remuneration and Fringe Benefits
Our remuneration structure is designed to motivate employees and encourage them to exceed their targets. We implement a performance-based reward system to recognize employee success. Our remuneration framework is based on the role rather than the individual, ensuring that we assess individual performance fairly and transparently, while also considering team performance and the overall performance of our Bank. Our remuneration management system aims to foster long-term engagement among high-performing employees and attract qualified talent.

Our total compensation package includes:

- A salary,
- Performance bonus,
- Foreign language allowance
- Transportation and meal assistance, and
- Other fringe payments

We provide our employees with fringe benefits that include private health insurance (covering spouses and children), a private pension plan with corporate contributions, and a family support package. Additionally, since launching the "My Basket" project in 2017, we have allowed employees to customize their fringe benefits to better meet their individual needs. This innovative application, the first of its kind in the banking industry, aims to enhance employee satisfaction.

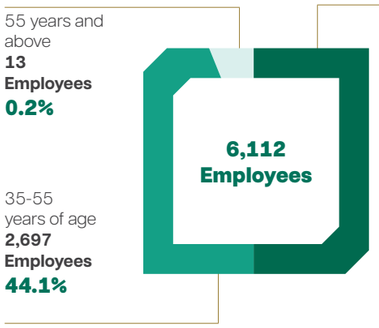
Performance Assessment and Rewarding System
Our performance assessment system is built on fair and objective criteria that prioritize the competencies and career development of our employees. This process rewards high-performing employees, boosting their motivation and reinforcing their engagement with the Bank. We promote long-term career planning by acknowledging their achievements.

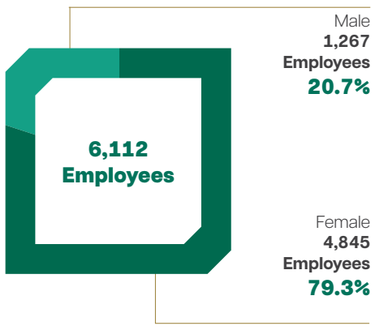
As part of our commitment to recognizing success, our Bank provides rewards and incentives based on performance assessments. This approach enhances employee motivation and engagement. By implementing various reward and incentive programs that focus on performance and motivation, we encourage our employees to commit to their careers at our Bank while aligning our employment policy with the principles of participation finance.

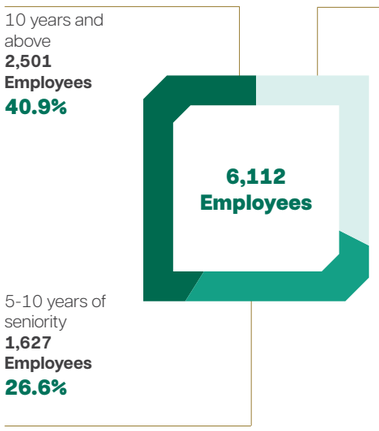
We have established an employment policy consistent with the principles of participation banking. We organize necessary training and orientation programs to instill these values in our employees and encourage them to embrace our mission. Furthermore, we support their involvement in social responsibility projects, fostering a socially and environmentally conscious approach.

We employ 6,112 people at Kuveyt Türk as of the end of 2024. 20.7% of our employees are women, while disabled employees represent 2.4% of the total workforce.

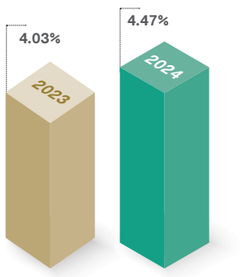
EMPLOYEE PROFILE







EMPLOYEE TURNOVER RATE



EMPLOYEE SATISFACTION AND ENGAGEMENT

To promote a healthy work-life balance and raise motivation and productivity, we have broadened our flexible working models.

As Kuveyt Türk, we consider the satisfaction and engagement of our employees among our primary objectives. In 2024, we implemented numerous projects aimed at enhancing motivation, making employees feel valued, and strengthening their sense of corporate belonging. Our initiatives set an example in the industry by ensuring that our employees feel happy and appreciated in both their professional and personal lives.

We distinguish ourselves with the My Basket Flexible Fringe Benefits Application, which allows employees the autonomy to select fringe benefits that meet their individual needs. Through this system, employees can choose from a range of advantages, including health insurance, educational support, vacation expenses, and various social amenities.

Expansive Working Model

To promote a healthy work-life balance and raise motivation and productivity, we have broadened our flexible working models. Employees can manage their business processes according to their lifestyles, utilizing remote work and flexible hours. Head Office employees with suitable job descriptions are required to work in the office two days a week, while branch employees benefit from flexible working hours. We have designed a full-time remote working model tailored specifically for our disabled employees.

Our Flexible Working Model: Expansive

- **Remote Working Opportunities:** We offer employees the chance to work from home on designated days. This contributes to time management, particularly in individual business processes.
- **Flexible Working Hours:** We help employees balance their personal needs and professional responsibilities by allowing them to set their own work start and end times flexibly.
- **Full-Time Remote Work:** Certain positions offer full-time remote work opportunities, particularly for employees with disabilities.
- **Partial Work Models:** Employees can request partial work arrangements during specific periods, enabling them to adjust their workload according to their needs.
- **Maternity and Care Leaves:** We facilitate gradual return-to-work processes for new parents following maternity leave, ensuring a healthy balance between family life and professional responsibilities.
- **Special Leave for Female Employees with Primary School Children:** Female employees with primary school-aged children are granted special leave on report card day.

In 2024, the Kuveyt Türk Academy continued to provide comprehensive training programs aimed at supporting the professional and personal development of our employees.

The Happy Moments Reward System developed by Kuveyt Türk ensured that employees' achievements and special occasions were recognized. Employees received tangible rewards and sincere thanks for their contributions, further fostering a culture of appreciation.

The spacious and flexible workspaces we designed for Head Office employees improved their efficiency and motivation. Modern, ergonomically designed office spaces, combined with flexible working hours, contributed significantly to achieving a better work-life balance.

The Happy Moments Reward System developed by Kuveyt Türk ensured that employees' achievements and special occasions were recognized. Employees received tangible rewards and sincere thanks for their contributions, further fostering a culture of appreciation.

In 2024, the Kuveyt Türk Academy continued to provide comprehensive training programs aimed at supporting the professional and personal development of our employees. The training sessions, which covered areas such as leadership, digital skills development, problem-solving, and innovation, helped employees enhance their competencies and reach their career goals.

The Employee First Assembly remained an effective platform in 2024, allowing Kuveyt Türk employees to share their opinions and suggestions with the management. We place great importance on employee feedback, organizing regular Employee Assembly meetings every 45 days, involving 15 employees from different regions. During these meetings, employee feedback is directly integrated into decision-making processes, and we take steps to maximize employee satisfaction based on the insights received. Thanks to our practice of bridging senior management and employees, we enhance employee motivation and foster solution-oriented approaches by regularly evaluating collected requests and suggestions.

As Kuveyt Türk, we promote a culture of open communication among our employees. The "Feedback" screens on our My Journey platform play a key role in this initiative, allowing employees to easily provide feedback and express appreciation for one another. The 87% usage rate of these screens, along with 3,150 feedback cards and 20,500 greeting cards, demonstrates that this culture has become ingrained throughout the organization, leading to increased employee engagement and productivity.

Our Employee Satisfaction Line enables employees to submit their suggestions and requests anonymously, contributing to both a better working environment and a stronger feedback culture.

Launched in 2023, the HR Chatbot Palmi has provided employees with quick and easy access to HR processes. This application simplifies transactions such as leave requests, payroll viewing, and current HR notifications. Enhanced with artificial intelligence this year, the application has become even more intelligent and will eventually be adapted for our other business units, supporting our Bank's digitalization journey.

The BOA Store mobile application provides quick and easy access to the most frequently used HR transactions for our employees. In contrast, the BOA Portal streamlines communication by consolidating Head Office announcements, business processes, and campaigns specifically designed for branches into a central platform, reducing email volume.

İyi ki (So Glad) Mobile App

Kuveyt Türk's "İyi ki" mobile application, designed to strengthen communication among employees and boost corporate engagement, continued to be utilized effectively in 2024. This app provided a fast and efficient communication platform, featuring options for celebrating special occasions, sending instant thank-you cards, and sharing departmental announcements.

We view it as our corporate responsibility to address not only the professional but also the social and emotional needs of our employees.

The application enabled our employees to easily share individual content and department updates while providing quick access to corporate information. Its structure facilitated both professional and social interactions, making it simpler for employees to connect with one another. Additionally, "İyi ki" improved information flow by reducing email traffic.

With features that promote instant appreciation and gratitude, "İyi ki" emerged as a vital platform that fosters a culture of solidarity and enhances employee satisfaction. In 2024, this initiative remained a pivotal instrument in boosting employee motivation and cultivating a sense of corporate belonging.

Well-Being Academy

We established the "Well-Being Academy" within KT Academy to support the mental, physical, and emotional well-being of our employees. This academy offers a variety of training sessions and events focused on stress management, mindfulness, healthy living, and personal development. We elevated the academy with workshops and activities that allow employees to grow personally outside of work. Additionally, we organized events that strengthen social connections among employees and boost motivation. One highlight is the Spring Festival, an important gathering where employees come together to enjoy themselves and foster team spirit. We further promoted a sense of corporate belonging through activities that included family participation.

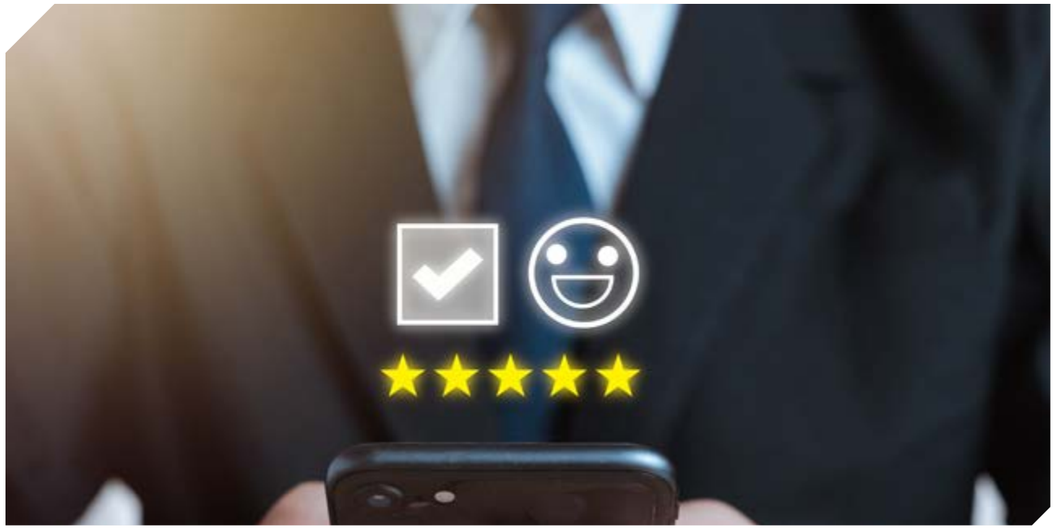
Our Support for Employee Well-Being

We view it as our corporate responsibility to address not only the professional but also the social and emotional needs of our employees. To this end, we offer comprehensive programs and activities at both individual and collective levels to support their well-being.

Through the "Well-Being Academy," launched this year, we provide various training sessions, workshops, and events designed to enhance the physical, mental, and emotional well-being of our employees.

Our health and human resources teams also conduct well-being seminars, personal development training, stress management programs, and regular health checks to support employees' overall health.

To foster a socially enriching work environment, we organize large-scale events like the annual Spring Festival, which allows our employees to strengthen their social connections beyond the workplace. The 2024 Spring Festival proved to be a resounding success, providing a joyful experience for employees and their families. In addition, the Children's Festival offered special events for employees' children, providing entertainment and opportunities for social interaction.



As Kuveyt Türk, we view respect for human rights and the creation of an ethical work environment as essential components of our corporate responsibility.



HUMAN RIGHTS

Kuveyt Türk's ethical principles serve as the foundational values and codes of conduct guiding all organizational activities. These principles are institutionalized through our Code of Ethics and related policies.

Kuveyt Türk employees foster respectful relationships with both colleagues and customers, adhering to human rights and the Kuveyt Türk Ethical Principles. They are committed to the values of honesty, trust, impartiality, and transparency, treating everyone equally without discrimination based on language, religion, race, gender, age, disability, marital status, philosophical beliefs, sect, or any other characteristics.

As Kuveyt Türk, we view respect for human rights and the creation of an ethical work environment as essential components of our corporate responsibility. Our Code of Ethics outlines the principles that enable our employees to work in a fair, respectful, and ethical business environment.
We are committed to protecting their personal rights and promoting their professional development by providing equal opportunities for all individuals in our workplace. The following five principles have been adopted as part of our Code of Ethics:

- Justice and Impartiality
- Healthy and Safe Working Environment
- Protection against Psychological Violence
- Training and Development
- Ethics Notification System

We strive to create a work environment where all employees enjoy equal rights. We uphold the principle of equality throughout all processes, from recruitment to career advancement, and do not discriminate against employees based on gender, nationality, religion, or status. We ensure that situations such as pregnancy, motherhood, or childcare do not impede their careers.

To promote a safe, healthy, and motivating workplace, we have implemented the necessary measures, including the establishment of the Workplace Safety Regulation and employing safety experts.

We firmly believe that our employees should never experience psychological violence, including mobbing. We have a zero-tolerance policy for mobbing and all other forms of psychological abuse. We have established mechanisms that allow our employees to confidently report such incidents. Within the framework of confidentiality, we thoroughly examine all notifications and take necessary actions.

We organize a variety of training programs, courses, and seminars to support the professional and personal development of our employees. These initiatives help them enhance their skills and knowledge, enabling career advancement.

Management of Ethical Values

Kuveyt Türk's ethical principles serve as the foundational values and codes of conduct guiding all organizational activities. These principles are institutionalized through our Code of Ethics and related policies. Detailed information regarding our Bank's Ethical Principles and Values, as well as our 2024 activities and developments, can be found in the **Business Ethics, Legal Compliance, and Transparency** section of our report.

We have established a secure and confidential ethics reporting system that allows employees to report ethical violations. All reports submitted through this system are carefully reviewed, and appropriate measures are taken. We implement necessary safeguards to prevent retaliation, ensuring that employees can use this system safely.

As part of our orientation program, KUTUP (Kuveyt Türk Compliance Program), we provide ethics and compliance training to newly recruited colleagues. In 2024, a total of 434 individuals participated in training titled "Customer Experience and Ethical Banking" and "The Key to Adaptation to Working Life."

As Kuveyt Türk, we uphold a fair, transparent, and inclusive approach by creating a working environment where all employees, regardless of gender, ethnic origin, age, or disability, can maximize their potential.

The "Customer Experience and Ethical Banking" training promotes the adoption of our Bank's service approach, corporate values, and ethical principles, supporting employees in aligning their actions with ethical values in banking processes.

"The Key to Adaptation to Working Life" training addresses the adaptation processes of our employees to the professional environment. This training covers topics such as emotional intelligence, mindfulness, effective habits, and competencies valued at Kuveyt Türk, helping our employees succeed in their careers.

In conclusion, Kuveyt Türk continuously enhances its Human Resources Policies to emphasize the importance of human rights and employee satisfaction. Ensuring that our employees feel happy, peaceful, and valued in their professional lives is one of our main priorities.

Equality and Inclusion

As Kuveyt Türk, we uphold a fair, transparent, and inclusive approach by creating a working environment where all employees, regardless of gender, ethnic origin, age, or disability, can maximize their potential. This approach is a cornerstone of our corporate culture and supports employees in advancing their careers equitably and developing themselves.

Our Bank offers flexible working arrangements for female employees after childbirth to help them balance work and family life. We provide various solutions tailored to employee needs, including partial work, part-time work supported by the Turkish Employment Agency (İŞKUR), flexible full-time work from home, and flexible part-time work from home.

In accordance with Article 30 of Labor Law no. 4857, we employ at least 3% of our workforce with disabilities in locations with 50 or more employees. We also make physical adjustments such as ramps, wide doors, elevators, and accessible restrooms in our branches and Head Office buildings to facilitate easy access for employees with disabilities. Additionally, we offer remote working options and flexible working hours to eliminate the necessity of being physically present at the workplace for these employees.

Adopting the **"equal pay for equal work"** principle, our Bank implements a position-based remuneration policy grounded in objective criteria that align with job descriptions, responsibilities, experience, and employee performance. Our salary determination processes are free from considerations of minority status, gender, or any other form of discrimination.

To ensure transparency and fairness, our Bank regularly reviews its remuneration policies through annual internal audits, market surveys, and employee feedback. Protecting employee rights and upholding the principle of equality are central to our corporate culture.

Kuveyt Türk Academy has developed a training roadmap which helps employees excel in their roles by considering all stages of their career paths and assessing their training and development needs.

CONTRIBUTION TO TALENT DEVELOPMENT: KUVEYT TÜRK ACADEMY

218 thousand hours+
Total Training Hours

We provided over 218,000 hours of training to more than 4,700 employees during the 2024 operating period. This included over 1,700 classroom sessions covering more than 500 different topics.

As Kuveyt Türk, we believe that the match between our employees' competencies and the requirements of their positions is crucial for motivation. Our training and development initiatives are designed to equip employees with the necessary skills for their current roles while fostering their personal growth and intellectual development for future opportunities.

Under the Kuveyt Türk Academy brand, we approach training and development activities with a corporate academy perspective. The Academy is structured to integrate competencies and strategies relevant to participation banking within our learning mechanisms, thus providing a valuable learning experience for employees pursuing careers in this industry. We place the Bank's strategies at the center of all of the Academy's processes.

Kuveyt Türk Academy has developed a training roadmap, or "learning journeys," which helps employees excel in their roles by considering all stages of their career paths and assessing their training and development needs. In crafting these learning journeys, we drew on job descriptions, job analyses, focus group studies with managers and employees, as well as market and industry research.

We continuously upgrade our infrastructure with modern technologies. Kuveyt Türk Academy offers development opportunities that align with employees' potential and preferences, both for their current roles and for other positions they may pursue within the organization, thereby facilitating sustainable organizational development.

The Academy leverages technology through an Artificial Intelligence-driven Education Portal, Academy TV, a Digital Learning Platform, a Mobile Application for Digital Learning, virtual classroom applications, and a smart classroom solution designed to maximize the virtual classroom experience. We are dedicated to improving the educational experience with our hybrid education model.

In this context, we provided over 218,000 hours of training to more than 4,700 employees during the 2024 operating period. This included over 1,700 classroom sessions covering more than 500 different topics. Additionally, we offered approximately 72,000 hours of digital training to more than 6,000 employees, featuring over 7,000 pieces of original content.

In 2024, over 250 employees participated in the Data Blessing Training Program and the Data Scientist Training Program, which we organized to hone the analytical capabilities necessary for informed decision-making. We successfully trained more than 20 data scientists as part of the Data Scientist Training Program completed in 2024.

Kuveyt Türk is dedicated to training future managers through our Management Trainee (MT) programs. Accordingly, we rigorously assess young professionals who have graduated with distinction from Türkiye's leading universities and integrate them into a comprehensive long-term training program.

Kuveyt Türk Academy in 2024

4,700+ employees

1,700 classroom sessions

218+ thousand hours of classroom sessions

7 thousand+ digital content

72 thousand hours of digital training

New Training Programs
During the 2024 operating period, we launched three new development programs: Data Blessing Plus, the Digital Content Development Program, and the Business Technologist Development Program.

As part of the Development Kitchen Project, we are actively implementing development programs designed to be pivotal in our employees' career progression and to equip them for the future business landscape.

Two More Awards for Kuveyt Türk Academy
Kuveyt Türk's Data Analytics Program for Managers won a gold award at the Brandon Hall Group Excellence Awards. Our academy structure also received a gold award in the Best Academy category.

Kuveyt Türk is dedicated to training future managers through our Management Trainee (MT) programs. Accordingly, we rigorously assess young professionals who have graduated with distinction from Türkiye's leading universities and integrate them into a comprehensive long-term training program. To support their growth in management, we offer our candidates MBA opportunities along with a competitive salary and fringe benefits package, all tailored to align with their personal development plans.

Foreign Language Education Support
In response to the recent increase in foreign customers, we are continuing our foreign language training programs. In this respect, we have enrolled 85 employees in an English language training program.

LinkedIn Learning Support
We provide LinkedIn Learning support for employees with foreign language skills, allowing them to expand their training catalog. Employees can seamlessly link their certificates from digital training courses on the platform to their LinkedIn profiles, refining their skills and enriching their resumes.

Master's Degree Programs specific to Kuveyt Türk and Master's Degree Discount Agreements with Universities
For employees interested in pursuing an academic career, we offer discounted master's degree opportunities through partnerships with various universities. Additionally, through the Academic Career Institute, we provide consultancy services for employees enrolled in graduate programs.

Through the establishment of the Sustainability Academy within Kuveyt Türk Academy, we aim to raise employee awareness regarding environmental, social, and governance sustainability.

We are carrying out awareness-raising activities to enhance the sustainability awareness of our employees.

Branch Competency Transformation
We organize training and development programs aimed at equipping our branch employees with the competencies needed for the future. We identify essential competency sets for our branch staff and assess their development areas accordingly. To support this, we implement targeted training sessions that focus on enhancing these development areas.

Academy Campus Renovation
We have renovated our academy campus, improving the spaces where we conduct classroom training and events. Our modernization efforts focused on upgrading classrooms and infrastructure to maximize the participant experience.

Sustainability Academy
Through the establishment of the Sustainability Academy within Kuveyt Türk Academy, we aim to raise employee awareness regarding environmental, social, and governance sustainability. We have ongoing efforts to make sure employees have heightened awareness of these matters. We share posts on our corporate social media platform, İyi ki, and promote understanding through our Sustainability Dictionary initiative.

Artificial Intelligence-Driven Digital Assistant
We launched a project featuring an artificial intelligence-driven digital assistant that addresses employee inquiries on our updated academy web portal. Additionally, we introduced "Bilgin," our AI assistant, stationed at the entrance of our revamped campus to further facilitate employee needs.

Sustainability Needs Assessment:
In collaboration with the Sustainability Academy and the Sustainable Development and Human Rights Committee, we conducted interviews with various sustainability committees across the organization. These interviews aimed to assess the current state of sustainability in the finance and banking industries and identify the training and competencies our employees require. As a result, we included 19 colleagues in TBB and TKBB training sessions.



OCCUPATIONAL HEALTH AND SAFETY

In line with our commitment to human health and safety, we have developed policies to ensure that our employees and suppliers work in a safe environment and to establish and foster an occupational health and safety culture.

To minimize occupational health and safety risks, we conduct emergency drills and carry out periodic checks of work equipment.

As Kuveyt Türk, we have implemented comprehensive modern occupational health and safety practices in accordance with the Occupational Health and Safety Law no. 6331, which came into effect in 2012, and related regulations. In line with our commitment to human health and safety, we have developed policies to ensure that our employees and suppliers work in a safe environment and to establish and foster an occupational health and safety culture. We have established OHS principles, rules, and commitments, and have provided our employees with the necessary training on these matters.

We make arrangements in our field practices to ensure compliance with the Occupational Health and Safety Law and related legislation. We have a part-time Occupational Health and Safety Specialist at our Head Office campus and a full-time Occupational Health and Safety Specialist at our Banking and Living Base campus. Our workplace physicians, who work part-time at both campuses, regularly conduct health checks for our employees.

As we hold the status of a less hazardous workplace, we organize Occupational Health and Safety Board (OHS Board) meetings at least once every three months in accordance with occupational health and safety legislation. These meetings are chaired by the employer's representative and attended by employee representatives from various units. To minimize occupational health and safety risks, we conduct emergency drills and carry out periodic checks of work equipment. We ensure a safe workplace by addressing identified deficiencies.





Guided by our "health first" philosophy, we implemented a rotational working model during the pandemic, consistently prioritizing employee well-being.

1,073
Number of People Completing Occupational Health and Safety Training

The Risk Analysis and Emergency Action Plan is updated at least every six years to comply with legal requirements. Any changes in legislation are immediately incorporated into the plans. To support a proactive approach to preventing possible workplace accidents, we have developed a "Near Miss Notification" system. Emergencies are managed by the OHS Board, led by our OHS specialist, and relevant units are informed in coordination with our Human Resources Department as needed.

In November 2023, we successfully conducted an emergency drill at our Banking Base. Given Türkiye's location in an earthquake zone and the lessons learned from past earthquakes, we prioritize the continuity of our drills and controls, diligently meeting all legal requirements.

The changing working conditions due to the COVID-19 pandemic have introduced new risks in occupational health and safety. In response, we have consolidated our health and safety practices for both remote and in-person work environments, including the activation of remote training modules to help our employees adapt to these new conditions.

We place great importance on occupational health and safety training. Every three years, we define training requirements for all employees through the Kuveyt Türk Academy digital platform, ensuring that completion is mandatory. 1,073 people completed OHS courses in 2024. At the end of the eight-hour training sessions, we awarded certificates and first aid cards to participants who successfully completed the program. In addition to first aid training, we conduct risk analyses and assessments with employee participation to identify potential accidents in advance and reduce risks to acceptable levels.

Guided by our "health first" philosophy, we implemented a rotational working model during the pandemic, consistently prioritizing employee well-being.

Furthermore, as part of our collaboration with suppliers, we invite company representatives to our Occupational Health and Safety (OHS) Board meetings. We inform them about our OHS activities and solicit their feedback, aiming to continuously improve our OHS processes through collective efforts.

COMBATING CLIMATE CHANGE AND ENVIRONMENTAL ADAPTATION

As Kuveyt Türk, we remain committed to our sustainability goals, actively developing climate strategies aligned with Türkiye's 2053 Net Zero Target.



We work to minimize our carbon footprint throughout our operations. Our practices include reducing energy consumption, utilizing renewable energy sources, managing waste effectively, and conserving water to ensure minimal environmental impact.

As Kuveyt Türk, we remain committed to our sustainability goals, actively developing climate strategies aligned with Türkiye's 2053 Net Zero Target. Our climate risk analyses are based on scenarios from the Network for Greening the Financial System (NGFS). We await the completion of initiatives, such as the Carbon Market Development Project by the Ministry of Environment, Urbanization, and Climate Change, as well as the net zero roadmap for various industries, to create scenarios that align with Türkiye's 2053 Net Zero Target. The finalization of these processes will enable our Bank to devise more detailed action plans.

Our Environmental Sustainability Actions in 2024

As Kuveyt Türk, we place great emphasis on combating climate change and promoting environmental sustainability. Some key actions we undertook in 2024 as part of our environmental sustainability approach include:

- Sustainable Financing: We prioritize financing projects that aim to minimize environmental impact. By supporting renewable energy projects, energy efficiency initiatives, and environmentally friendly technologies, we contribute to building a sustainable future.
- Reducing Carbon Footprint: We work to minimize our carbon footprint throughout our operations. Our practices include reducing energy consumption, utilizing renewable energy sources, managing waste effectively, and conserving water to ensure minimal environmental impact.
- Sustainability Reporting: We transparently report our sustainability performance, demonstrating accountability to our stakeholders. Our reports outline our goals in environmental, social, and governance areas, as well as our achievements in these domains.
- Environmentally Friendly Products: We aim to promote environmental sustainability by developing banking products that are environmentally friendly and meet our customers' needs. Our goal is to foster customer awareness of environmental protection through our financial products and services.
- Awareness and Training: We prioritize raising environmental awareness and organizing training programs for both our employees and customers. Our objective is to broaden the understanding of environmental sustainability among a wider audience.
- Collaborations and Participation: We actively engage in national and international initiatives and organizations focused on environmental sustainability. By adopting best practices and integrating them into our processes, we strive to promote environmentally friendly solutions.

Our Bank continued to provide financing for renewable energy projects, including hydroelectric, biomass, wind, and solar power plants, primarily focusing on rooftop solar power plants (SPPs).

In 2024, we undertook significant activities across various areas to align with our environmental sustainability goals:

Financial Activities for Environmental Benefit

Renewable Energy Financing Support: Our Bank continued to provide financing for renewable energy projects, including hydroelectric, biomass, wind, and solar power plants, primarily focusing on rooftop solar power plants (SPPs). Through our SPP Leasing product, we assist companies in sourcing their energy from renewable sources, promoting access to clean energy and aiding in the reduction of greenhouse gas emissions that contribute to global warming.

Environmentally Friendly Vehicle Financing Support: To support sustainable transportation, the Bank offers financing for environmentally friendly vehicles. Our financing products encompass electric and hybrid vehicles, bicycles, electric bicycles, and charging stations, fostering the use of sustainable resources in transportation.

Agricultural Banking: We prioritized renewable energy projects to enhance agricultural production. Our initiatives, such as financing for solar power plants, rooftop solar energy systems, and drip irrigation, aimed to improve energy efficiency for our producers. Additionally, we fostered financial sustainability by developing tailored repayment plans that consider the cash flow of our producers.

Support for Technologies that Promote a Sustainable World

Lonca Entrepreneurship Center: Since its establishment in 2017, the Lonca Entrepreneurship Center has supported technology startups that create sustainable business models. In 2024, the center incorporated the "Carbon Gate" initiative, which offers comprehensive carbon footprint management tailored to specific sectors. This initiative not only promotes sustainability efforts but also seeks to generate new collaboration opportunities with our Bank.

Take Off İstanbul 2024: At the summit organized by the T3 Foundation, we contributed USD 10,000 in prize support to the "Helios" initiative, which focuses on developing carbon capture solutions. This contribution underscores our commitment to projects that prioritize environmental sustainability.

Environmental Awareness and Sustainability Courses

Sustainability Academy

Kuveyt Türk Academy launched the Sustainability Academy in August 2023 to promote awareness of environmental and social sustainability. Following the launch, we further engaged our employees by sharing posts on our corporate social media platform, "İyi ki." As part of this initiative, we introduced the "Sustainable Dictionary," which shares key terms related to sustainability.

We are organizing in-house training sessions to increase our employees' environmental awareness and ensure they are informed about climate change.

Kuveyt Türk Academy launched the Sustainability Academy in August 2023 to promote awareness of environmental and social sustainability.

Through the Sustainability Academy, we assessed the sustainability training needs of our employees and facilitated essential sustainability studies.

335 Hours Physical Training	**28** Number of People in Physical Training	**11.96 People X Hours** Physical Training
154.05 Hours Digital Training	**188** Number of People in Digital Training	**0.82 People X Hours** Digital Training

We organize both in-house training sessions and collaborate with external organizations, such as the Banks Association of Türkiye (TBB) and the Participation Banks Association of Türkiye (TKBB), to raise our employees' environmental awareness and inform them about climate change.

In 2024, our employees participated in the following training sessions on the environment and climate change:

- Climate Finance
- Climate Risks and Heat Maps
- Sustainability and Islamic Finance
- Assessing Environmental, Social, and Governance Risks in Sustainable Finance
- Sustainable Financing Instruments
- Türkiye Sustainability Reporting Standards (TSRS) Expectations
- Green Asset Ratio and Green Capital Markets and Products

Name of Training	Total Training Hours
Climate Finance (TBB)	6.5
Climate Risks and Heat Maps (TBB)	26
Assessment of Environmental, Social and Governance Risks within the Scope of Sustainable Finance (TBB)	6.5
Sustainable Financing Instruments Training (TBB)	26
Expectations of the Türkiye Sustainability Reporting Standards (TSRS)	13
Green Asset Ratio and Green Capital Markets and Products (TBB and TKBB)	131
ESG Certificate Program (TKYD-Türkiye Corporate Governance Association)	88
Sustainability and Islamic Finance (Bahrain Institute of Banking and Finance and Islamic Development Bank)	38
TOTAL	**335**

In addition to these classroom training sessions, we provide a range of environmental sustainability courses through the Kuwait Türk Academy Digital Learning Platform.

Name of Training	Topic	Total Time
Sustainability	Introduction to Sustainability, History of Sustainability, Sustainable Development Goals	14.5 hours
Individual Awareness for a Sustainable World	Minimalism, Sustainable Working Environments, Efforts to Raise Individual Awareness	60.6 hours
Information on the ISO 50001:2018 Energy Management System	Sustainability, Energy Efficiency, Management Responsibility, Energy Review and Energy Use, Planning, Operations	5 hours
Climate Crisis in My Wardrobe	Climate Crisis, The Impact of Fashion on the Climate Crisis, A Brief History of Raw Material Use, Raw Material Use, The Search for New Systems	13.6 hours
Zero Waste	Individual Awareness, Definitions of Waste and Garbage, Best Practices for Sensitive Consumers, Types of Waste and Their Uses, The Basics of Recycling	60.4 hours

Meanwhile, through our Sustainability Academy, we lead initiatives to raise employee awareness of environmental, social, and governance (ESG) sustainability issues.

MANAGING CLIMATE RISKS

The Sustainability Committee prioritizes the Bank's initiatives by considering the risks and opportunities posed by climate change which could impact the Bank.

We are incorporating climate change risks into Kuwait Turk's risk inventory and defining physical and transition risks in our risk management strategy.

Our Sustainability Committee supports and oversees working groups that identify climate risks that could impact our Bank's business model and understanding of participation banking. The Committee is tasked with developing the Bank's strategy by assessing sustainability-related risks and opportunities, communicating these findings to all stakeholders—particularly the Board of Directors, shareholders, employees, and suppliers—and assigning responsibilities.

The Sustainability Committee prioritizes the Bank's initiatives by considering the risks and opportunities posed by climate change which could impact the Bank. It ensures that significant climate-related financial risks are integrated into the Bank's overall strategy and risk management framework. The Committee also evaluates the need for policy adjustments that align with the Bank's business objectives, values, and long-term interests. Furthermore, it establishes management mechanisms to identify, measure, monitor, and report climate-related risks. The Committee works to ensure that the Bank's strategy and risk appetite are consistent with publicly disclosed climate strategies and commitments.

We incorporate climate change risks into our Bank's risk inventory, specifically addressing physical and transition risks in our risk management strategy. This year, we published a Sustainability Risk Policy, which has been approved by our Board of Directors. The policy detailed the methodology for creating sectoral heat maps through impact analyses of relevant risks. It outlined the risks that credit customers may face due to climate change during evaluation processes, incorporated NGFS and RCP climate change scenarios, and described the risk factors included in the scenario analyses. Additionally, it specified the roles and responsibilities of the working groups and units established within our Bank to address sustainability. In assessing the physical risks of our portfolio, we considered acute risk factors such as floods, droughts, forest fires, and landslides in the short term, as well as chronic physical risk factors like rising average temperatures and water stress in the medium and long term. Preliminary findings indicate that the agriculture-livestock, tourism, mining, hydroelectric power (HEPP), and transportation-logistics sectors are highly vulnerable to physical risks, with approximately 10% of the Bank's portfolio expected to be exposed to significant levels of physical risk. Once the study is finalized, we plan to incorporate necessary actions and risk prevention measures into our decision-making processes. Moreover, we are currently piloting an impact analysis study on the Renewable Energy Project Finance portfolio concerning physical risks based on future projections. This study evaluates hydroelectric power (HEPP), wind power (WPP), solar power (SPP), and biomass energy projects (BES), employing location-based risk analysis using the World Bank's ThinkHazard! database for current conditions. It also assesses risk factors such as precipitation and temperature under RCP4.5 (base scenario) and RCP8.5 (worst-case scenario) for future projections. Ongoing studies include planning and analyzing the resulting outputs to associate these outputs with the Bank's risk appetite and limits, as well as to identify the impacts of relevant regulations.



Our bank conducted an impact analysis on its credit portfolio within the framework of the Carbon Border Adjustment Mechanism (CBAM) to assess the potential effects of carbon taxes that will come into effect in 2026.

To analyze the transition risks that the credit portfolio may face in addition to physical risks, the Bank has identified policy and regulatory risk, and market risk in the short term and medium term, as well as technology risk in the long term. In 2024, the Bank conducted an impact analysis on its credit portfolio under the Carbon Border Adjustment Mechanism (CBAM) to assess the effects of carbon taxes set to take effect in 2026 on exporters in specific industries. This analysis focused on credit portfolio customers in the cement, energy, iron-steel, aluminum, and fertilizer sectors, created a mass based on their 4-digit NACE codes in accordance with BRSA directives, to determine their financial resilience against the relevant regulations. Approximately 1,700 companies within these NACE codes was included in this evaluation. The analysis used the ratio of borrowers' exports to Europe as a starting point for internal credit assessments. Additionally, carbon emission data, production technology, action plans for reducing emissions, and investments made by customers were requested. Utilizing the data provided by customers, the Credit Allocation and Monitoring Departments integrated qualitative factors as per BRSA guidelines and provided an assessment methodology for customers based on a 5-level risk scale according to expert assessments. The study will be conducted whether the CBAM would significantly impact our credit portfolio. Furthermore, to evaluate the transition risks related to the overall Kuveyt Türk portfolio, an assessment was conducted on four risk factors: the direct and indirect emission costs of the Bank's credit portfolio, the investment costs required for green transformation, and their impacts on income and turnover, referencing the "Guideline on Establishing Heat Map Methodologies" developed by working groups within the Banks Association of Türkiye. This assessment identified sectors with high transition risks, such as iron and steel, logistics, fertilizer, and land vehicle manufacturing in the short and medium term, as well as agriculture-animal husbandry and automotive in the long term, which together constitute approximately 7% of our cash credit risk. Consequently, we determined that our portfolio has a manageable level of transition risk. To forecast future transition risks of the portfolio, we will utilize estimates from the NIGEM model for parameters such as GDP, carbon price, and emission levels according to NGFS scenarios, and we are working on adopting the Climate Policy Relevant Sectors (CPRS) method.

[5]Battiston, Stefano and Monasterolo, Irene and van Ruijven, Bas and Krey, Volker, The NACE – CPRS – IAM mapping: A tool to support climate risk analysis of financial portfolio using NGFS scenarios. (September 19, 2022). Available at SSRN: https://ssrn.com/abstract=4223606 or http://dx.doi.org/10.2139/ssrn.4223606

We oversee this through the Climate-Related Financial Risks Working Group, one of six working groups under our Sustainability Committee.

Our Bank has integrated principles for applying ESG factors into its credit policies and procedures, underscoring its commitment to addressing climate-related risks.

6
Working Groups

We oversee these processes through the Climate-Related Financial Risks Working Group, one of six working groups under our Sustainability Committee. The primary duties and responsibilities of this working group are outlined below:

- Identifying the physical (acute and chronic) and transition risks that our Bank may face, and reporting these findings to the Sustainability Committee.
- Assessing the climate risks to which our Bank could be exposed by conducting scenario analyses and stress tests in line with national and international initiatives, principles, and methodologies.
- Creating a heat map to evaluate the Bank's portfolio sectors in relation to physical and transition risks.
- Analyzing valuation changes in our Bank's collaterals resulting from potential physical and transition risks.
- Incorporating climate risks into capital and liquidity adequacy assessments, as well as into the management processes for credit, market, liquidity, operational, and other risks
- Identifying climate crisis-related risks affecting our Bank's operations and core business, proposing solutions to mitigate these risks, and establishing corporate policies

Apart from the Climate-Related Financial Risks Working Group, a total of six Working Groups under the Sustainability Committee, particularly the Sustainable Finance and Environmental Impact and Risk Working Groups, are actively working to identify sustainability-related risks and opportunities. These groups play a crucial role in shaping the Bank's strategy by assessing sustainability risks and opportunities and providing solutions, suggestions, and information to the Sustainability Committee.

To respond to evolving views on sustainability, our Bank has integrated principles for applying ESG factors into its credit policies and procedures, underscoring its commitment to addressing climate-related risks. The principles guiding our credit processes focus on minimizing negative impacts on sustainability, enhancing energy efficiency, supporting the transition to a low-carbon economy, and promoting awareness of sustainable development. In line with these principles, we evaluate renewable energy projects—such as solar, wind, and hydroelectric initiatives—as well as pollution prevention efforts encompassing supply chain management, recycling, waste management, fossil fuel substitutes, energy efficiency projects, and clean transportation vehicles, all under the Sustainable Financing Framework.

Climate Risk Analysis Process

Identifying Climate Risks



- Physical Risks: Acute risks, including floods, droughts, forest fires, and landslides; chronic risks, such as water stress and rising temperatures.
- Transition Risks: Risks associated with policy changes, technological transformation, and market and regulatory shifts.

Analysis and Assessment of Risks



- Development of sectoral heat maps
- Portfolio-based resilience analysis using NACE codes
- Impact analysis based on RCP scenarios and the ThinkHazard database
- Assessment of the impact on the credit portfolio

Identifying Strategic Decisions



- Integration into risk management processes: Incorporating climate risks into capital, liquidity, and credit processes.
- Development of action plans: Establishing green transformation targets and policies.

ESG IMPACT ON LENDING AND SUSTAINABLE FINANCE

Our objective is to establish a comprehensive framework for implementing environmental, social, and governance (ESG) principles, with a focus on improving energy efficiency, supporting the transition to a low-carbon economy, and increasing awareness of sustainable development.

Our goal is to identify and effectively manage any environmental and social risks or opportunities that may arise from the financing we provide.

Lending Policies Prioritizing the Environment and Society

As a participation finance institution, we adhere to principles that prohibit activities harmful to society and the environment, while actively supporting initiatives that promote social welfare and protect ecological balance. In line with our commitment to participation banking, we avoid financing projects that could have a negative impact on the environment and society.

Guided by these principles, we have developed our Credit Policy and established the Environmental, Social, and Governance (ESG) Principles Implementation Guidelines. Our objective is to provide a cohesive framework for integrating ESG principles, focusing on enhancing energy efficiency, supporting the transition to a low-carbon economy, and fostering awareness of sustainable development.

We fully comply with both national and international regulations and standards related to environmental, social, and governance issues, ensuring that the industries we finance align with these benchmarks. In our financing activities, we prioritize investments in renewable energy, environmentally friendly technologies, waste management, carbon emission reduction, and projects that raise efficiency while improving access to basic services and employment opportunities, all with a strong emphasis on ESG benefits.

Our goal is to identify and effectively manage any environmental and social risks or opportunities that may arise from the financing we provide.

Kuveyt Türk's Sustainable Finance Framework

As Kuveyt Türk, we established the Sustainable Finance Framework in 2021, aligning with the Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) published by the International Capital Markets Association (ICMA), as well as the Green Loan Principles (GLP) and Social Loan Principles (SLP) issued by the Loan Market Association (LMA).

In evaluating our sustainable finance investments, we adhere to the Sustainable Finance Framework in line with the Second Party Opinion (SPO) provided by Sustainalytics. Meanwhile, we initiated efforts to outline green asset definitions. We closely monitor the efforts of local public authorities, particularly the Banking Regulation and Supervision Agency (BRSA), as we prepare to comply with relevant regulations and track national taxonomy studies.

Our Environmental Sustainability and Renewable Energy Efforts in 2024

In 2024, Kuveyt Türk continued to support sustainable economic development by financing renewable energy projects, including solar power plant (SPP) installation and modernization initiatives. We also improved energy efficiency by supporting projects focused on generating electricity for self-consumption. In 2024, renewable energy projects constituted 35% of our total project financing. This way, we contributed to efforts geared towards reducing carbon emissions and accelerating the transition to a low-carbon economy.



Kuveyt Türk is actively developing an ESG Risk Assessment System to effectively manage environmental, social, and governance (ESG) risks within our lending processes.

35 %

The Share of Renewable Energy Projects in Total Project Financing

Our Bank's investments in environmental sustainability directly contribute not only to environmental conservation but also to economic and social development. For instance, the carbon emissions reduced through our clean energy financing provide tangible environmental benefits.

Our Environmental, Social, and Governance (ESG) Risk Assessment System Activities

Kuveyt Türk is actively developing an **ESG Risk Assessment System** to effectively manage environmental, social, and governance (ESG) risks within our lending processes. We are engaged in the design, integration, monitoring, and testing of the system, and adapting the ESG Risk Assessment Model to meet the highest quality standards while considering international sustainability reporting benchmarks. We are evaluating various approaches through benchmarking analyses of industry best practices to ensure that our system is globally comparable.

Our new system will identify environmental and social risks while also providing a comprehensive assessment of human capital, disaster management, cybersecurity, and corporate governance. We will analyze risks in these areas, integrate them into our credit processes, and establish a sustainable risk management model.

Once the ESG Risk Assessment System is complete, we will move our sustainable finance approach further by creating a framework that enables us to manage risks and effectively evaluate opportunities. In this process, we will regularly assess the impacts of climate change, natural resource constraints, and emerging ESG trends on our credit risk profile, developing proactive solutions based on these assessments.

Kuveyt Türk's sustainable finance strategy is guided by the **United Nations Sustainable Development Goals (SDGs).** Our efforts are aligned with the following goals



By actively contributing to these goals, we bolster our capability to generate long-term value.

SUSTAINABLE CARBON MANAGEMENT

Our approach to carbon management adheres to both national and international standards, positioning us as an industry leader participation finance institution in this area.



We prioritize investments in renewable energy sources and provide financing for environmentally friendly technologies, waste management, and initiatives that reduce carbon emissions.

As Kuveyt Türk, we are committed to environmental sustainability and carbon management, aligning our activities with this strong vision. We view the fight against climate change not only as an environmental obligation but also as essential for economic and social sustainability. Our approach to carbon management adheres to both national and international standards, positioning us as an industry leader participation finance institution in this area.

Environmental Investments

In 2024, we made considerable investments in carbon management, **significantly increasing our reliance on renewable energy sources for electricity consumption.** We commissioned a solar power plant in Keçiborlu, Isparta, **enabling us to meet 80% of our electricity needs from renewable energy.** Additionally, **we purchased 28,397 MWh worth of YEK-G and I-REC certificates to offset the carbon impact of our electricity consumption.**

To further reduce carbon emissions from transportation, **we refined our company fleet by increasing the number of hybrid and electric vehicles and optimizing employee shuttle routes,** resulting in a reduction of the total number of shuttles.

Our carbon management strategy not only aims to lower existing emissions but also supports projects that promote sustainable development. **We prioritize investments in renewable energy sources and provide financing for environmentally friendly technologies, waste management, and initiatives that reduce carbon emissions.**

As part of our environmental sustainability efforts in 2024, we launched the “Let Farmers Be Life” project, **which supports farmers’ development by planting 10,000 olive saplings.** This way, we contributed to afforestation while aiding farmers.

Goals

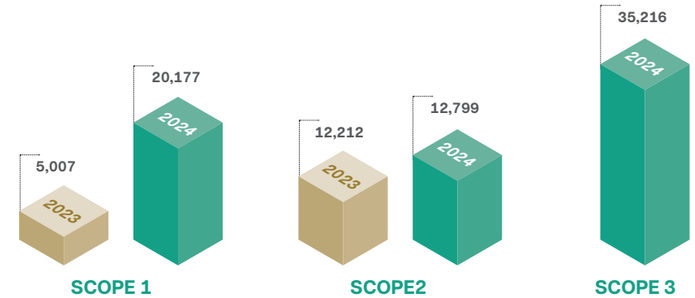
In the upcoming period, our primary goals include obtaining ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications, as well as setting carbon reduction targets grounded in scientific methodologies. We will intensify our efforts to expand the use of electric vehicles in our company, develop environmental rehabilitation projects, conduct environmental R&D studies, and implement innovative, solution-oriented environmentally friendly technologies.

In 2024, we conducted pilot studies on the financed emissions from our loan portfolio, focusing on Scope 3 Category 15. These studies allowed us to quantify 90% of our emission risk in the fertilizer sector.

Carbon Inventory and Emissions Management

For the past three years, we have consistently reported our carbon footprint and improved our greenhouse gas inventory infrastructure. We measure our greenhouse gas emissions in accordance with international Greenhouse Gas (GHG) Protocol standards. In 2024, we reported our Scope 1, Scope 2 and Scope 3 (excluding Category 15 - Investment Emissions) emissions according to the GHG Protocol criteria.

CARBON FOOTPRINT DATA (tCO_2eq)



- Scope 3-Category 15 Investment Emissions are excluded.

In 2024, we conducted pilot studies on the financed emissions from our loan portfolio, focusing on Scope 3 Category 15. These studies allowed us to quantify 90% of our emission risk in the fertilizer sector. Additionally, we completed pilot studies in the iron, steel, and aluminum sectors by selecting representative samples to calculate their financed emissions. All measurements were conducted in accordance with the PCAF (Partnership for Carbon Accounting Financials) standard.

Carbon Disclosure Project (CDP)

We also participated in the Carbon Disclosure Project (CDP), an international platform that measures greenhouse gas emissions, a major contributor to climate change, and helps develop action plans for their reduction.

SUSTAINABLE CARBON MANAGEMENT

Our carbon management strategy not only aims to lower existing emissions but also supports projects that promote sustainable development.

We will upgrade our greenhouse gas inventory infrastructure.

We intend to obtain ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications.

OUR CARBON REDUCTION TARGETS

We aspire to raise the percentage of electric vehicles in our fleet.

We will commit additional resources to environmentally friendly technologies and environmental restoration endeavors.



ENERGY EFFICIENCY AND MANAGEMENT

By reducing energy consumption, we are both lowering our costs and minimizing our environmental impact.

In October 2024, we established our Energy Management unit, which is actively working to implement the ISO 50001 Energy Management System and oversee the certification process.

We prioritized energy efficiency as a key component of our sustainability goals and incorporated it into the Bank's strategic plan. By reducing energy consumption thanks to efforts we undertake, we lower our costs and minimize our environmental impact, while simultaneously sharpening our competitive edge through optimized operational processes. To support this, we continuously refine our energy management strategies and take actions to improve efficiency through our Working Groups under the Sustainability Committee, particularly the Environmental Impact and Risk Working Group.

In October 2024, we established our Energy Management unit, which is actively working to implement the ISO 50001 Energy Management System and oversee the certification process. Additionally, we are developing renewable energy certificates for electricity billed after SPP offsetting, as well as carbon certificates for the SPP power plant.





We emphasize that we will continue to take significant steps in our journey to build a sustainable world, ensuring easy access to clean resources for future generations.

80 %

Renewable Energy Share Target in Total Electricity Consumption

Transition to Renewable Energy with Self-Consumption SPP Plant

With a strong sense of responsibility toward our environment and society, and in pursuit of the goal of building a sustainable world for future generations, we have made the procurement of renewable energy a top priority in our sustainability journey. We have kicked off work required to begin regular measurements of greenhouse gas emissions, and carried on with efforts to reduce Scope 1 and Scope 2 emissions. In the action plan we devised for 2024, we achieved our goal of sourcing our energy consumption from renewable energy.

In this vein, we have commissioned a self-consumption solar power plant (SPP) with an installed capacity of 13.7 MWp, located on 133 decares in Isparta. The plant is now generating renewable energy. Our goal is to produce 21.3 GWh of clean energy from solar power yearly, which will meet 80% of the electricity needs for our locations across Türkiye, including our Head Office, Banking Base, and branches. This underscores our dedication to building a sustainable future, ensuring that subsequent generations have easy access to clean resources by reducing our electricity-related emissions.

Kuveyt Türk neutralized its emissions from electricity consumption within Scope 2 Indirect Emissions by purchasing YEK-G certificate, proving that the domestic and national energy used for its consumption of 28,397 MWh of electricity is produced from renewable sources, and I-REC, an international renewable energy certificate.

Aligned with our 2024-2026 Sustainability Strategy, we are reducing diesel vehicles in our fleet, replacing them with hybrid and electric models.

12,555
tons of CO_2e
Amount of Greenhouse Gases Prevented

We Neutralized Our Scope 2 Emissions from Electricity Consumption in 2024

Kuveyt Türk has achieved carbon neutrality for its Scope 2 Indirect Emissions (from Purchased Electricity) by acquiring YEK-G certificate, which verify that the domestic and national energy is generated from renewable sources, and I-REC, an international renewable energy certificate. This accomplishment accounts for 28,397 MWh of electricity consumed at our Head Office, Banking Base, and 448 branches, resulting in the prevention of approximately 12,555 tCO_2e of greenhouse gases.

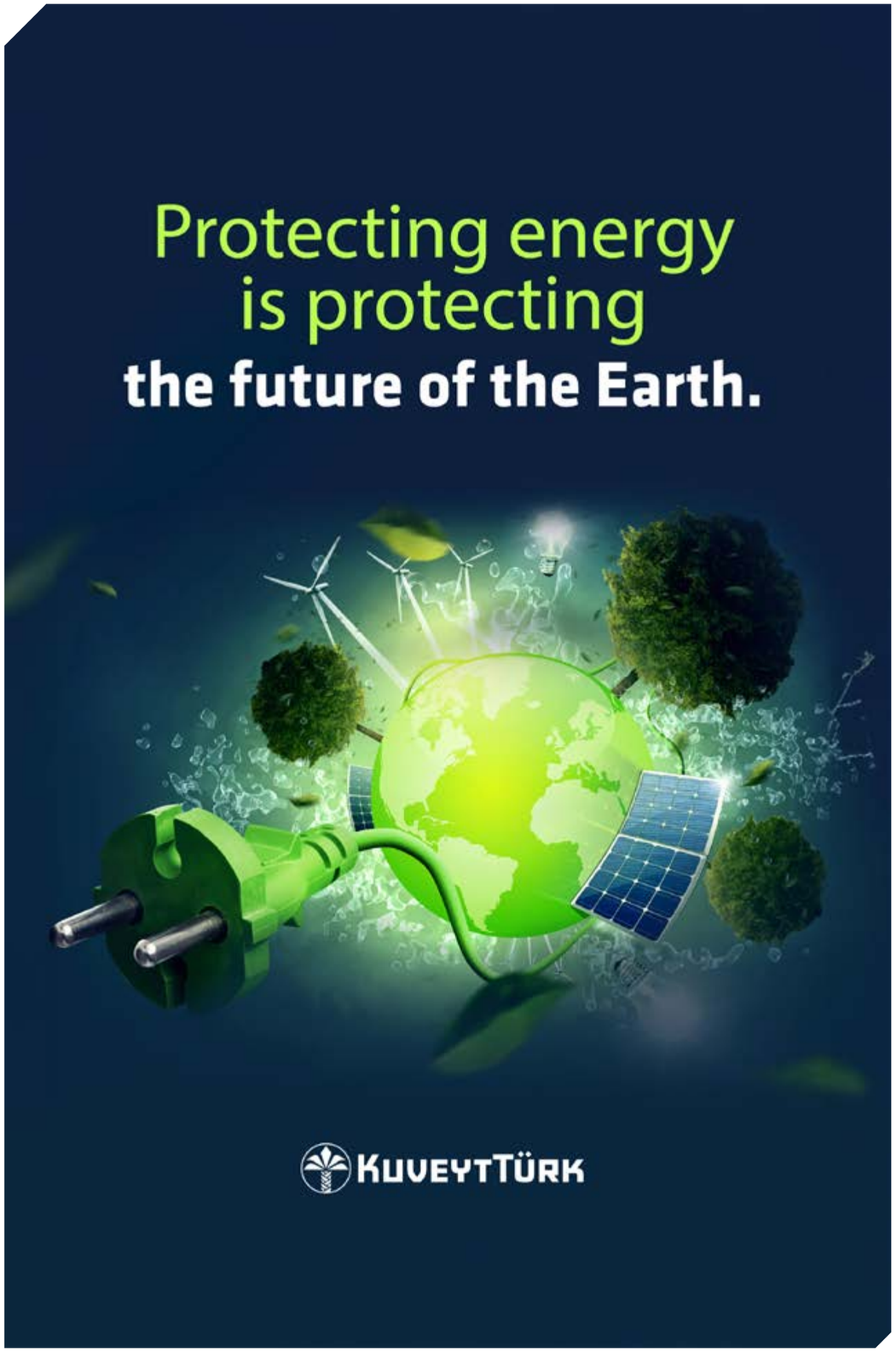
BREEAM Certificate

To optimize energy consumption at our Head Office and branches, we have implemented various measures. We have taken a variety of measures to curb energy consumption at our Banking Base building. For instance, we have employed energy-efficient LED lighting, which automatically shuts off after working hours. Our commitment to energy efficiency is reinforced by the BREEAM certificate awarded to our Banking Base building, highlighting the importance we place on sustainable practices.

Increasing the Number of Electric Vehicles

We are actively combating climate change by launching projects aimed at reducing carbon emissions across our operations. We are working to minimize resource consumption, including electricity, natural gas, and fuel oil, at our Head Office, Banking Base, and branches. Additionally, we are dedicated to lessening our environmental impact through energy efficiency initiatives and effective waste management.

Aligned with our 2024-2026 Sustainability Strategy, we aim to increase the number of hybrid and electric vehicles in our fleet. In 2024, we increased the number of electric company vehicles.



WATER MANAGEMENT

As Kuveyt Türk, we consistently monitor and report our water consumption, taking necessary actions to optimize resource use based on this data.

In 2024, we invested in repairing water leaks detected in the main water tank at our Head Office.

Water is fundamental to life and one of our most valuable assets for a sustainable future. As Kuveyt Türk, we consistently monitor and report our water consumption, taking necessary actions to optimize resource use based on this data. We also strive to optimize water management within our supply chain and collaborate with our business partners to promote improvements in water usage.

To protect natural resources, we prioritize technology investments and conduct various awareness campaigns aimed at educating our employees and business partners. We develop social responsibility projects that consider the impact of local communities on water resources and continuously update our water management strategies for a sustainable future.

In 2024, we invested in repairing water leaks detected in the main water tank at our Head Office. This infrastructure work is a critical step in preventing water loss and using resources efficiently. Additionally, we implement awareness activities to promote reduced water use in sinks, utilizing visual displays in employee areas to emphasize the importance of water conservation.

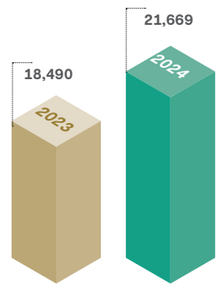
We establish and regularly evaluate our performance indicators related to water usage, report this data, and review our targets.



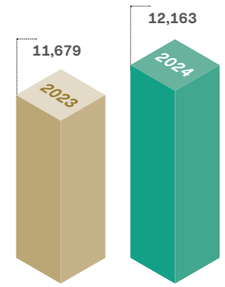


We establish and regularly evaluate our performance indicators related to water usage, report this data, and review our targets.

WATER CONSUMPTION DATA (m³)



MUNICIPAL WATER



GROUND WATER

WASTE MANAGEMENT

As a strong supporter of the Zero Waste Project, we actively promote waste recycling.

We implement various strategies aimed at reducing waste, using resources efficiently, and minimizing our environmental impact

Waste management is a key priority in our commitment to fulfilling our environmental responsibilities. To this end, we implement various strategies aimed at reducing waste, using resources efficiently, and minimizing our environmental impact.

We regularly review our processes to enhance our efforts toward achieving our zero waste target. As a strong supporter of the Zero Waste Project initiated by the Ministry of Environment, Urbanization, and Climate Change, we actively promote waste recycling. In 2022, our Head Office building and Kuveyt Türk Banking and Living Base became the first participation finance institution to receive the Zero Waste Certificate after successfully meeting all the required criteria and passing audits conducted by the Ministry. We are currently assessing the implementation of the zero waste process at our other locations.

At our Head Office and Banking Base buildings, we sort our waste by type. In 2024, we delivered approximately 62.7 tons of hazardous and non-hazardous waste to recycling companies. Below, we provide details on the distribution of waste amounts for 2024 by type.

62.7 tons

Total Amount of Waste Delivered to Recycling Companies

Circular Economy

We ensure that the carpets used in our Head Office and branch locations are made from recycled materials. Additionally, we focus on reusing and refurbishing information technology equipment and donate our unused computers to support the circular economy. Moreover, we use recycled plastic materials for the credit and debit cards we offer to our customers.

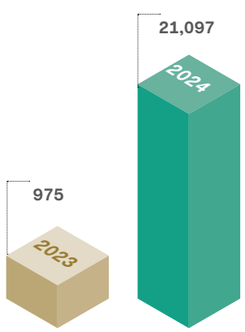
Paperless Banking

With a commitment to protecting natural resources, we are digitizing paper-intensive processes as part of our “Paperless Banking Project.” This initiative helps us reduce paper consumption, protect trees, and conserve water resources.
Our Bank leverages digital solutions to minimize its carbon and water footprint, and we plan to continue developing paperless banking practices in the future.

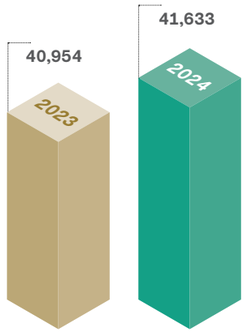
Management of Electronic Waste

We support the circular economy by reusing and refurbishing our IT equipment while donating our idle computers. As of 2024, we generated 250 kg of electronic waste at our Head Office and Banking Base. This electronic waste is sent to recycling companies that are licensed by the Ministry of Environment, Urbanization, and Climate Change.

KUVEYT TÜRK WASTE DATA (kg)



AMOUNT OF HAZARDOUS WASTE



AMOUNT OF NON-HAZARDOUS WASTE



SUBSIDIARIES AND THEIR ACTIVITIES IN 2024

As Kuveyt Türk, we make significant contributions to the financial ecosystem in non-banking financial services through our subsidiaries and affiliated companies.

Subsidiaries and Affiliates

Subsidiaries and Affiliates	Share Ratio
Architecht Bilişim Sistemleri ve Pazarlama Ticaret A.Ş.	100%
KT Bank AG, Germany	100%
Kuveyt Türk Portföy Yönetimi A.Ş.	100%
Neova Katılım Sigorta A.Ş.	100%
Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş.	99.99%
KT Kira Sertifikaları Varlık Kiralama A.Ş.	100%
KT Sukuk Varlık Kiralama A.Ş.	100%
Kuveyt Türk Yatırım Menkul Değerler A.Ş.*	100%
Sağlam Finansal Teknolojiler A.Ş.**	100%
KT Sağlam Gayrimenkul A.Ş.***	100%
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	74%
Katılım Emeklilik ve Hayat A.Ş.	50%
Katılım Finans Kefalet A.Ş.	15%

*Kuveyt Türk Yatırım Menkul Değerler A.Ş. was incorporated on 20.11.2023, and commenced operations after obtaining an operating permit on July 11, 2024.
**Sağlam Finansal Teknolojiler A.Ş. received permission for establishment on 22.11.2024.
***KT Sağlam Gayrimenkul A.Ş. received permission for establishment on 24.02.2025..

TL 1.1 billion
Architecht Total Assets

TL 36.5 billion
Katılım Emeklilik ve Hayat Total Assets

Information Technologies Service

Architecht Bilişim Sistemleri ve Pazarlama Ticaret A.Ş.

Architecht Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. was established in 2015 as a wholly-owned subsidiary of Kuveyt Türk Katılım Bankası A.Ş. and operates within the IT sector. With the vision of becoming one of Türkiye's leading organizations in research, development, technology, and innovation, Architecht achieved recognition in its first year by being listed among Türkiye's top 500 IT companies. The Company aims to develop effective products in the competitive financial technology market, contribute to the national economy through innovative technologies, continu-ously expand its product and service offerings through R&D efforts, and establish itself as a global brand.

Architecht operates with one Head Office and four branch offices, employing a total of 750 indi-viduals, 36.94% of whom are women.

2024 Key Indicators

Total Assets	TL 1.1 billion
Net Profit	TL 319.6 million
Shareholders' Equity	TL 835.2 million

Insurance and Pensions Service

Neova Katılım Sigorta Anonim Şirketi

Neova Katılım Sigorta Anonim Şirketi was established in 2008.

The company focuses on providing insurance services in non-life branches, including Safety and Risk, Financial Losses, General Liability, General Damages, Sickness and Health, Air Vehicles, Legal Protection, Land Vehicles, Accident, Marine, Fire and Natural Disasters, Personal Accident, Surety, and Water Vehicles. It began policy production in 2009.

As of 2024, the Company operates with one Head Office and 12 branch offices, employing a total of 534 individuals, 24% of whom are women.

2024 Key Indicators

Total Assets	TL 26.1 billion
Net Profit	TL 1.1 billion
Shareholders' Equity	TL 4.3 billion
Non-Life Industry Market Share	2.6%

Katılım Emeklilik ve Hayat A.Ş.

Katılım Emeklilik ve Hayat A.Ş. was established in 2013 as a joint venture between Kuveyt Türk and Albaraka Türk, commencing operations in the Personal Accident, Life, and Private Pension branches in 2014. The company obtained its license to operate in the Sickness and Health branches in 2017. Katılım Emeklilik distinguishes itself in the industry with its innovative, interest-free in-surance approach, supported by modern technology investments and a customer-focused service understanding.

As of 2024, the company operates with one Head Office and a branch office, employing a total of 212 individuals, 59% of whom are women.

2024 Key Indicators

Total Assets	TL 36.6 billion
Net Profit	TL 686.2 million
Number of Private Pension Contracts	1,263,165
PPS Fund Size	TL 32.8 million
Interest-Free Fund Market Share	31%
All Funds Market Share	2.67%
Premium Production	TL 2.8 million

Kuveyt Türk Portföy Yönetimi A.Ş. has launched Türkiye's first participation-based Sustainability Participation Fund (KSR).

TL 1 billion

Kuveyt Türk Portföy Total Assets

Kuveyt Türk Yatırım Menkul Değerler is rapidly solidifying its position in the industry through an innovative approach and robust infrastructure.

INVESTMENT SERVICES

Kuveyt Türk Portföy Yönetimi A.Ş.

Established in 2015, Kuveyt Türk Portföy Yönetimi A.Ş. specializes in the establishment and management of mutual funds. As a wholly-owned subsidiary of Kuveyt Türk, the company aims to consolidate its position in the industry through alternative investments.

Kuveyt Türk Portföy does not have any branches and currently employs a total of 44 individuals, 14% of these employees being women.

First Participation-Based Sustainability Fund

Kuveyt Türk Portföy Yönetimi A.Ş. has launched Türkiye's first participation-based Sustainability Participation Fund (KSR). This fund emphasizes the significance of sustainable investments in promoting sustainable economic development and social welfare. By investing in the shares and lease certificates of environmentally and socially responsible companies, investors contribute to environmental and social progress. The Sustainability Participation Fund is notable as it is the first participation-based fund capable of investing in US dollar-denominated foreign shares and lease certificates, allowing investors to support the creation of a sustainable world.

2024 Key Indicators

Total Assets	TL 1 billion
Net Profit	TL 589.9 million
Shareholders' Equity	TL 870.9 million

Kuveyt Türk Yatırım Menkul Değerler A.Ş.

Established in 2023, Kuveyt Türk Yatırım Menkul Değerler is Türkiye's first participation-based investment company. In 2024, the company obtained an operating license from the Capital Markets Board (CMB) and commenced its operations on Borsa Istanbul, executing its first order within the same year.

Kuveyt Türk Yatırım Menkul Değerler is rapidly solidifying its position in the industry through an innovative approach and robust infrastructure. In a short span, the workforce grew to 65 employees by the end of 2024.



TL 598.8 million

KT Kira Sertifikaları Total Assets

TL 404.4 million

KT Sukuk Total Assets

KT Kira Sertifikaları Varlık Kiralama A.Ş.

KT Kira Sertifikaları was established in 2013 to provide interest-free financing in capital markets, focusing primarily on sukuk issuance activities.

The company operates within a structured business model and conducts its activities in capital markets in compliance with CMB regulations.

From January 1 to December 31, 2024, KT Kira Sertifikaları issued a total of 47 lease certificates, securing a total financing amount of TL 25,560,000,000, thereby achieving a substantial presence in capital markets.

2024 Key Indicators

Total Assets	TL 598.8 million
Net Profit	TL 394 thousand
Shareholders' Equity	TL 1 million

KT Sukuk Varlık Kiralama A.Ş.

Established in 2011, KT Sukuk provides interest-free financing alternatives to investors by issuing lease certificates and generating income through leasing assets acquired from source institutions.

As of 2024, the company operates without any employees.

Between January 1 and December 31, 2024, KT Sukuk issued one lease certificate, resulting in a total financing amount of TL 400,000,000.

The company actively monitors industry developments and continues to bolster its infrastructure and plans for future issuances.

2024 Key Indicators

Total Assets	TL 404.4 million
Net Profit	TL 312 thousand
Shareholders' Equity	TL 1.2 million

PARTICIPATION FINANCE SERVICES ABROAD

KT Bank AG

KT Bank AG operates as a wholly-owned subsidiary of Kuveyt Türk Katılım Bankası A.Ş. (Kuveyt Türk), with its head office located in Frankfurt am Main, Germany. By opening a repre-sentative office in Germany in 2004, Kuveyt Türk pioneered the introduction of ethical, value-oriented, and socially responsible Islamic banking in Europe.

In 2010, KT Bank AG successfully entered the German market with a third-country deposit bro-kerage license and applied for a full banking license from the German Financial Supervisory Au-thority (BaFin) in October 2012. After obtaining the license in March 2015, KT Bank AG began operating as a deposit bank authorized to conduct deposit and loan transactions, officially commencing banking operations in July 2015. The bank has branches across Germany in Berlin, Frankfurt, Cologne, and Munich, and offers deposit insurance up to EUR 100,000 in accordance with German legislation.

KT Bank AG is the first bank in Germany and the Eurozone to offer comprehensive financial products and services that align with the value-oriented and transparent principles of Islamic banking.

TL 115.6 million
Körfez GYO Net Profit

Serving individual and corporate customers, KT Bank offers a wide range of products, from current account transactions to real estate financing.

KT Bank AG is the first bank in Germany and the Eurozone to offer comprehensive financial products and services that align with the value-oriented and transparent principles of Islamic bank-ing. Retail and business customers, regardless of their worldview, have access to socially responsible capital investments that adhere to Islamic values. With this unique sustainable business model in the Eurozone, KT Bank aims to be a leading and sustainable main bank for the Muslim community, while also providing services to anyone interested in making socially responsible and value-oriented investments.

Serving individual and corporate customers, KT Bank offers a wide range of products, from cur-rent account transactions to real estate financing. As of 2024, the bank aims to extend its value-based banking approach to a broader audience and continues to invest in digital transformation and innovative product development.

The Bank currently employs 132 individuals, 42 of whom are women and 90 men.

REAL ESTATE INVESTMENT TRUST

Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş. was established in 1996 as a public joint stock compa-ny. It operates as a capital market institution with a registered capital intended for issuing shares, primarily focusing on managing a portfolio that includes real estate, real estate projects, rights associated with real estate, capital market instruments, and other assets and rights as determined by the Capital Markets Board. Additionally, it may engage in other activities permitted by the Capital Markets Law and relevant regulations regarding real estate investment trusts and capital markets.

The shares of the company began trading under the KRGYO ticker on Borsa İstanbul in 2014.

In 2024, Körfez REIT executed a capital increase of TL 264,000,000,000 through a bonus issue from internal reserves.

2024 Key Indicators

Total Assets	TL 521.7 million
Net Profit	TL 115.6 million
Shareholders' Equity	TL 339.8 million



Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş.
Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş., established in 2001, oper-ates in the tourism industry to invest in and provide tourism services both in Türkiye and abroad.

As of 2024, the company does not have a branch network and employs a total of 8 staff members.

The company holds a strong position in the tourism industry, driven by its commitment to customer satisfaction and a diversification policy of its investments aligned with its sustainable growth strat-egy. By closely monitoring the dynamics of the tourism industry, the company successfully maintains high service quality and a strong customer focus.

2024 Key Indicators

Total Assets	TL 295.8 million
Net Profit	TL 35.3 million
Shareholders' Equity	TL 214.1 million

CORPORATE GOVERNANCE

We operate on the following fundamental principles at every stage of our business processes: accountability, integrity, transparency, reliability, fairness, confidentiality, compliance with legislation, social benefit, respect for the environment, and responsibility.

The Corporate Governance Committee at our Bank is tasked with monitoring and developing corporate governance practices, as well as making recommendations to the Board of Directors.

Corporate Governance Principles
Kuveyt Türk's corporate governance approach ensures that our Bank operates in compliance with legal regulations, participation banking principles, our articles of association, and internal regulations, all while adhering to ethical banking standards to achieve our targets. We prioritize and protect the rights of our shareholders, customers, employees, and savers throughout this process. Our goal is to secure the long-term success of the Bank by establishing a sustainable management structure. The Corporate Governance Committee at our Bank is tasked with monitoring and developing corporate governance practices, as well as making recommendations to the Board of Directors. Our governance structure is grounded in participation banking principles and ethical banking rules, aiming to safeguard the rights and interests of all stakeholders while promoting sustainable development. The Board of Directors provides strategic guidance, ensuring effective risk management, internal audit, and compliance mechanisms. We strive to manage our stakeholder relationships with mutual trust and respect, aiming to meet their expectations to the best of our ability. In alignment with or sustainability strategy, we are committed to continuously enhancing the transparency and inclusiveness of our corporate governance framework. By adhering to environmental, social, and governance (ESG) criteria, we seek to increase our positive contributions to society, the environment, and the economy. Our commitment to responsible banking principles guides us in creating long-term value, and we operate on the following fundamental principles at every stage of our business processes: accountability, integrity, transparency, reliability, fairness, confidentiality, compliance with legislation, social benefit, respect for the environment, and responsibility.

Core Principles

Accountability
We are obligated to demonstrate the accuracy of our decisions and to take responsibility towards the legal entity of our Bank and our stakeholders. To this end, we strive to foster an environment of trust by establishing transparent communication throughout our decision-making processes.

Integrity
We uphold the principle of integrity in all our services, activities, and relationships with employees, shareholders, and customers. This approach enables us to build strong, long-term relationships based on mutual trust.

Transparency
We strive to balance transparency with the protection of trade secrets. By providing accurate, complete, and timely financial and non-financial information about our Bank to the public, we empower our stakeholders to make informed decisions.

Reliability
Understanding that trust and reputation are fundamental to the banking sector, we are dedicated to fulfilling our commitments to our stakeholders and customers, fostering a trustworthy business environment.

Underpinning Kuveyt Türk's success in sustainability are the policies integrated into its corporate culture and implemented rigorously.

Fairness
We have a zero-tolerance policy for discrimination in our relationships with employees, shareholders, and stakeholders. We do not tolerate any form of discrimination based on gender, ethnicity, beliefs, or other differences, and we are committed to creating a fair and inclusive working environment.

Confidentiality
We do not share the financial or non-financial information of our employees, customers, or business partners with any individuals or organizations outside of legal frameworks. We uphold a reliable business relationship by ensuring the confidentiality of this information.

Compliance with Legislation
We adhere to the Banking Law and all relevant international norms and national legislation. This commitment is fundamental to safeguarding our sustainability and protecting our reputation.

Social Good and Respect for the Environment
In conducting our activities, we prioritize social benefit and respect for the environment alongside our commercial success. While supporting social and cultural initiatives, we remain vigilant about adhering to environmental, consumer, and public health regulations.

Policies
Underpinning Kuveyt Türk's success in sustainability are the policies integrated into its corporate culture and implemented rigorously. These policies influence our business processes in various areas, including corporate governance, occupational health and safety, information security, and customer satisfaction. By reinforcing our commitments to our employees, customers, and society, we strive to create a more livable world that addresses both today's needs and those of future generations.

Here is a list of the Bank's key policies currently in effect:

- Occupational Health and Safety Policy
- Disclosure Policy
- Conflict of Interest Policy
- Privacy Policy
- Information Security Policy
- Personal Data Retention and Destruction Policy
- Customer Satisfaction Policy
- Business Continuity Management Policy
- Sustainability Policy
- Policy on Prevention of Laundering of Proceeds of Crime and Financing of Terrorism
- Corporate Social Responsibility Policy
- Corporate Governance Policy
- Remuneration Policy
- Dividend Distribution Policy
- Code of Ethics

These policies play a critical role in conveying Kuveyt Türk's managerial, social, and environmental responsibilities to stakeholders. This comprehensive approach to the future supports our goal of ensuring the sustainability of the value we generate.

BUSINESS ETHICS, LEGAL COMPLIANCE, AND TRANSPARENCY

Our ethical values serve as the guiding principles for all our business processes. Our Board of Directors and employees are dedicated to upholding these values and take responsibility for their actions.

Kuveyt Türk has established a comprehensive system for integrating and sustaining ethical values within its corporate structure.

Kuveyt Türk Participation Bank is founded on sound banking principles and ethical values. These ethical values serve as the guiding principles for all our business processes. Our Board of Directors and employees are dedicated to upholding these values and take responsibility for their actions. The following is a summary of the principles, management style, and implementation processes:

Ethical Values and Principles

Kuveyt Türk's key ethical principles are listed below:

1. Sound Banking
   All products and services are developed in accordance with the Principles of Islamic Finance.
2. Justice
   We protect the rights of employees, customers, and other stakeholders objectively, without self-interest.
3. Trust
   We maintain trust-based relationships, underpinned by our capital structure, professionalism, and ethical standards.
4. Professionalism
   We are committed to business ethics, compliance with quality standards, and a knowledgeable approach to our work.
5. Innovation
   We continuously seek to enhance our products, services, and business practices through ongoing development and innovation.
6. Team Spirit
   We foster a working environment where employees support one another like a family.

Management of Ethical Principles

Kuveyt Türk has established a comprehensive system for integrating and sustaining ethical values within its corporate structure. The Ethics Committee oversees the monitoring, auditing, and reporting of ethical practices across the Bank. This committee assesses ethical violations, formulates solutions, and strives to bolster the ethical culture.

To facilitate the confidential reporting of ethical violations, Kuveyt Türk has implemented an Ethics Reporting System for its employees. This system enables staff to securely report any unethical situations they may encounter. Notifications are handled with strict confidentiality, and the Ethics Committee takes appropriate action as needed. Employees have the option to report anonymously, ensuring their identities can remain confidential. As of 2024, the Ethics Reporting System received a total of 47 reports, all of which were thoroughly analyzed. The system is continuously supported and improved to raise ethical awareness among employees and strengthen the Bank's ethical culture.

Ethical Ambassadors, stationed in branches and units, monitor the adherence to ethical rules in daily business processes and offer guidance to employees. They contribute to resolving ethical issues by reporting any problems or violations to the Ethics Committee.

The Manager in Charge of Ethics reviews the reports received through the Ethics Notification System, reports them to the Ethics Committee, and strives to enhance compliance processes. This framework ensures the effective implementation and ongoing commitment to ethical values in the Bank's business processes.



To facilitate the confidential reporting of ethical violations, Kuveyt Türk has implemented an Ethics Reporting System for its employees.

CODE OF ETHICS

Our Code of Ethics is designed to ensure that our employees adhere to business ethics while fostering transparent, trust-based relationships with all stakeholders. Grounded in core values such as **integrity, fairness, trust, and confidentiality**, this policy serves as an ethical framework for all business processes within our Bank. All stakeholders, including Board members, employees, and business partners, commit in writing to comply with the Code of Ethics.

Integral Elements of the Code of Ethics

Our Code of Ethics is based on four fundamental principles:

- **Integrity:** We promote open and accurate communication in all business processes.
- **Fairness:** We act impartially and uphold the rights of our stakeholders.
- **Confidentiality:** We diligently protect the information of our customers and stakeholders.
- **Transparency:** We maintain a clear and comprehensible approach in our operations.

Areas of Implementation of the Code of Ethics

Our code of ethics serves as a guiding principle in our business processes:

- **Customer Relations:** We maintain a transparent and fair approach to service.
- **Gifts and Conflicts of Interest:** Employees are prohibited from accepting gifts that could provide benefits.
- **Anti-Bribery and Anti-Corruption:** We enforce a zero-tolerance policy for all employees.

Audit and Training

Compliance with our code of ethics is regularly audited by the **Internal Control and Inspection Board, the Disciplinary Committee, and the Ethics Committee**. We reinforce ethical guidelines through regular training sessions and incorporate these guidelines into our business processes via awareness-raising activities.

Kuveyt Türk has developed a comprehensive code of conduct to ensure that employees incorporate ethical values into their daily business processes.

Kuveyt Türk implements a comprehensive training and awareness-raising program to instill the principles of business ethics in its employees and ensure their application.

Policies that serve as a backbone for ethical principles are outlined below:

- Disciplinary Guidelines
- Conflict of Interest Policy
- Insider Trading Policy
- Privacy Policy
- Corporate Social Responsibility Policy
- Principles of Competition and Unfair Competition
- Customer Satisfaction Policy

Kuveyt Türk has developed a comprehensive code of conduct to ensure that employees incorporate ethical values into their daily business processes. This guide helps employees align their decision-making processes with ethical principles. To evaluate the ethical correctness of decisions, we employ a method known as the "Ethical Lens," which poses questions regarding legal compliance, alignment with the Bank's values, and the potential for public disclosure.

Clear rules regarding accepting gifts, conflicts of interest, and confidentiality have been established and communicated to all employees through training sessions. Additionally, ongoing information activities are conducted to prevent unethical conduct, and training programs are organized to raise employees' ethical awareness. These efforts ensure that the Bank's ethical values are effectively integrated into all business processes.

Regular monitoring and auditing mechanisms are in place to ensure compliance with ethical principles:

- **Code of Ethics Compliance Audit:**
- Conducted by the Internal Control and Inspection Board.
- **Ethics Reporting System:** Employees can report ethical violations through this confidential system. As of 2024, 47 reports have been received and evaluated.
- **Training and Information:** Ethics training is conducted annually to raise employee awareness.

Training and Awareness-Raising Activities

Kuveyt Türk implements a comprehensive training and awareness-raising program to instill the principles of business ethics in its employees and ensure their application. New employees receive information about the code of ethics before starting work and complete "Code of Ethics Training" as part of the orientation process. In 2024, 98% of newly hired employees participated in this program, gaining a thorough understanding of the code of ethics.

Kuveyt Türk has established a comprehensive system to ensure full compliance with legal regulations and international standards.

98%

Ethics Code Education Participation Rate

Ethics and compliance topics hold a significant position in the annual training calendar. Training sessions are conducted through various formats, including seminars, conferences, online modules, and workshops. Employees receive comprehensive information on how to make ethical disclosures, preserve confidentiality, and effectively utilize the system. Additionally, the Ethical Lens method helps employees adopt an ethical perspective in their decision-making processes. Annual online training modules refresh employees' knowledge of ethical guidelines and enhance their awareness. In 2024, Ethical Ambassadors stationed in branches and units continued to offer their insights and suggestions on ethical practices while supporting employees by addressing their questions.

Transparency

Kuveyt Türk has placed transparency at the core of all its business processes. By fostering open, honest, and clear communication with customers, employees, and other stakeholders, our Bank ensures that complete information about all its products and services is readily available. In line with our Customer Satisfaction Policy, we regularly provide updates on the security of our products and services while adopting an approach that protects customers' rights. To enhance transparency in internal communication, we actively utilize mechanisms such as the Corporate Portal and Ethics Ambassadors.

Legal Compliance

Kuveyt Türk has established a comprehensive system to ensure full compliance with legal regulations and international standards. Our adherence to regulations is routinely audited through Internal Control and Inspection processes, and we effectively implement our Policy for Combating Proceeds of Crime and Financing of Terrorism. Employees receive regular training and participate in awareness-raising activities to combat bribery and corruption.



PROACTIVE RISK AND CRISIS MANAGEMENT

Our risk management strategy is developed using a holistic approach and is reviewed at least once a year to adapt to current global, economic, geopolitical, and environmental conditions and regulatory changes.

Both mandatory and voluntary stress tests assess the impact of potential risks on the Bank's capital structure and are integrated into capital adequacy planning, long-term strategies, and business operations.

Kuveyt Türk prioritizes risk and crisis management as a strategic focus, employing an effective structure that adheres to international standards. An organizational framework based on the Triple Line of Defense Model has been established, with the Risk, Control, and Compliance Group operating under the supervision of the Risk Committee, which reports to the Board of Directors. This Group includes the Risk Management Department, Internal Control Department, and Compliance Department, all of which are responsible for identifying, measuring, evaluating, and monitoring risks. The Risk Management Department formulates and coordinates the necessary policies and procedures to minimize risks and capitalize on opportunities in alignment with the Bank's strategic objectives.

The Bank fully complies with the regulations set forth by the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB). It also contributes to the development of the participation banking sector through its membership in the Participation Banks Association of Türkiye (TKBB). Additionally, the Bank regularly reports to its principal shareholder, Kuwait Finance House (KFH), on its business processes and keeps its shareholders informed in line with the CMB Corporate Governance Principles through the Investor Relations and Sustainability Department.

Risk Management Strategy and Processes

Our risk management strategy is developed using a holistic approach and is reviewed at least once a year to adapt to current global, economic, geopolitical, and environmental conditions and regulatory changes. It is based on a robust framework that encompasses key risk categories and methodologies for measuring and mitigating these risks. The effectiveness of this process is maintained through continuous monitoring and evaluation mechanisms in collaboration with the Board of Directors and senior management.

In credit risk management, we conduct detailed analyses based on criteria such as country, industry, default rate, currency, and collateral. Additionally, we monitor factors like concentration risk and country transfer risk. The causes of overdue receivables are analyzed, and the Risk Committee receives regular reports on these findings. Conversely, market risks are managed within a framework of written limits aligned with capital adequacy policies and international standards, with any limit overruns identified through early warning systems.

Both mandatory and voluntary stress tests assess the impact of potential risks on the Bank's capital structure and are integrated into capital adequacy planning, long-term strategies, and business operations. The results of these tests are communicated to the Board of Directors and relevant committees, serving as a key source for setting strategic targets and updating our risk management strategies.



Contingency plans are reviewed periodically, and proactive measures are implemented to ensure the continuity of business processes.

Business Continuity and Crisis Preparedness

To ensure business continuity, our Bank implements a variety of activities and control processes aimed at enhancing operational resilience and meeting regulatory requirements. The business continuity management system encompasses all business units, bank premises, internal and external employees, as well as the information system infrastructure. Emergency plans are developed for rapid responses to interruptions and crises, and these plans are regularly tested and supported by training sessions.

In operational risk management, operational risks are systematically monitored, weak points are identified, and necessary measures are taken in accordance with the Risk Control Self-Assessment Policy.

Incidents that exceed predetermined thresholds are recorded in detail, and this information is shared with the Risk Committee.

Contingency plans are reviewed periodically, and proactive measures are implemented to ensure the continuity of business processes. Acceptable risk levels in treasury activities are defined by limits, such as customer limits, buy-sell limits, and country risk limits, all carried out in compliance with the regulatory framework.

This comprehensive system not only eliminates threats but also effectively capitalizes on opportunities. Through this approach, Kuveyt Türk strengthens its reliable relationships with stakeholders progressively.

BOARD OF DIRECTORS



Hamad A H D ALMARZOUQ
Chairman of the Board of Directors

Mr. Al-Marzouq earned his BA in Industrial Systems Engineering from the University of Southern California in the US in 1985. He received his MA in International Finance and Business Management from Claremont Graduate University in the US in 1987.

Mr. Al-Marzouq has diverse professional experience in banking and finance both in Kuwait and abroad spanning more than thirty years. He has served as Chairman of Kuwait Turk Participation Bank in Türkiye since 2015, Chairman of Ahli United Bank in Bahrain since 2023 and Chairman of KFH Egypt (formerly Ahli United Bank in Egypt) since 2023.

Mr. Al-Marzouq has held many prominent positions in various banking, financial and regulatory institutions. He has served as a board member of Kuwait Banking Association (KBA) since 2002, KBA Chairman from 2010 to 2016, board member of the Union of Arab Banks from 2003 to 2010, board member of the Kuwait Institute of Banking Studies (KIBS) from 2003 to 2014, member of the Board of Trustees of the Arab Academy for Financial and Banking Sciences from 2004 to 2009, board member of the Public Authority for Applied Education and Training (PAAET) from 2007 to 2016, Chairman and Managing Director of Ahli United Bank in Kuwait from 2002 to 2014, Vice Chairman of Ahli United Bank in the UK from 1998 to 2014, in Egypt from 2006 to 2014, in Bahrain from 2000 to 2014, and in Oman from 2007 to 2014, Vice Chairman of the formerly known Commercial Bank of Iraq from 2006 to 2014, Chairman of Kuwait Finance House (Malaysia) Berhad from 2015 to 2016 and Chairman of Kuwait Finance House in Bahrain from 2015 to 2023. Mr. Al-Marzouq served as a board member, Vice Chairman, and Chairman of Kuwait and Middle East Financial Investment Company in Kuwait from 2002 to 2010.

He held the position of Vice Chairman of the Middle East Financial Investment Company in the Kingdom of Saudi Arabia from 2009 to 2013 and was Vice Chairman of Ahli Bank in Qatar from 2004 to 2013.

Mr. AlMarzouq commenced his professional career as an investment officer in US equity portfolios and derivatives in the Investment Department at Kuwait Investment Company from 1987 to 1990. He went on to hold several executive positions at the Central Bank of Kuwait, including Deputy Manager of the Technical Affairs Office in 1990. In addition, he served as the Deputy Manager and then Manager of the Financial Supervision Department from 1992 to 1996 and 1996 to 1998, respectively.



NADİR ALPASLAN
Vice Chairman of the Board

Mr. Alpaslan graduated from Istanbul University, Faculty of Political Sciences, Public Administration Department in 1987. He began his professional career at Prime Ministry, Family Research Institution in 1999 and worked as the Ministry Advisor and Head of Administrative Financial Affairs at the Ministry of Tourism for four years. Mr. Alpaslan continued his professional career as the Deputy Undersecretary and Ministry Advisor at the Ministry of Culture and Tourism between 2003 and 2007 and served as the Deputy Secretary-General at the Presidency between 2007 and 2018. He was appointed as the Deputy Minister of Culture and Tourism in July 2018. Mr. Alpaslan has been a Member of the Board of Directors of Kuveyt Türk since April 15, 2011, and he is a Member of the Bank's Risk Committee, Audit Committee, and Credit Committee.



AHMAD S. A. A. AL KHARJI
Board Member

AHMAD S. A. A. Al Kharji graduated from the Finance and Banking Department of Kuwait University in 1994 and obtained an MBA degree from San Diego University in 1998. He became a Vice President for Structured Finance at Kuwait Finance House. Between 2003 and 2006, Mr. Al Kharji served as Senior Investment Division Manager and then as Senior Vice President at LMH between 2008 and 2013. He was appointed CEO of Ahli United Group Bahrain in 2023. He has served as a Member of the Board of Directors of Kuveyt Türk since March 2014. Mr. Al Kharji is also a Member of the Credit Committee, Executive Board, and Corporate Social Responsibility Committee, in addition to his capacity as the chair of the Remuneration and Nomination Committee.



DR. SHADI AHMED YACOUB ZAHRAN
Board Member

Dr. Zahran received his Doctorate in Business Administration from Hult international business school in 2024, and his Master of Business Administration (MBA) Degree in Finance from the University of Manchester in the U.K. in 2014. He received his Bachelor of Science Degree in Accounting from the University of Jordan in 1992. Dr. Zahran successfully completed the General Management Program at Harvard Business School in 2021.

He holds several professional certificates including Certified Public Accountant (CPA) from the state of Illinois in the U.S. since 1996, and (JCPA) certificate from the Jordanian Council of the Auditing Profession in 1996, Certified Bank Auditor (CBA) from Bank Administration Institute (BAI) since 1999, and Certified Islamic Professional Accountant (CIPA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) since 2006.

Dr. Zahran is currently the Senior Deputy Group CEO – Finance since 2023. In addition, Dr. Zahran is a Board Member of Kuveyt Turk Participation Bank, and Board member in Ahli United Bank UK. Dr. Zahran is a member of the Board of Trustees of the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI), and a Vice Chairman of the Board of Trustees of the General Council for Islamic Banks and Financial Institutions (CIBAFI).

Dr. Zahran previously held several executive positions as Group Chief Financial Officer at Kuwait Finance House from 2014 to 2023, Vice Chairman of KFH Capital Investment Company between 2016 and 2024 and Board Member at Kuwait Finance House – Bahrain from 2014 until 2024. At Ahli United Bank Group, he held the position of Chief Financial Officer in Kuwait from 2009 until 2014 and Head of Group Financial Control at Ahli United Bank in Bahrain from 2005 until 2009. Dr. Zahran previously held the position of Head of Financial Systems Management & Operations Department at Al Rajhi Bank in the Kingdom of Saudi Arabia from 2000 until 2005. In addition, he previously worked as an External Auditor at international external audit firms including Ernst & Young.

BOARD OF DIRECTORS



GEHAD MOHAMED ELBENDARY ANANY
Board Member

Gehad Mohamed Elbendary Anany received his Finance & Risk Management Diploma from the University of Wales in the U.K. in 2014. He received his Bachelors of Commerce Degree in Accounting from Tanta University in Egypt in 1996. Mr. Anany has completed specialized training programs in Enterprise Leadership from Insead University, Network Leadership Program from IMD University, and Advanced Risk Management from Wharton University. Mr. Anany holds numerous specialized professional certificates including the International Certificate in Banking Risk and Regulation (ICBRR) from the Global Association of Risk Professionals (GARP) in 2009. Mr. Anany previously held several executive positions at Kuwait Finance House including General Manager for Risk Management from 2016 until 2018, Assistant General Manager for Portfolio & Enterprise Risk Management from 2013 until 2016, Head of Enterprise Risk Management Unit from 2012 until 2013. Mr. Anany is currently the Group Chief Risk Officer at Kuwait Finance House and has over 20 years of experience in Risk Management, Auditing, and Internal Control Systems in Financial Institutions. Appointed as a Board Member at Kuveyt Türk Katılım Bankası A.Ş. in July 2020, Mr. Anany is also the Chairman of the Risk Committee and a Member of the Remuneration and Nomination Committee.



MOHAMED HEDI MEJAI
Board Member

Mr. Mejai attained various educational degrees including Private Equity & Venture Capital for Executives from Harvard Business School. He graduated from IDB Management Development Program from London Business School and holds a Master of Business Administration from a management school in France named EDHEC. Mr. Mejai holds a Master of Science degree in International Economic and Legal Studies from London University. From August 2005 to May 2010, he served as Executive Director of Investments and Business Development, at the International Investment Bank (IIB) in Manama, Kingdom of Bahrain. In the same month of 2010, he was entrusted to lead the company as Chief Executive Officer and Board Member for Oryx Capital Ltd, based in Dubai. From August 2011 until now, he still serves as Director of Investment Department at IDB Group (IsDBG). He serves as a Member of the Board of Directors of Kuveyt Türk since March 2021. He is also a Member of the Audit Committee and Corporate Governance Committee.



SİNAN AKSU
Board Member

Sinan Aksu graduated from the History Department of Gazi University in 2002. Mr. Aksu, who started his career as a Deputy Advisor in 2003, continued in this position until 2018. Between 2018 and 2023, he performed various duties including Private Secretary of the Ministry of Environment, Urbanization and Climate Change and the Ministry of Family and Social Services, Deputy General Director of Youth Services of the Ministry of Youth and Sports, Prime Ministry Consultant, General Director of Youth Services, General Director of Higher Education Credit and Dormitories Agency, and Deputy Minister of Youth and Sports. He was named the Servant Bureaucrat of the Year at the 1st Servant Leadership Summit organized in 2016. On February 2, 2023, he was appointed as the General Director of Foundations by a Presidential Decree. Acting as a Board Member at Kuveyt Türk Katılım Bankası A.Ş. since May 2023, Aksu also carries out his duties as a Corporate Governance Board Member and a Member in charge of Ethical Banking.



UFUK UYAN
Board Member and CEO

Mr. Uyan graduated from the Economics Department of Boğaziçi University in 1981. He received an MA degree from the Business Administration Department of the same university in 1983. He began his professional career as a Research Assistant at the Economics Department of Boğaziçi University in 1979 and worked as a Researcher Economist at the Special Researches Department at Türkiye Sınai Kalkınma Bank in 1982. Mr. Uyan became the Vice Project Manager at Albaraka Türk in 1985 and continued his career as the Project and Investments Manager at Kuveyt Türk in 1989. Mr. Uyan was promoted to Executive Vice President in 1993 and then appointed as Head Assistant to the Chief Executive Officer. Mr. Uyan has been the Chief Executive Officer since 1999 and continues his duties as a Board Member and CEO at Kuveyt Türk. Mr. Uyan is also a Member of the Executive Committee, Credit Committee, Remuneration and Nomination Committee, and the Corporate Social Responsibility Committee.



SALAH A. E. AL MUDHAF*
Board Member

SALAH A. E. Al Mudhaf graduated from Kuwait University's Department of Business Administration in 1981. He began his career at the Kuwait Social Security Institution as a manager in charge of the staff. SALAH A. E. Al Mudhaf is still serving the same institution as the Deputy General Manager. He was a Member of the Board at Wafra Real Estate and Wafra International Investment Co. in 1993-2014 and 2002-2013, respectively. Since 2013, he has been serving the same company as the Chairman of the Board of Directors. Al Mudhaf served as a Board Member and a Member of the Risk Committee at Kuveyt Türk Katılım Bankası A.Ş. from April 2019 to October 2024..

* Mr. SALAH A. E. Al Mudhaf resigned from his position as a Board Member and from all committee memberships on October 2, 2024.

SENIOR MANAGEMENT



UFUK UYAN
Board Member and CEO

His resume is presented in the Board of Directors section on page 191.



AHMET KARACA
Executive Vice President
Financial Affairs

Mr. Karaca graduated from Ankara University, Faculty of Political Sciences, Public Administration Department in 1990. He started to work as the Sworn Deputy Auditor of Banks at the Undersecretariat of Treasury in 1992 and he was assigned as the Sworn Auditor of Banks in 1995. He continued his duty with the same title at the Banking Regulation and Supervision Agency (BRSA) from 2000, and he served as the Vice President of the Sworn Auditors Committee of Banks between 2002 and 2003 at the BRSA. After approximately one year of service, he was assigned as the Sworn Head Auditor of Banks in 2004. Between 2004 and 2006, he received an MA degree in economics from the State University of New York at Albany, USA, and wrote an MA thesis on International Banking and Capital Markets. Mr. Karaca joined Kuveyt Türk Katılım Bankası A.Ş. as the Chief Financial Officer in July 2006 and he still serves under this title.



AHMET SÜLEYMAN KARAKAYA
Executive Vice President
Corporate and Commercial Banking

Karakaya graduated from the Business Administration and Finance Department at Istanbul University, Faculty of Economics, and began his banking career as an Inspector at Garanti Bank, where he went on to work at the Audit Committee, Risk Management Department, Loans Department, and Regional Directorates between 1981 and 2003. Mr. Karakaya has been working as the Executive Vice President of Corporate and Commercial Banking at Kuveyt Türk between 2003-2024. As of December 31, 2024, he retired from his position at the Bank.



BİLAL SAYIN
Executive Vice President
Loans

Mr. Bilal Sayın graduated from the Public Administration Department of Middle East Technical University in 1990. He joined the Kuveyt Türk family in 1995 and he has been serving as the Chief Loans Officer at Kuveyt Türk since 2003.



HÜSEYİN CEVDET YILMAZ
Executive Vice President
Chief Risk Officer

Mr. Cevdet Yılmaz graduated from the Business Administration Department of Boğaziçi University in 1989. He began his banking career as the Assistant Internal Auditor in Esbank Internal Audit and Inspection Department. After having served as Inspector and Branch Manager in the same institution, he began to work as the Head of Inspection Board at Kuveyt Türk in September 2000. He was assigned as the Audit and Risk Group President in 2003. Mr. Yılmaz has been serving as Chief Risk Officer since 2012.



İRFAN YILMAZ
Executive Vice President
Banking Services Group

After graduating from the Management Engineering Department of Istanbul Technical University, Mr. İrfan Yılmaz began his banking career at the Financial Affairs Department in Kuveyt Türk in 1990, was assigned to the Inspection Board in 1996, and served as the Head of the Inspection Board between 1998 and 2000. Mr. Yılmaz was appointed as the Retail Banking Manager in 2000 and after five years at the Department, he took office as the Executive Vice President of Retail Banking and Enterprise Banking in 2005. He has been serving as the Executive Vice President of Banking Services since October 2012.

SENIOR MANAGEMENT



DR. R. AHMET ALBAYRAK
Executive Vice President
Corporate and Commercial Banking

Mr. Albayrak graduated from the Industrial Engineering Department of Istanbul Technical University. He received an MA degree in Organizational Leadership and Management at the University of North Carolina at Pembroke, the USA in 1993 and was awarded a Ph.D. degree in Technology Management at Istanbul Technical University, Department of Business Administration in the Social Sciences Institute in 2007. Having joined the participation banking sector in 1988, Mr. Albayrak has been serving as the Executive Vice President at Kuveyt Türk since 2005. He managed the Banking Services Group until October 2012 and served as the Executive Vice President of Treasury and International Banking until December 2024. As of January 1, 2025, he was appointed as Executive Vice President of Corporate and Commercial Banking.



NURETTİN KOLAÇ
Executive Vice President
Law and Risk Follow-up

Mr. Kolaç graduated from the Faculty of Law at Marmara University. He served as an attorney and legal counselor in the banking, financial leasing, and insurance industries for 16 years. He worked as the Vice Head of Department and Head of Department (Legal) in the Banking Regulation and Supervision Agency for six years starting in 2004. He joined Kuveyt Türk in April 2010 as the Executive Vice President of Law and Risk Follow-up. Mr. Kolaç also served as a Board Member at KT Portföy Yönetim A.Ş and Neova Sigorta A.Ş in 2015-2018, and March 2018-October 2020, respectively. Upon a Board decision dated October 21, 2020, Mr. Kolaç was appointed as the Chairman of the Board at Neova Sigorta A.Ş. He is a chairman and member of several working committees in professional associations for the banking industry. With 36 years of experience in law and banking, Mr. Kolaç has been serving as the Executive Vice President of Corporate, Commercial, SME, and Retail Risk Follow-up, Credit Risk Monitoring, Collateral Monitoring, Customer Rights, and Legislation, and Law and Risk Follow-up.



ASLAN DEMİR
Executive Vice President
Treasury and International Banking

Mr. Demir graduated from Marmara University, International Relations Department. He completed his Master's degree at Sheffield University in the UK with a thesis on "Critical Elements of Strategy Implementation in the Banking Sector." In 2020, he obtained his second MA degree at Marmara University's Business Administration Program offered by the Social Sciences Institute, writing a thesis titled "Behaviors of Participation Banking Deposit Customers." He began his banking career in the Kuveyt Türk Treasury Department in 1995, served at the Treasury Department for six years, and continued his career at the Project Management and Quality Department between 2001 and 2004. He was appointed as the Project Management and Quality Manager in 2005 and he went on to serve as the Information Technologies Group Manager with the new organizational structuring in 2007. He has been serving as the Executive Vice President of Strategy, Human Resources, Digital Transformation, Corporate Communication, and Corporate Performance Management until December 2024. As of January 1, 2025, Demir was appointed as Executive Vice President of Treasury and International Banking, and is also a board member at Architecht Bilişim Sistemleri ve Pazarlama Ticaret A.Ş.



MEHMET ORAL
Executive Vice President
Retail Banking

Mr. Oral graduated from the Business Administration Department of Uludağ University. He began his career in the Kuveyt Türk family at the Head Office Branch in 1992. He worked as the manager in the İMES, Bursa, and Merter branches between 2000 and 2005. He was assigned as the Regional Manager at the Istanbul European Side Regional Directorate in 2005 after the transition to the Regional Directorate structure. After having served as the Regional Manager for four years, he continued his career as the HR, Training, and Quality Group Manager in 2009. He has been serving as the Executive Vice President of Retail Banking since October 2012.



ABDURRAHMAN DELİPOYRAZ
Executive Vice President
SME Banking

Mr. Delipoyraz graduated from the Industrial Engineering Department of Istanbul Technical University. He began his career in the Kuveyt Türk family at the Project and Investment Department and he worked at the Corporate and Commercial Banking Sales Department and Financial Analysis and Intelligence Department until 2000. Mr. Delipoyraz worked as the Branch Manager at Beşyüzevler and Bakırköy Branches between 2000 and 2004. He was assigned as the Regional Manager in December 2004 and he worked at Istanbul Europe 1 and Istanbul Anatolia Regional Directorates. He has been serving as the Executive Vice President of SME Banking since January 2015.



BAHATTİN AKCA
Head of Inspection Board
Inspection Board

Bahattin Akca graduated from the Business Administration Department (English program) of Istanbul University. Akca, who started to work at the Kuveyt Türk family as a Deputy Inspector on the Inspection Board in 1996, served at the Inspection Board for 6 years and pursued his career in the Internal Control Group in 2002. He acted as the Head of the Internal Control Group between 2003 and 2007. As of September 2007, Akca has been performing his duties as the Head of the Inspection Board.



SEMİH SEL
Executive Vice President
Human Resources and Strategy

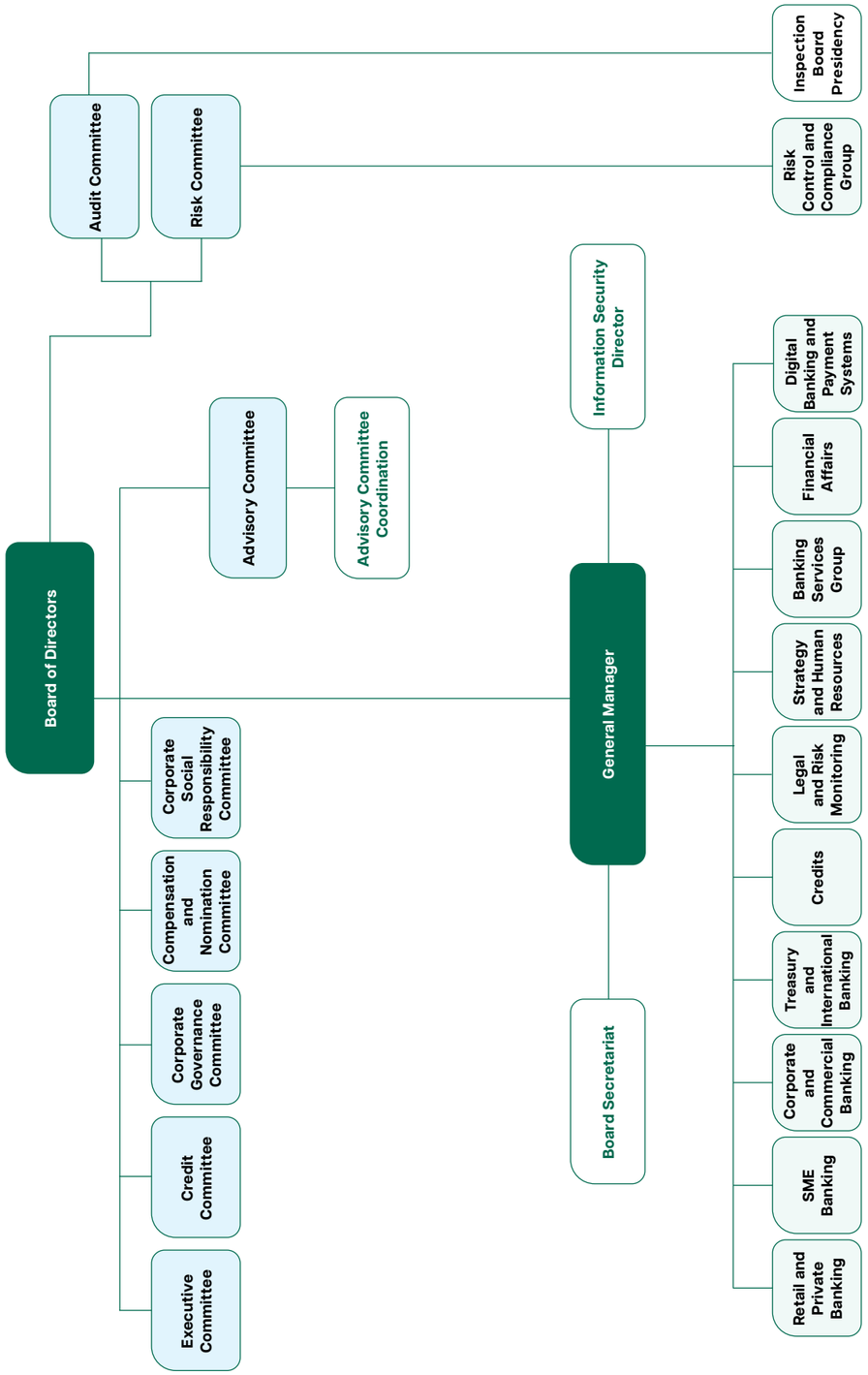
Semih Sel graduated from Istanbul Technical University with a degree in Industrial Engineering and began his professional career in 2000 as a Quality Development Specialist at Kuveyt Türk. From 2004 to 2007, he served as a Human Resources Business Development Officer, followed by a role as a Human Resources Business Partner until 2009, during which he was responsible for recruitment, career development, and performance management. From 2009 to 2012, Semih Sel held the position of Human Resources Manager, after which he was promoted to Human Resources Group Manager. In this role, he oversaw five departments, including Human Resources, and led several award-winning initiatives, such as the first implementation of flexible fringe benefits in the banking sector and the establishment of the Kuveyt Türk Banking Academy. As of January 1, 2025, Semih Sel has been appointed as the Executive Vice President of Human Resources and Strategy at Kuveyt Türk.



OKAN ACAR
Executive Vice President
Digital Banking and Payment Systems

Okan Acar graduated from Marmara University with a degree in Industrial Engineering and earned both his master's and doctorate degrees in Banking from Istanbul University. He began his career at Pamukbank and joined Kuveyt Türk in 2004 as a Credit Product Development Specialist. Mr. Acar held various positions, including Retail and Business Product Development Manager and Retail and Business Marketing Manager, until 2014. From then until 2020, he served as Digital Marketing Manager, Private Banking Group Manager, and Digital Transformation Group Manager. Since that time, Okan Acar has been the Digital Banking Group Manager and will assume the role of Executive Vice President of Digital Banking and Payment Systems on January 1, 2025.

ORGANIZATIONAL CHART



EXECUTIVES WITHIN INTERNAL SYSTEMS

Name and Surname	Duty	Education
H. Cevdet Yılmaz	Chief Risk Officer	Bachelor's Degree
Bahattin Akça	Head of Inspection Board	Bachelor's Degree
Fadıl Uluşık	Head of Internal Control	Master's Degree
Vefa Okan Arık	Head of Risk Management	Bachelor's Degree
Miraç Armağan Sönmez	Head of Compliance	Master's Degree

Hüseyin Cevdet Yılmaz
Chief Risk Officer
Mr. Yılmaz graduated from the Business Administration Department of Boğaziçi University in 1989. He began his banking career as the Assistant Internal Auditor in Esbank's Internal Audit and Inspection Department. After having served as Inspector and Branch Manager in the same institution, he began to work as the Head of the Inspection Board at Kuveyt Türk in September 2000. He was assigned as the Audit and Risk Group President in 2003. Mr. Yılmaz has been the Chief Risk Officer since 2012.

Bahattin Akca
Head of Inspection Board
Bahattin Akca graduated from the Business Administration Department (English program) of Istanbul University. Akca, who started to work at the Kuveyt Türk family as a Deputy Inspector on the Inspection Board in 1996, served at the Inspection Board for 6 years and pursued his career in the Internal Control Group in 2002. He acted as the Head of the Internal Control Group between 2003 and 2007. As of September 2007, Akca has been performing his duties as the Head of the Inspection Board.

Fadıl Uluşık
Head of Internal Control
Mr. Uluışık graduated from Istanbul University, Faculty of Economics. He received an MA from the Money-Banking Department at the Social Sciences Institute of Istanbul University in 1999. Mr. Uluışık began his career at Kuveyt Türk in 1996 and has been the Head of Internal Control since December 2007.

Vefa Okan Arık
Head of Risk Management
Mr. Arık graduated from Gazi University, Faculty of Economics and Administrative Sciences. Mr. Arık began his career in 1997 and joined Kuveyt Türk in 2002. Since February 2013, he has been the Head of Risk Management.

Miraç Armağan Sönmez
Head of Compliance
Miraç Armağan Sönmez graduated from Istanbul University's Department of Economics (in English) in 1999. Until 2001, he worked in the private sector before beginning his career as an Assistant Inspector at the Kuveyt Türk Board of Inspectors in February 2001. In 2004, he was promoted to Inspector, and in 2009, he was appointed Vice Chairman of the Board of Inspectors. In 2013, he was appointed Vice President in charge of Branch Inspections and Investigations, a position he held until the end of 2024. As of January 1 2025, he was assigned to the Compliance Group and is serving as the Head of Compliance.

Hayrettin Çapoğlu
Chief Compliance Officer
Hayrettin Çapoğlu graduated from the Department of Political Science and International Relations at Boğaziçi University's Faculty of Economics and Administrative Sciences in 1997. He completed his master's degree in international relations at the Institute of Social Sciences, Marmara University, in 2002. Çapoğlu began his career in 1997 and joined Kuveyt Türk in 2002. Since February 2013, he has been serving as the Chief Compliance Officer. As of January 1 2025, he has been serving as the Deputy Chief Compliance Officer for Legal and Sanctions Compliance.

COMMITTEES UNDER THE BOARD OF DIRECTORS AND ATTENDANCE AT COMMITTEE MEETINGS

Audit Committee

Name and Surname	Role at the Committee	Assignment Date
Dr. Shadi Ahmed Yacoub ZAHRAN	Chairman, Member of the Board of Directors	04.11.2020
Nadir Alpaslan	Member, Vice Chairman of the Board of Directors	24.12.2019
Mohamad Hedi MEJAI	Member, Member of the Board of Directors	04.05.2021

Duties and Responsibilities

- Receiving regular reports on the fulfillment of the duties from Internal Audit units and Independent audit organizations,
- In the event of matters or discrepancies in breach of legislation and internal regulations which may adversely affect the continuity and safe execution of the Bank's activities, reporting these to the Board of Directors,
- Reporting its opinions along with the results of its activities, to the Board of Directors on the practices required or measures to be taken by the Bank, and on other matters deemed significant in terms of sustaining the Bank's activities securely, within regular periods no longer than six months.

Risk Committee

Name and Surname	Role at the Committee	Assignment Date
Gehad Mohamed ELBENDARY ANANY	Chairman, Member of the Board of Directors	04.11.2020
Nadir Alpaslan	Member, Vice Chairman of the Board of Directors	04.05.2021

Duties and Responsibilities

- Performing the tasks assigned as an internal control officer about risk management, internal control, and compliance under the provisions of the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks,
- Establishing internal systems for risk management, internal control, and compliance; ensuring their effective, sufficient, and appropriate functioning,
- Reviewing the strategies, policies, regulations, and guidelines on the activities of internal systems units in its remit before submittal for the Board's approval; ensuring their effective implementation and maintenance,
- Coordinating the internal systems units in its remit,
- Notifying the Board to make sure necessary measures are taken to timely address and eliminate the errors or shortcomings in the practices of the internal systems units in its remit, as spotted by the Banking Regulation and Supervision Agency or independent auditors; evaluating such errors or shortcomings to coordinate internal control activities in the areas where identical or similar errors and shortcomings may arise,
- Updating itself regarding the risk exposure of the Bank and the means of measuring and managing such risks,
- And making sure adequate capital is maintained vis-a-vis the risks exposed through designing, establishing, and guaranteeing the implementation of ICAAP.

Credit Committee

Name and Surname	Role at the Committee	Assignment Date
Hamad A H D ALMARZOUQ	Credit Committee Chairman	24.09.2014
Ahmad S. A. A. AL KHARJI	Credit Committee Member	09.09.2020
Ufuk UYAN	Credit Committee Member	16.06.2009
Nadir Alpaslan	Credit Committee Member	09.09.2020
Dr. Shadi Ahmed Yacoub ZAHRAN	Credit Committee Member	09.09.2020

Duties and Responsibilities

It serves as a senior management committee in charge of discussing and finalizing credit requests of up to 10% of the Bank's equities.

Advisory Committee

Name and Surname	Role at the Committee	Assignment Date
Prof. Dr. Mohammad ALTABTABAEI	Chairman of Advisory Board	23.03.2023
Prof. Dr. Mubarak ALHARBI	Member of Advisory Board	23.03.2023
Prof. Dr. Abdullah DURMUŞ	Member of Advisory Board	23.03.2023
Assoc. Prof. Dr. Anwar ALABDULSALAM	Deputy Chairman of Advisory Board	23.03.2023
Mehmet ODABAŞI	Member of Advisory Board	23.03.2023

Duties and Responsibilities

- Responding to, and/or providing alternative solutions for, the questions forwarded to the Committee as per the methods and processes determined by the Bank (Board and/or CEO) about the principles of interest-free banking,
- Following up on the decisions and standards introduced by the Advisory Board, and global developments in the field of interest-free banking,
- Holding meetings with the Audit Committee at least twice a year to discuss reports on interest-free banking compliance and audit activities, along with the actions taken in response to the findings in those reports,
- Providing opinions and suggestions on the draft contractual texts for processes involving new products,
- Organizing educational and informative seminars for the staff to guarantee Bank-wide adoption and expansion of the interest-free banking culture,
- Representing the Bank in conferences, symposiums, and other events about the Committee's areas of activity upon the Bank's written assignment,
- Discussing the matters requested by the Audit Committee for examination; passing decisions on such matters; and informing the Head Office accordingly,
- Passing decisions specific to the Bank regarding the principles and standards of interest-free banking and their implementation; presenting the periodic reports covering the decisions it passed to the Advisory Board,
- Reviewing internal guidelines in terms of compliance with the principles and standards of interest-free banking,
- Reviewing, examining, and approving the Bank's standard contracts and appendices on products and services in terms of the principles and standards of interest-free banking,
- Providing an opinion on the principles and standards of interest-free banking to the Bank and its subsidiaries subject to consolidation regarding real or corporate service providers in the field of law, audit, and other relevant topics,
- Providing information on the activities of the Advisory Committee within the period so that they are covered in the Bank's annual report; providing evaluations on the compliance of Kuveyt Türk's operations with the principles and standards of interest-free banking.

Corporate Governance Committee

Name and Surname	Role at the Committee	Assignment Date
Hamad A H D ALMARZOUQ	Chairman, Member of the Board of Directors	24/09/2014
Mohamed Hedi MEJAI	Member, Member of the Board of Directors	04/05/2021
Sinan AKSU	Member, Member of the Board of Directors	05/05/2023

Duties and Responsibilities

The Corporate Governance Committee monitors the Bank's compliance with corporate governance principles, undertakes improvement efforts in this area, and presents recommendations to the Board in line with the relevant legislation and the Bank's ethical rules.

COMMITTEES UNDER THE BOARD OF DIRECTORS AND ATTENDANCE AT COMMITTEE MEETINGS

Executive Committee

Name and Surname	Role at the Committee	Assignment Date
Hamad A H D ALMARZOUQ	Chairman	24/09/2014
Ahmad S. A. A. AL KHARJI	Member	09/09/2020
UFUK UYAN	Member	27/04/2006

Duties and Responsibilities

The Executive Committee is in charge of, and tasked with, the following:

a) It performs all tasks assigned to it by the Board of Directors.

b) It is authorized to decide on the execution of amicable agreements, debt write-off, and release (before or after NPL status) with customers, guarantors, pledgers, and/or other third parties in the capacity of a debtor for amounts over 1% of the Bank's equities, and provided such amounts do not exceed 10% of the Bank's equities (no matter what type of a transaction it is).

c) It is in charge of making decisions on real estate, participation, procurement of inventory, participation in projects, partnerships, and investments the amount and value of which reach up to 10% of the Bank's equities.

d) It conducts preliminary evaluation and presents it to the approval of the Board on all planned real estate purchases, participation, partnerships, and investments the amount and value of which exceeds 10% of the Bank's equities.

e) It is authorized to make decisions on any maintenance, repair, or renovation works, as well as material, commodity, equipment, and service procurements the amount and value of which is up to 10% of the Bank's equities; to decide on annual expenditures not exceeding 10% of the Bank's equities within the budget approved by the Board, and to approve internal regulations in this regard.

Remuneration and Nomination Committee

Name and Surname	Role at the Committee	Assignment Date
Ahmad S. A. A. AL KHARJI	Chairman, Member of the Board of Directors	09/09/2020
Gehad Mohamed ELBENDARY ANANY	Member, Member of the Board of Directors	09/09/2020
Ufuk UYAN	Member, Member of the Board of Directors	19/11/2014

Duties and Responsibilities

The Remuneration and Nomination Committee works to review the competitive edge of the Bank's remuneration structure annually and monitor developments and best practices on remuneration. The Committee provides the Board of Directors with guidance on remuneration.

Corporate Social Responsibility Committee

Name and Surname	Role at the Committee	Assignment Date
Ahmad S. A. A. AL KHARJI	Chairman, Member of the Board of Directors	09/09/2020
Dr. Shadi Ahmed Yacoub ZAHRAN	Member, Member of the Board of Directors	09/09/2020
Ufuk UYAN	Member, Member of the Board of Directors	18/09/2013

Duties and Responsibilities

- The Committee is authorized to specify, and take decisions on, the social responsibility projects the Bank will carry out and manage.
- The Committee is authorized to make onerous and/or voluntary in-kind and in-cash donations, provided the limits set forth by the Banking Law and similar/relevant legislation are not exceeded, and to donate, within the same limits, immovable properties to persons, entities, and/or organizations as it deems necessary onerously and/or voluntarily on behalf of the Bank.
- The Committee is also authorized to assign the aforementioned decision-making and executive powers to the departments of the head office and branches or to use these powers via these departments and branches.

Participation in Committee Meetings

The Board of Directors convenes when necessary in line with the Articles of Association and takes decisions based on requirements. The Board of Directors convened 43 times in 2024.

In line with relevant legislation, the Audit Committee oversees the efficiency and adequacy of the Bank's internal systems and their compliance with applicable regulations, taking necessary actions as required. In 2024, the Audit Committee held six meetings and submitted 26 reports to the Board of Directors.

The Risk Committee held six meetings in 2024.

The Credit Committee held seven meetings in 2024.

The Advisory Committee held twenty-four meetings in 2024.

The committee meetings were held online or through hybrid participation. Unless they had excuses, committee members were present during the meetings.

Board of Directors Meeting Attendance

The Board of Directors of Kuveyt Türk Katılım Bankası A.Ş. convened six times in 2024, with our Board Members attending 90% of these meetings.

AGENDA OF THE ORDINARY GENERAL ASSEMBLY

Further to the decision made at the meeting of our Bank's Board of Directors held on 30.01.2025, our bank's Ordinary Annual General Assembly meeting for the fiscal year 2024 will be held on 28 March 2024, Friday at 15:00 o'clock, at the Company's Head Office, located at the address of Büyükdere Cad. No: 129/1 34394 Esentepe Istanbul, to discuss the following agenda.

AGENDA OF THE ANNUAL ORDINARY GENERAL ASSEMBLY

1- Opening and constitution of the Presidential Board.
2- To grant authority to the Presidency to sign the minutes of the General Assembly and the list of participants.
3- Discussion and approval of the Annual Report for the fiscal year 2024.
4- Discussion and approval of Financial Statements for the fiscal year 2024.
5- Decision on the Board of Directors offer about the profit distribution of the fiscal year 2024.
6- Discussion of independent audit report written by independent auditor for the fiscal year 2024.
7- Discussion and approval of the amendments of the Articles of Association related to the Article 7 as attached.
8- Approval of the election if the Board of Directors has made an appointment for the vacant Board of Directors membership that has occurred until the General Assembly meeting.
9- Acquitting of the Board of Directors related with their efforts in 2024.
10- Discussion and approval of paying salary, attendance fee, bonus, and dividend to the Chairman and other Board Members for their Board Membership and/or other committee memberships.
11- Appointment of the Independent Auditors and determination of the contract period,
12- Providing information by the Board of Directors on external audit in accordance with Banking Law no: 5411 and the related regulations.
13- Discussion and approving of reflecting participation accounts' portion of provision expenses, which set aside according to 19/2 article of Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans of BRSA, to expense accounts. Turkish Commercial Code's related provisions reserved.
14- Authorization of the Board of Directors to compensate the loss if necessary in accordance with the Article 6, paragraph 10 of the Regulation on Procedures and Principles Regarding Deposits, Participation Funds, Escrow and Receivables of Deposits and Participation Funds issued by the BRSA,
15- To grant authority to the Board Members to execute the deals written in the Turkish Commercial Code 395 and 396 Articles.
16- Wishes and proposals.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 7 of the Articles of Association related to capital was amended in line with the decisions made during the Extraordinary General Assembly Meeting of our Bank held on May 15, 2024. The former and new versions of the aforementioned article are provided below.

FORMER VERSION	NEW VERSION
CAPITAL **ARTICLE 7** - The capital of the Bank is TL 4,600,000,000 (four billion and six hundred million Turkish Lira) which is divided into 4,600,000,000 (four billion and six hundred million) shares each with a nominal value of TL 1. The shares are registered. Out of TL 4,600,000,000 (Four billion and six hundred million Turkish Lira) capital; a) TL 4,000,000,000 (Four billion Turkish Lira) is fully paid. b) TL 599,610,841.- (Five hundred and ninety-nine million six hundred and ten thousand eight hundred and forty-one Turkish Lira) of the increased amount of TL 600,000,000 (Six hundred million Turkish Lira) is met in full from the profit of 2019 (fully from internal resources). Against this capital increase, shareholders will be given bonus shares in proportion to their shares. The added amount of TL 389,159.- (Three hundred and eighty-nine thousand one hundred and fifty-nine Turkish Lira) is met from the period profit of the Bank earned within the scope of Law no. 5746 and transferred to the other reserves (fully from the internal sources) in 2019. Against this capital increase, shareholders will be given bonus shares in proportion to their shares.	**CAPITAL** **ARTICLE 7** - The capital of the Bank is TL 4,952,205,000 (Four billion nine hundred and fifty-two million two hundred and five thousand Turkish Lira) which is divided into 4,952,205,000 (Four billion nine hundred and fifty-two million two hundred and five thousand) shares each with a nominal value of TL 1. The shares are registered. The company's previous capital amounting to TL 4,600,000,000 (Four billion six hundred million Turkish Lira) has been fully paid, free of any collusion. Of the capital, with a nominal value of TL 352,205,000 (Three hundred and fifty-two million two hundred and five thousand Turkish Lira) increased this time, TL 6,350,256,150 (Six billion three hundred and fifty million two hundred and fifty-six thousand one hundred and fifty Turkish Lira) of premium on issued shares is to be paid in addition to the nominal value of TL 352,205,000 for 352,205,000 shares. This totals TL 6,702,461,150 (Six billion seven hundred and two million four hundred and sixty-one thousand one hundred and fifty Turkish Lira), which has been fully subscribed by the shareholders who have purchased these shares, free of any collusion, in accordance with the procedure and schedule to be determined by the General Assembly, and shall be paid in cash before registration.

SUMMARY REPORT OF THE BOARD OF DIRECTORS SUBMITTED TO THE GENERAL ASSEMBLY

Dear Shareholders,
As Kuveyt Türk, a bank that has been working responsibly for Türkiye for 35 years, we continue to increase our contribution to the national economy and strengthen our position in the participation banking sector. The year 2024 has been a year in which we stood out in terms of profitability. During this period, we increased our net profit by 30% compared to the previous year, closing at 34.7 billion TL. Our ability to quickly adapt to regulatory changes shaping the agenda in our field with proactive strategies, our prudent approach, and efficient resource management were the main factors that enabled us to close this challenging period with strong performance.

In 2024, we increased the size of funds collected by 15%, reaching TL 585.6 billion TL, while we raised the size of funds allocated to support the real sector by 30%, reaching TL 434.7 billion. As Kuveyt Türk, we increased our equity to TL 82.2 billion and our total assets to TL 852.1 billion. With this performance, we maintained our position as the 10th largest bank in terms of total assets in the banking sector, while further strengthening our leadership among participation banks. In 2024, we also received the prestigious “Best Islamic Bank in Türkiye” award at the IFN Awards, one of the most respected awards in the international finance world, thus certifying our strong performance and innovative vision.

In 2025, we will accelerate our investments in digitalization and sustainability, while leading the transformation in the participation banking sector with our human centered solutions. With future-oriented steps, we will continue to add value to the Turkish economy while progressing on the path of sustainable, profitable growth.

We would like to extend our heartfelt thanks to our customers for their trust in our bank, to all our stakeholders, to our employees for their dedicated efforts, and to you, our esteemed shareholders, for your unwavering support under all circumstances.

BOARD OF DIRECTORS

RELATED PARTY TRANSACTIONS

Details of the Bank’s related party transactions can be found on pages 368 and 495 of the Annual Report.

OUTSOURCED SERVICES

Supplier	Contract Description
32BIT BİLGİSAYAR HİZMETLERİ LTD. ŞTİ.	Reuters Tof Integrator software maintenance and support services
ARCHİTECHT BİLİŞİM SİSTEMLERİ VE PAZARLAMA TİC. A.Ş.	Usage license for APIGO
ARCHİTECHT BİLİŞİM SİSTEMLERİ VE PAZARLAMA TİC. A.Ş.	Usage license for Power Factor
ARCHİTECHT BİLİŞİM SİSTEMLERİ VE PAZARLAMA TİC. A.Ş.	Software development, source rental, and provision of consultancy services
ARKSIGNER YAZILIM VE DONANIM SAN. TİC. A.Ş.	E-SIGNATURE Integration System
BİLEŞİM FİNANSAL TEKNOLOJİLER VE ÖDEME SİS. A.Ş.	Card customization and enveloping works; statement printing and enveloping services
BİLİŞİM BİLGİSAYAR HİZMETLERİ A.Ş.	Provision of credit card and merchant software infrastructure support services
BİLİŞİM YAZILIM SİSTEMLERİ SANAYİ VE TİCARET A.Ş.	IT payroll accrual implementation update and maintenance contract
BRINKS GÜVENLİK HİZMETLERİ A.Ş.	Provision of transporting and storing cash and precious metals services
BS BİZİM SERVİS PERSONEL DANIŞMANLIK HİZMETLERİ A.Ş.	Outsourced staff employment contract
CALL CENTER RESOURCES DAN. A.Ş.	XTM video infrastructure contract
CHRONOS İNSAN KAY. DANŞ. LTD. ŞTİ.	Provision of payroll software and maintenance services
COLLECTÜRK ALACAK YÖN VE DAN. A.Ş.	Provision of call services by company employees to Bank's debtors (card)
DESMER GÜVENLİK HİZMETLERİ TİCARET A.Ş.	Transportation service for cash and valuable papers, and ensuring cash supply to ATMs and XTMs
EKOL GRUP KORUMA GÜVENLİK EĞİT.HİZM. A.Ş.	Outsourcing backup security officers in place of those on leave/off duty with a medical report
ETCBASE YAZILIM VE BİLİŞİM TEKNOLOJİLERİ A.Ş.	Procurement, installment, maintenance and support services purchase for Legal Proceedings System
HANGİSİ İNTERNET VE BİLGİ HİZM. A.Ş.	Directing the applications for loan on HangiKredi website to the bank
ISTANBUL ALTIN RAFİNERİSİ A.Ş.	Procurement of transformation, certification, and packaging service for bar golds of the Bank to KT gold grams by İAR
KEY YAZILIM ÇÖZÜMLERİ A.Ş.	Provision of mortgage software
KEY YAZILIM ÇÖZÜMLERİ A.Ş.	Provision of expert assessment software
KURYENET MOTORLU KURYECİLİK VE DAĞITIM HİZMETLERİ A.Ş.	Debit card and credit card transportation and delivery
LOOMİS GÜVENLİK HİZMETLERİ A.Ş.	Transportation, vault, and supply services for cash and precious goods
METIS BİLGİSAYAR SİST. SAN. VE TİC. A.Ş.	Purchase of call center outsourced services
MİKROSARAY MİKROBİLGİSAYAR PAZ.VE TİC. A.Ş.	Monthly support services for cash register POS
MTM HOLOGRAFİ GÜVENLİKLİ BASIM VE BİLİŞİM TEK. SAN. A.Ş.	Check printing services
NADİR METAL RAFİNERİ SAN.VE TİC. A.Ş.	Conversion of the Bank's gold bullions into gold in line with BİST and LBMA standards, certification, packaging and preparing them for sale
NEXT4BİZ BİLGİ TEKNOLOJİLERİ A.Ş.	Customer satisfaction program purchase and maintenance services
PİL EĞİTİM BİLİŞİM MİMARLIK TİC. LTD. ŞTİ	Maintenance and support services for the employee commitment and Mobile HR Project Bliss software

OUTSOURCED SERVICES

Supplier	Contract Description
PRODAFT SİBER GÜVENLIK TEKNOLOJILERI A.Ş.	Malicious software detection on digital channels software
PROVISION BİLGİ İŞLEM SAN. VE TİC. A.Ş.	Application, Development, Maintenance and Support Service for Credit Card and POS System
R2 SERVİS ELEKTRİK ELEKTRONİK VE BİLGİ TEKNOLOJİLERİ SANAYİ TİCARET A.Ş.	Monthly support services for cash register POS
REISSWOLF DOKÜMAN YÖNETİMİ HİZMETLERİ A.Ş.	Purchase of archive document storage service
SESTEK SES VE İLETİŞİM BİLGİSAYAR TEKNOLOJİLERİ SANAYİ TİCARET A.Ş.	Licensing, Supply, Maintenance and Support Services for Voice IVR, Voice Signature, Chatbot and Voice Analysis Software
TEM KURYECİLİK KIRTASİYE BİLGİSAYAR GIDA VE TAŞIMACILIK SANAYİ TİCARET LTD. ŞTİ	Performing the paperwork of branches in Istanbul
KOÇSISTEM BILGI VE İLETIŞIM HIZMETLERI A.Ş.	Printing and enveloping the images of prints and envelopes prepared by the Bank
SECURITEAM ÖZEL GÜVENLIK VE KORUMA HIZMETLERI LTD.	Outsourcing backup security officers in place of those on leave/off duty with a medical report
PROVISION BİLGİ İŞLEM SAN. VE TİC. A.Ş.	PIN Supported SOFT POS and contactless payment software, maintenance, and support services for CebimPOS product
DSM TURKEY TEKNOLOJİ HİZMETLERİ ANONİM ŞİRKETİ	Trendyol Teknoloji On-the-Spot Financing Integration
LC WAİKİKİ MAĞAZACILIK HİZMETLERİ TİCARET A.Ş.	LC Waikiki E-Commerce Financing Integration
FATURALAB ELEKTRONİK TİCARET VE BİLİŞİM HİZMETLERİ	Faturalab Supplier Finance Platform
ERBAY GÜVENLIK HIZMETLERI A.Ş.	Cash and Precious Metal Transportation
TURK ELEKTRONİK PARA ANONİM ŞİRKETİ	CebimPOS and Sanal POS Param (Türk Para) Integration Contract
İSGOLD ALTIN RAFİNERİSİ ANONİM ŞİRKETİ	Gold Production and Orders
UCS BİLİŞİM SİSTEMLERİ LİMİTED ŞİRKETİ	Video Chat Purchase and Maintenance Contract
UCS BİLİŞİM SİSTEMLERİ LİMİTED ŞİRKETİ	Customer Information Center Genesys Pure Engage Software Rental, Integration and Development
TURKCELL DİJİTAL İŞ SERVİSLERİ A.Ş.	Paperless Banking Tablet Secure Digital Signature
TEPE SAVUNMA VE GÜVENLİK SİS. SAN. A.Ş.	External Private Security Officers
AKÖDE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.	Technology and Shopping Finance Integration
D-MARKET ELEKTRONIK HİZMETLER VE TIC. A.Ş.	Hepsiburada Shopping Finance
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş.	Paygate Applications Consolidated Contract
SECNET DİGİTAL BİLGİ TEK. VE DANIŞMANLIK LTD. ŞTİ.	2024 BRSA Penetration Test

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Kuveyt Türk Participation Bank Inc. (Kuveyt Türk or the Bank) actively pursues the creation of sustainable value and unequivocally prioritizes strict adherence to corporate governance principles. The Bank consistently demonstrates a robust commitment to compliance in all its operations. Our bank is dedicated to the voluntary development and continuous improvement of its governance structure, decision-making processes, and operational practices, all in accordance with the Corporate Governance Principles set forth by the Capital Markets Board (CMB). Our activities are conducted in accordance with the principles of transparency, accountability, fairness, and responsibility.

Kuveyt Türk is committed to the ongoing improvement of its corporate governance practices. The institution ensures that its annual report and corporate website are consistently updated and readily accessible to all stakeholders. The Investor Relations and Sustainability Department leads the initiatives undertaken within the framework of corporate governance at our Bank and continues its efforts to ensure that shareholders and stakeholders receive accurate, complete, and timely information.

Our Bank remains committed to enhancing compliance with the Corporate Governance Principles. The status of our compliance is communicated to the public through the Corporate Governance Rating Report.

On March 7, 2025, DRC Rating Services Inc. conducted an evaluation of our bank's adherence to the CMB Corporate Governance Principles within four primary categories. The assessment resulted in a compliance score of 8.96. In the Shareholders category, with a score of 9.30, a high level of compliance is demonstrated regarding the protection of shareholder rights, the effective management of general assembly processes, and the transparency of information mechanisms for shareholders. In the Public Disclosure and Transparency category, with a score of 9.19, our Bank demonstrates a robust and effective framework in its financial reporting, investor relations management, and public communication processes. In the Stakeholders category, with a score of 9.47, a strong performance is demonstrated in terms of employee rights, corporate social responsibility activities, and relationships with customers and suppliers. Finally, in the Board of Directors category, with a score of 8.35, it has been assessed that the board effectively executes its decision-making processes and audit functions. Through the compliance score achieved in the Corporate Governance Rating Report, Kuveyt Türk demonstrates its commitment to a high level of adherence to corporate governance principles. In this regard, effective risk management processes, transparent financial reporting practices, and strong relationships with stakeholders are regarded as key priorities at our Bank.

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
	A. General Principles						
	A1. Strategy, Policy, and Objectives						
A1.1	The board of directors of the partnership has identified priority environmental, social, and corporate governance (ESG) issues, risks, and opportunities.			X		The Sustainability Committee identifies the Bank's strategic priorities by assessing the risks and opportunities that will affect the Bank due to regulatory compliance and climate change. It assists the working groups in identifying physical and transition risks and in formulating corresponding action and transition plans. In line with the changing regulations, our working groups started their activities by dividing into sub-working groups in order to comply with the relevant legal regulations. The Bank has started to work on climate risks and opportunities. The Bank's prioritized issues have also been identified.	Regarding the Bank's climate risk studies, pages 26 and 37 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Regarding the Bank's Priority Issues, pages 32-33 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) have been established and disclosed to the public by the board of directors of the Partnership.	X				Our Bank has defined its environmental, social and governance principles and guidelines in its Sustainability Policy	Kuveyt Türk's Sustainability Policy: https://www.kuveytturk.com.tr/medium/surdurulebilirlik-politikasi-2305.pdf
A1.2	The short- and long-term goals determined within the scope of the ESG policies have been disclosed to the public.	X				Our Bank's Sustainability Strategy Plan for 2024-2026 has been completed. It has been approved by the Senior Management and the BoD. The Sustainability Strategy Plan of Kuveyt Türk has been prepared according to Environmental, Social and Governance indicators. The Sustainability Strategy Plan was communicated to the relevant units and target sets were assigned.	The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	A2. Implementation/Monitoring						
A2.1	The committees and/or units responsible for the implementation of ESG policies and the highest-level responsible persons and their duties in partnership related to ESG issues have been determined and disclosed to the public.	X				Kuveyt Türk's Sustainability Service which was established under the roof of the Investor Relations Department is responsible for the coordination of sustainability projects in the Bank and the Sustainable Finance Service under the roof of the Credit Policies and Decision Support Systems Department is responsible for the management of ESG activities in financial processes. In order to ensure sustainable governance in the Bank, current Sustainability Committee and Sustainability Working Groups have been organized. There are six different Working Groups, including Climate-related Financial Risks, Sustainable Finance, Sustainable Product Management, Environmental Impact and Risk, Sustainable Development and Human Rights as well as Sustainable Reporting and Collaborations, working on the Bank's compliance with national and international regulations.	The Bank's Sustainability Governance Structure, page 30 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	The responsible committee and/or unit reports the activities carried out within the scope of the policies to the board of directors at least once a year.	X				The Bank's 2024-2026 Sustainability Strategy Plan was completed and submitted to the Board of Directors. Additionally, Sustainability training was provided to the Board of Directors.	The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
A2.2	Implementation and action plans have been created and disclosed to the public in line with the ESG objectives.			X		The Sustainability Strategy Plan for 2024-2026 of our Bank was prepared and included in the Sustainability Report. The development of an Action Plan has been included in our strategic plan. In addition, efforts have been initiated to identify climate risks.	The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Regarding the Bank's climate risk studies, pages 26 and 37 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on a year-by-year basis has been disclosed to the public.	X				Our Bank's Sustainability Strategy Plan for 2024-2026 has been completed. With 2023 as the baseline year, the first ESG Performance Indicators tables were developed according to the GRI standards.	The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's ESG Indicators Tables, pages 65-69 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
A2.4	Activities aimed at improving the sustainability performance of business processes or products and services have been disclosed to the public.	X				All of our efforts in this field are publicly disclosed in the sustainability report.	The Bank's Sustainability Report https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	A3. Reporting						
A3.1	In the annual reports, information about the sustainability performance, goals, and actions of the partnership is provided in an understandable, accurate, and adequate manner.	X				In the Annual Report, partial information was given on the subject and the efforts made within the scope of the Sustainability Project were mentioned. All details regarding the sustainability performance, targets and actions are disclosed in the Sustainability Report	The Bank's Sustainability Report https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's Sustainability Report, pages 88-97 https://www.kuveytturk.com.tr/medium/2023-faaliyet-raporu-1748.pdf
A3.2	The Partnership has disclosed the information on which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals.	X				While identifying its priority issues, the Bank has also identified which UN Sustainable Development Goals are related to these issues	The Bank's Priority Issues and Contribution to the SDGs, pages 32-33 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
A3.3	The lawsuits filed and/or finalized in ESG issues, which are important in terms of ESG policies and/or will significantly affect the activities, have been disclosed to the public.		X			No disclosure was required since there were no cases filed against and/or finalized on ESG issues during the reporting period.	

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
	A4. Verification						
A4.1	The ESG Key Performance measurements of the Partnership have been verified by an independent third party and disclosed to the public.	X				Among the Bank's environmental indicators, carbon footprint data was verified by an independent third-party and the verified data was disclosed in the Sustainability Report.	The Bank's Sustainability Report, page 65 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	B. Environmental Principles						
B1	The Partnership has disclosed the policies and practices in environmental management, action plans, and environmental management systems (referred to as ISO 14001) to the public.			X		Issues regarding environmental management are included in the Bank's Sustainability Report.	The Bank's Sustainability Report, pages 36-39 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
B2	Restrictions related to the scope of the report, reporting period, reporting date, reporting conditions of the environmental reports prepared to provide information about environmental management have been disclosed to the public.	X				Related issues are stated in the Sustainability Report.	The Bank's Sustainability Report, page 3 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
B3	Details are provided in A2.1.						
B4	The environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as board members, managers and employees) have been disclosed.			X		Work is being carried out on performance incentive systems for stakeholders..	Carbon Disclosure Project (CDP) Report, pages 110-118 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B5	The way the environmental problems identified as a priority are integrated into business goals and strategies has been disclosed to the public.	X				The Sustainability Strategy Plan for 2024-2026 of our Bank was prepared and included in the Sustainability Report. The development of an Action Plan has been included in our strategic plan.	The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
B6	Details are provided in A2.4.						
B7	The way environmental issues are managed and how they are integrated into business goals and strategies in such a way as to include suppliers and customers throughout the partnership value chain, including the operation process, has been disclosed to the public.	X				Our Bank has established a Responsible Supply Chain approach.	The Bank's Environmental Sustainability Approach pages 36 and 39 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's Responsible Supply Chain Approach pages 60-61 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
B8	Whether the Partnership is involved in the policymaking processes of the relevant organizations and non-governmental organizations on the environment issue and the cooperations with these institutions and organizations have been disclosed to the public.	X				There are initiatives we support in the field of sustainability.	Initiatives Supported by the Bank page 63 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
B9	In the light of environmental indicators [Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)], information on environmental impacts has been disclosed to the public in a periodically comparable manner.	X				Environmental indicators can be seen in the Sustainability Report published on the website.	The Bank's Environmental Indicators, pages 65-66 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
B10	Standards, protocols, methodologies, and reference year details used to collect and calculate data are disclosed to the public.	X				Standards, protocols and methodologies used by the Bank for carbon and water footprint measurements are disclosed.	Carbon Disclosure Project (CDP) Report, pages 171-197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B11	The increase or decrease of environmental indicators for the reporting year has been disclosed to the public in comparison with previous years.	X				Details on environmental indicators have been disclosed.	Carbon Disclosure Project (CDP) Report, pages 171-197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B12	Short- and long-term goals have been set to reduce environmental impacts, and these goals and the progress based on these goals and the goals set in the past years have been disclosed to the public.	X				Our Bank's Sustainability Strategy Plan for 2024-2026 has been completed. In addition, efforts are underway to mitigate environmental impacts and to develop an action plan for climate.	The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, pages 148-168 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B13	The strategy to combat the climate crisis has been established, and the planned actions have been disclosed to the public.			X		A strategy and action plan to combat the climate crisis was initiated.	The Bank's Climate Risk Studies, page 37 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
B14	Programs or procedures aimed at preventing the potential negative impact of products and/or services on the environment or minimizing these effects have been created and disclosed to the public.			X		Our sustainable financing activities are ongoing.	The Bank's Sustainable Financing Activities pages 41-45 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	Actions have been taken by third parties (e.g. suppliers, subcontractors, dealers, etc.) to reduce the amount of greenhouse gas emissions, and these actions have been disclosed to the public.			X		As part of our responsible supply chain approach, we have started to work on our suppliers.	The Bank's Responsible Supply Chain Approach page 60 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, pages 162-164 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B15	The environmental benefits/gains and cost savings provided by initiatives and projects aimed at reducing environmental impacts have been disclosed to the public			X		Our activities that will provide environmental benefits are ongoing.	The Bank's Environmental and Sustainable Finance Activities pages 35-45 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, pages 91-92 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
B16	Energy consumption (natural gas, diesel fuel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2	X				Carbon footprint (Scope 1 and Scope 2) and water footprint data of our Bank are disclosed along with consumption amounts.	The Bank's Scope 1 and Scope 2 Emission Data pages 65-66 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, pages 171-197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B17	A public disclosure has been made about the electricity, heat, steam, and cooling produced in the reporting year.	X				Information on the Bank's Self-Consumption SPP power plant was disclosed.	The Bank's Self-Consumption SPP Plant, page 38 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, page 197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B18	Activities have been carried out to increase renewable energy use, transition to zero or low carbon electricity, and information related to these activities have been disclosed.	X				The Bank's use of renewable energy and emission reduction activities were disclosed.	The Bank's Self-Consumption SPP Plant, page 38 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, page 197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B19	Renewable energy generation and consumption data have been disclosed to the public.	X				Information on the Bank's Self-Consumption SPP power plant was disclosed.	The Bank's Self-Consumption SPP Plant, page 38 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, page 197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.	X				Energy efficiency projects of our Bank are included in our reports. Details have been disclosed.	The Bank's Energy Efficiency Activities, page 38 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, page 197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B21	Water consumption, the amounts of water taken, recycled, and discharged from underground or above ground, if any, and the sources and procedures thereof have been disclosed to the public.	X				The Bank's water consumption data has been disclosed through reports.	The Bank's Water Consumption Data, page 65 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Carbon Disclosure Project (CDP) Report, page 197 https://www.kuveytturk.com.tr/medium/karbon-saydamlik-projesi-cdp-raporu-2024-2547.pdf
B22	It has been disclosed whether or not the operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade, or Carbon Tax) to the public.				X	It is known that there are studies carried out by legal authorities in Türkiye on the establishment of a local carbon trading system. Efforts in this field are followed closely. The operations or activities of our Bank are not included in a carbon pricing system.	-
B23	The information about carbon credits accumulated or purchased during the reporting period was disclosed to the public.			X		During the reporting period, no carbon credits were purchased. It is expected that most of the Scope 2 emissions will be neutralized upon completion of the studies on the self-consumption SPP power plant.	
B24	If carbon pricing is applied within the Partnership, its details have been disclosed to the public.				X	It is known that there are studies carried out by legal authorities in Türkiye on the establishment of a local carbon trading system. Efforts in this field are followed closely. Our Bank does not apply a carbon pricing system.	
B25	The platforms on which the Partnership discloses its environmental information have been disclosed to the public.	X				The main shareholders of our Bank have disclosed their environmental information through their websites and reports.	Kuwait Finance House Sustainability Report, page 140 KFH Sustainability Report '23 with Assurance Letter - reduced size.pdf Kuwait Finance House Carbon Footprint Report https://www.kfh.com/dam/jcr:c2e277e2-dd71-44af-949b-943fa0bbe1e1/KFH%20CFP%20Report%202023%201.pdf
	C. Social Principles						
	C1. Human Rights and Employee Rights						
C1.1	A Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, the ILO Conventions ratified by Türkiye, and other relevant legislation, the responsible persons related to the implementation of the policy have been determined, and the persons responsible for the policy have been disclosed to the public.	X				Our Human Rights Policy and Practices were disclosed through our report and website.	Kuveyt Türk Human Rights Practices https://www.kuveytturk.com.tr/hakkimizda/kuveyt-turk-kariyer/insan-kaynaklari-uygulamalarimiz

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
C1.2	Taking into account supply and value chain effects, fair labor, improvement of working standards, women's employment, and inclusion issues (for example, there is no discrimination on issues such as gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, trade union activities, political opinion, disability, social and cultural differences, etc.) have been included in the employee rights policy.	X				Under our Human Rights practices, both our employees and our responsible supply chain are informed through our reports and policies.	Human Rights Approach, pages 52-56 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's Responsible Supply Chain Approach pages 60-61 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
C1.3	Measures taken across the value chain to protect the rights of, or to ensure equal opportunities for, minorities or people susceptible to specific economic, environmental, social factors (people with low income, women, etc.) has been disclosed to the public.	X				In line with our equality and inclusion efforts, our Bank does not discriminate on the basis of minority, gender or other factors.	Kuveyt Türk's Human Rights Policy Human Rights Approach, pages 52-53 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's Responsible Supply Chain Approach pages 60-61 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
C1.4	Developments related to preventive and corrective practices against discrimination, inequality, human rights violations, forced labor, and child labor have been disclosed to the public.	X				Developments related to preventive and corrective practices against discrimination, inequality, human rights violations, forced labor, and child labor have been disclosed.	Kuveyt Türk's Human Rights Policy Human Rights Approach, pages 52-53 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's Responsible Supply Chain Approach pages 60-61 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
C1.5	Investment in employees (training, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions, and talent management are included in its policy related to employees' rights.	X				Investment in employees (training, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management issues are all disclosed through our policies and reports.	Human Rights Approach, pages 52-56 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	The mechanisms related to the resolution of employee complaints and disputes have been established, and the dispute resolution processes have been determined.	X				The mechanisms related to the resolution of employee complaints and disputes have been established, and the communication methods for dispute resolution processes have been disclosed.	Kuveyt Türk's Human Rights Policy Human Rights Approach, pages 52-53 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Employee Communication Channels, page 64 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	The activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.	X				The activities carried out during the reporting period to ensure employee satisfaction have been disclosed. Furthermore, our Bank was listed among "Best Employers of Türkiye" for the 6th consecutive year in the "5000+ Employees" category at the Best Employers of Türkiye 2023 Awards organized by the Great Place to Work Institute (GPTW).	Kuveyt Türk's Human Rights Policy Human Rights Approach, pages 52-56 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Great Place to Work Institute (GPTW) Award, page 14 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Kuveyt Türk Sustainability Policy https://www.kuveytturk.com.tr/medium/surdurulebilirlik-politikasi-2305.pdf
C1.6	Occupational health and safety policies have been established and disclosed to the public.	X				Occupational Health and Safety Policy of our Bank has been established and published on the website.	Kuveyt Türk Occupational Health and Safety Policy https://www.kuveytturk.com.tr/medium/is-sagligi-ve-guvenligi-politikasi-2298.pdf
	The measures taken to protect health and prevent occupational accidents and accident statistics have been disclosed to the public.	X				The measures taken to protect health and prevent occupational accidents and accident statistics have been disclosed.	Occupational Health and Safety Statistics, page 69 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
C1.7	Personal data protection and safety policies have been established and disclosed to the public.	X				Personal data protection and safety policies have been established and disclosed.	Notification on Protection of Personal Data and Data Security https://www.kuveytturk.com.tr/kisisel-verilerin-korunmasi-hakkinda-bilgilendirme Information Security Practice https://www.kuveytturk.com.tr/dijital-bankacilik/diger-uygulamalar/guvenlik Kuveyt Türk's Policies, page 27 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
C1.8	Ethics policy has been established and disclosed to the public	X				Ethics Policy of our Bank has been established and disclosed on our website.	Kuveyt Türk's Code of Ethics: https://www.kuveytturk.com.tr/medium/etik-kod-2301.pdf
C1.9							
C1.10	Informational meetings and training programs for employees on ESG policies and practices have been organized.	X				Informational meetings and training programs for employees on ESG policies and practices have been organized.	Sustainability Trainings for Employees - Kuveyt Türk Sustainability Academy, pages 55-56 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Sustainability Training Data, page 68 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
	C2. Stakeholders, International Standards and Initiatives						
C2.1	The customer satisfaction policy regarding handling and solution of customer complaints have been established and disclosed to the public.	X				Customer satisfaction policy on the management and resolution of customer complaints is disclosed and published on the website.	Kuveyt Türk's Customer Satisfaction Policy https://www.kuveytturk.com.tr/hakkimizda/musteri-memnuniyeti/musteri-memnuniyeti-politikamiz Regarding Customer Satisfaction, page 61 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
C2.2	Information about the communication conducted with stakeholders (which stakeholder, subject, and frequency) has been disclosed to the public.	X				Information about the communication with stakeholders (which stakeholder, subject and frequency) has been disclosed through reports.	Stakeholder Communication Methods Table, page 64 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf

	If compliance with the Principles is determined as "Yes" or "Partially," it is necessary to include the report information/link related to the information disclosed to the public. Explanations related to the compliance with the Principles are included in the "Explanation" column. It should be indicated in the "Explanation" column in which context the requested information is presented in consolidated or solo form.	COMPLIANCE STATUS					
		YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	INFORMATION OF REPORT ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated)/LINK
C2.4	The principles adopted in relation to sustainability and the international organizations, committees, and principles of which the Company is signatory or member have been disclosed to the public.	X				Principles that our Bank has adopted regarding sustainability and the initiatives it supports have been disclosed through reports.	Kuveyt Türk Sustainability Approach, page 29 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Kuveyt Türk's Supported Initiatives, page 63 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
C2.5	Improvements have been made and studies have been carried out in order to be included in the sustainability indices of Borsa Istanbul and/or international index providers.				X	Since Kuveyt Türk is not listed on Borsa Istanbul, it is not included in the sustainability index. Within the next two years, the Bank will take the initiative to join an international sustainability index.	
C2.5	Improvements have been made and studies have been carried out in order to be included in the sustainability indices of Borsa Istanbul and/or international index providers.				X	Since Kuveyt Türk is not listed on Borsa Istanbul, it is not included in the sustainability index. Within the next two years, the Bank will take the initiative to join an international sustainability index.	
	D. Corporate Governance Principles						
D1	The opinions of stakeholders are sought for determining the measures and strategies in the field of sustainability.	X				Stakeholders' opinions were taken into consideration in determining the priority issues of the Bank. Priority issues identified as a result of the consulted opinions shaped the sustainability strategy.	Regarding the Bank's Priority Issues, pages 32-33 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf The Bank's Sustainability Strategy Plan and Targets for 2024-2026, page 34 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf
D2	The works on social responsibility projects, related events, and training programs to raise awareness on sustainability and its importance have been carried out.	X				Corporate social responsibility projects and sustainability awareness activities were carried out.	Corporate Social Responsibility Activities, pages 58-60 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Sustainability Trainings for Employees - Kuveyt Türk Sustainability Academy, pages 55-56 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf Sustainability Training Data, page 68 https://www.kuveytturk.com.tr/medium/surdurulebilirlik-raporu-2023-2527.pdf

FIVE-YEAR SUMMARY FINANCIAL INFORMATION*

(TL Thousand)	2020	2021	2022	2023	2024
Dividend Income	9,327,690	13,035,305	35,614,092	63,057,751	129,337,843
Dividend Expenses (-)	3,118,614	5,404,863	11,856,340	27,876,292	80,903,588
Net Fees and Commissions Income	350,721	577,758	984,135	3,428,469	9,139,091
Other Income	1,219,495	3,092,270	6,645,289	13,270,947	17,130,763
Other Expenses	5,926,609	7,753,104	13,317,843	18,377,467	28,446,951
Tax Provision (-)	452,402	1,045,639	4,025,886	6,894,037	11,603,702
Net Profit for the Period	1,400,281	2,501,727	14,043,447	26,609,371	34,653,456
Total Assets	152,290,315	254,068,260	384,630,780	668,168,215	852,120,403
Total Equity	7,995,097	10,456,853	28,714,842	47,985,688	82,227,494
Capital Adequacy Ratio (%)	21.26	23.05	27.48	25.27	24.46

*Unconsolidated financial data at the end of the accounting period.

ASSESSMENT ON FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

Kuveyt Türk Katılım Bankası AŞ has demonstrated remarkable growth in its unconsolidated financial data for the end of 2024. The bank's total assets have increased by 28%, reaching a total of 852.1 billion TL, while equity has seen a substantial rise of 71%, amounting to 82.2 billion TRY. The capital adequacy ratio is reported at 24.46%, which exceeds the legal requirement.

The bank has effectively achieved its profitability targets by optimizing the use of its resources. In 2024, net profit rose by 30% compared to the previous year, reaching 34.7 billion TL. Furthermore, the average return on equity has improved significantly, standing at an impressive 53.2%. For comprehensive details regarding the bank's financial position, profitability, and debt repayment capacity, please refer to the financial statements and the independent audit report section.

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DIVIDEND DISTRIBUTION POLICY

Dividend distribution policy of the Bank states that the distribution is decided by the General Assembly as per the Board's suggestion regarding the issue and consent of Banking Regulation and Supervision Agency (BRSA) in the event that there are no adversities in the economic conditions of the country and the world, and that the Bank's capital adequacy ratio is at the anticipated levels in line with its financial situation and growth strategies. Principles regarding the profit distribution of the Bank are specified in Article 49 of the Articles of the Association. Accordingly:
Profit before tax in the annual balance sheet may be allocated or distributed as follows after the deduction of financial liabilities and accumulated losses, if any:

1. 5% of the net profit is set aside as the primary legal reserve requirement,
2. 5% of the paid-in capital and the amount at the rate of shareholders' shares in the paid-in capital as per Article 519 of Turkish Commercial Code is set aside/paid as the primary dividend,
3. The whole profit after above-mentioned allocations may either not be distributed and may be allocated as optional reserve or may be partially or fully distributed to the shareholders or may be distributed to the Board Members and Bank employees as dividend or salary.

In the event that it is decided to distribute the profit remaining after the first dividend allocation to the shareholders or others, 10% of the profit decided to be distributed is allocated as a secondary legal reserve as per Article 519 of Turkish Commercial Code.

THE BOARD OF DIRECTORS' DIVIDEND DISTRIBUTION PROPOSAL

In the Board of Directors meeting held on February 14, 2025;
After deducting the financial obligations from the 2024 year-end balance sheet profit, the remaining net period profit of TL 34,653,455,914 is proposed to be allocated as follows:

1. According to Article 49/1-1 of the Articles of Association, in effect for the accounting period, 5% of the profit, totaling TL 1,732,672,796, will be allocated as the First Type Legal Reserve.

2. According to Article 49/1-2 of the Articles of Association, in effect for the accounting period, TL 3,465,345,591.40 of the profit derived from banking activities and subject to Corporate Tax will be paid as a dividend to shareholders.

3. According to Article 49/2 of the Articles of Association, in effect for the accounting period, TL 346,534,559.14 will be allocated as the Second Type Legal Reserve.

4. In accordance with Article 10/1-g of the Corporate Tax Law No. 5520, TL 25,000,000 will be allocated as a Venture Capital Fund.

5. Pursuant to Law No. 5746 on Supporting Research, Development, and Design Activities, TL 4,158 will be allocated as a venture capital fund to benefit from the corporate tax R&D discount.

6. According to Article 3 of Law No. 5746 on Supporting Research and Development Activities, the TL 147,387 support received for development activities will not be distributed but will be transferred to other reserves and later used for capital increase from internal resources, with free shares being granted to shareholders in proportion to their shareholding in the capital.

7. In accordance with Article 5/1-e of the Corporate Tax Law No. 5520, TL 18,864,197.28 of the sales profit from affiliate shareholding will be transferred to the Other Reserves (Special Fund) account and later used for capital increase from internal resources, with free shares being granted to shareholders in proportion to their shareholding in the capital.

8. According to Article 49/1-3 of the Articles of Association, in effect for the accounting period, the remaining profit of TL 237,605,850.59 will not be distributed to shareholders but will be used for capital increase from internal resources, with free shares being granted to shareholders in proportion to their shareholding in the capital.

9. The remaining TL 28,827,281,374.59 will be allocated as Extraordinary Reserves, according to Article 49/1-3 of the Articles of Association, in effect for the accounting period.

10. If the General Assembly decides to distribute dividends, any dividends derived from the company's own repurchased shares will be included in the Extraordinary Reserves.

This profit distribution proposal was unanimously approved to be submitted to the Ordinary General Assembly for approval.

INFORMATION ON RISK MANAGEMENT POLICIES

Credit Risk Management Policy and Procedures

The Bank's Senior Management must manage and monitor loan risk policies by considering legal regulations. Below is the list of work undertaken within the scope of loan risk policies:

- Strategy,
- Loan risk management,
- Developing analytical models to measure loan risk,
- Limit allotment principles,
- Internal risk limits,
- Concentration risk management,
- Country and transfer risk management,
- Management of risk models,
- Management of environmental, social and governance principles,
- Loan risk reports,
- New products and services and
- Risk monitoring, control, and improvement activities.

Within this scope, periodic reports are prepared for the research of new techniques and practices for measuring, monitoring, and control of undertaken loan risks in loan transactions and risks defined within the legal and Bank's internal risk limits, tracking non-performing receivables, analyzing the reasons for the delay and taking necessary measures.

The Board of Directors determines the risk appetite of the Bank via risk type based internal risk limits based on the Bank's risk-taking capacity.

Various analyses and reports are generated for the Bank's portfolio within internal risk limits. Risk management transactions regarding the monitoring and management of loan risk based on country, concentration, maturity, industry, default rate, legal status, collateral, geography, currency type are performed and Risk Committee is informed with the regular reports prepared for the Bank portfolio within the internal risk limits.

Market Risk Management Policy and Procedures

Kuveyt Türk executes its risk management transactions within the Board's field of responsibility and in compliance with legal regulations. For this reason, market risk management transactions are regulated within legal regulations.

Implementing the Risk Management Strategy, Policy and Implementing Procedures approved by the Board of Directors, providing timely and reliable reporting on important risks faced by the Bank and evaluating the risk reports, taking predicted and necessary measures, and participating in the process of defining risk limits are the responsibilities of the Senior Management.

Risk policies and implementing procedures defined for the market risk that the Bank is exposed to are approved by the Board of Directors and reviewed regularly. Market risk is managed by defining, measuring, limiting, and reporting possible risks to be faced by the Bank due to existing market conditions in line with international standards and reserving capital accordingly as well as mitigating risks with hedging transactions.

In line with the Risk Strategy document, it is made sure that the Bank has sufficient capital and liquidity to continue its operations under all circumstances and that these are maintained at a reasonable level.

Defining written limits for the digitized risks resulting from the Bank's transactions that are subject to market risk, monitoring risks undertaken by the Bank and risk limits, tracking limit excesses are performed with Market Risk Policy, Asset & Liability, and Profit Sharing Risk Policy, and Liquidity Risk Policy. It is substantial that the processes are executed within defined limits and Bank's risk tolerance is considered while defining the limits.

The limits must be defined as risk-based. Besides nominal amounts based on monetary magnitude, these limits can also be proportional limits based on risk measurement results such as the percentage of the average value at risk, percentage of risk-weighted assets, or concentration-based limits including sectoral or debtor-based limitations.

Risk limits are established within the limits put on related matters approved by the Bank in all risk categories within the regulations and materiality criterion. Moreover, the code of practice on actions to be taken if early warning limits are determined and these limits are exceeded is defined by the Board of Directors.

Kuveyt Türk's market risk management and guiding limits and informative reports system used for this purpose are based on the principles below;

Ensuring that risk management transactions work efficiently and reliably,

Ensuring that the Bank undertakes risks in line with its risk-taking capability and capacity and risk-taking limits are managed in line with the risky markets and risk-taking capacities of the Bank's related departments.

Operational Risk Management Policy and Procedures

Processes of defining, evaluating, monitoring, controlling, and mitigating the operational risks faced by the Bank are executed under the supervision of the Board of Directors and Risk Committee.

Policies and implementing procedures defined within operational risk management and on-the-job training provided for employees and effective internal control mechanisms ensure that business units have the risk management point of view and the integration of the operational risk management culture into all units and activities. Within this scope, each unit and employee should well understand their transactions and position within the operational risk management and be aware of their authority and responsibilities.

A Risk Control Self-Assessment Policy was established to make I) a self-assessment of the Bank regarding operational risks II) an evaluation of the potential threats arising from operational processes and activities, and of the weaknesses of the Bank against these threats, III) an analysis of the potential adverse impacts of such threats and weaknesses on the Bank.

The Bank undertakes efforts to assess all types of operational risks it is exposed to, assessing the quality of both preventive and corrective actions taken to mitigate these risks. This assessment helps identify potential problems before they lead to significant losses for the Bank. Risk Control Self-Assessment studies are conducted to identify potential operational risks. Additionally, operational risk events that exceed the established threshold value, along with their details, are documented.

EVALUATION OF THE AUDIT COMMITTEE ON INTERNAL SYSTEMS

The Audit Committee was established by the Board of Directors in line with the Banking Law No. 5411 and the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process.

The responsibilities of the Board of Directors within the scope of internal systems are carried out by the Audit Committee and the Risk Committee. The Risk Committee for the Internal Control Department, the Risk Management Department and the Compliance Department, and the Audit Committee for the Internal Audit Group assumed the responsibility of internal systems. Within the organizational structure of the Bank, the units in the scope of internal systems are positioned under the Board of Directors through these committees. The Audit Committee convened 8 times in 2024, two of them were together with the Advisory Committee members. Assessments regarding the units within the scope of internal systems are given in the following sections.

Internal Audit Group

The Internal Audit Group has carried out its activities in 2024 in line with the requirements of its business plan and expectations of stakeholders. Chief Internal Auditor (Head of the Internal Audit Group) and three vice presidents serve as the management staff of the Internal Audit Group.

In 2024, risk assessments were made for all of the audit entities such as domestic and foreign branches, Head Office departments, subsidiaries and the Bank's information systems. Following the results of that risk assessment, a risk-based audit plan was formed and became valid following the approval of the Board of Directors. The targets were successfully achieved in the scope of annual internal audit plan.

Besides the ordinary audit activities determined in the annual audit plan, special examinations and legal or administrative investigations were performed by the Internal Audit Group in the required matters and cases. In the scope of the Management Declaration Audit, a comprehensive assessment of general information system controls and business controls with regard to their efficiency, adequacy and compliance has been conducted. This assessment has provided a sound basis for the Management Declaration, which should be submitted to the Independent Audit Institution by the Board of Directors in line with the legal regulations.

Within the scope of the Communiqué on Compliance with the Principles and Standards of Interest-Free Banking, a risk assessment has been made regarding that the Bank's activities are carried out in accordance with the principles and standards of interest-free banking and the decisions of the Advisory Committee together with the effectiveness and adequacy of the compliance function. Risk-focused audit activities were carried out based on the assessment results, and the results were presented to the Audit Committee and the Board of Directors. In addition, the Audit Committee and the Advisory Committee met twice in 2024 to discuss the reports on interest-free banking compliance and audit activities together with actions taken against the findings in these reports and the aforementioned audit results were presented to the members of the committee at these meetings.

In the audits and other engagements performed throughout the year, deficiencies and errors (if any) were revealed and opinions and recommendations were put forth for preventing recurrence of those issues and effective and efficient utilization of the Bank's resources. Actions determined in the internal audit reports, which were agreed upon with auditees in line with recommendations, have been followed up in accordance with the Internal Audit Group's follow up policies and the results have been presented to the related authorities in required circumstances. Moreover, a summary of internal audit reports, general evaluations and other information about the activities of the Internal Audit Group have been quarterly submitted to the Audit Committee and Board of Directors. These reports have also been sent to the BRSA.

The Internal Audit Group actively uses advanced analytical methods such as data analysis and machine learning when needed within the scope of audits. On the other hand, expert personnel are employed to carry out effective audits against rising risks such as cyber security, and the skills of existing personnel in these areas are increased.

The Internal Audit Group carried out its internal audit activities in accordance with the Quality Assurance and Improvement Program (QAIP) established in accordance with the International Internal Audit Standards. In this context, an independent quality assessment review (QAR) was last conducted in 2023, and certified the compliance of the activities of the Internal Audit Group with the Standards.

Internal Control Department

The Internal Control Department is in charge of the internal control function within the Bank. The internal control system has been established with the capability and efficiency to cover the domestic and foreign branches and head office units, subsidiaries subject to consolidation and activities of the bank, in order to reduce, monitor and control the risks our Bank is exposed to. Bank's internal control system and internal control activities are designed and carried out adequately and effectively by the Internal Control Department together with the Bank's Management.

In accordance with the Bank's strategic targets, policies, internal and external regulations, Internal Control Department organized its activities into three different groups: "Branches and Central Internal Control," "Head Office and Information Systems Internal Control," "Participation Banking Compliance". This structure based on specialization regarding business lines, increased the efficiency, proficiency and compliance of operations and control systems through continuous controls

Within the scope of 2024 Control Plan and Program, the Bank's branch operations, processes and systems of departments, new products and services, and information systems internal control and participation banking compliance activities were examined and monitored centrally (remotely) and locally with a proactive and dynamic approach adapting the materiality criteria and risk-focused approach and the results were reported to the Senior Management. In addition, by participating in the ongoing strategic project and process meetings, business and process owners were contributed and risk-control self-assessment studies were carried out with business units. In these studies, the design and establishment of controls related to risks were supported by reviewing the processes and determining the risks on those processes. Thus, it has been contributed to the creation of an efficient and effective internal control environment throughout the Bank, to the establishment and development of internal control systems and reducing the risks.

Within the scope of Internal Control consultancy activities, an annual review of policies and procedures related to bank processes was carried out. In addition, analysis documents related to IT developments were examined at the design stage before being put into service.

Actively participated in the studies required by the Support Services Regulation and participated in supplier evaluation committees in external and support service procurements.

In addition, the coordination and communication of the information systems and business processes independent audit activities and other independent audits at the Bank were successfully carried out. In this context, the findings that are the subject of the audit reports were followed up and it has been contributed on the matter of closing the findings.

Within the framework of Participation Banking Compliance activities; Compliance control activities in scope of ensuring compliance with Interest-Free Banking Principles and Standards, PBAT Advisory Board and The Bank's Advisory Committee Resolutions have been carried out effectively and adequately.

Risk Management Department

Risk Management Department effectively undertook the tasks of ensuring that the risks faced by the Bank are identified, measured, monitored and managed in 2024.

Credit Risk Management and Modelling Department continues its activities in the realm of establishing and improving a strong infrastructure for risk management systems to execute risk management activities within the context of Credit Policy and Credit Risk Policy effectively. The internal credit risk limits determined with the Board of Directors' decisions are measured and presented to the Risk Committee in 2024. Efforts to update the probability of default estimation models required for calculating the Capital Adequacy Ratio using the Internal Ratings-Based Approach are being undertaken as a strategic project within the bank. Work is ongoing to ensure that the probability of default obtained from internal rating models plays a fundamental role in risk management, credit marketing, credit allocation, credit risk monitoring, and credit risk tracking processes.

In 2024, the performance of the existing rating models was monitored and revisions were made in the models where necessary. Loss Given Default models based on internal default and recovery data continued to be used, and the model was updated by carrying out studies on the development areas of the model according to the results of model validation. The necessary updates were made in the Credit Conversion Models by conducting periodical reviews.

EVALUATION OF THE AUDIT COMMITTEE ON INTERNAL SYSTEMS

On the other hand, the management overlay application in the expected credit loss model has been continued to reflect the potential risks that tightening macroprudential policies may pose to our bank's loan portfolio through factors such as unemployment, economic contraction, exchange rate risk, and interest rate risk. In the meantime, stress testing studies have been conducted to assess the impact of interest rate and exchange rate risks on firms' payment capacities, and the results have been analyzed in terms of their effects on the bank's asset quality and cost of risk.

Within the scope of IFRS 9, the results of the early warning models developed by the Bank for the early detection and management of customers who will be subject to a significant increase in credit risk have been monitored.

Regular reviews have been carried out in coordination with relevant business units to assess and enhance current level of compliance with the guidelines issued by BRSA.

Within the scope of the Risk Management activity, an annual review of policies regarding credit risk was carried out. Credit risk reports regarding the bank's loan portfolio were periodically reported to the Risk Committee and Senior Management. Efforts have been made to implement the dashboard reporting system developed for the timely monitoring of the loan portfolio across various risk metrics throughout the bank. Models for risk-adjusted return on capital have been updated, and the revised model results have been presented to Senior Management and relevant stakeholders within the bank.

The Validation Service continued its validation activities for both IFRS 9 model and the models for the three key components of expected credit loss calculation (PD, LGD and EaD) in terms of IRB and IFRS 9 legislation in 2024. For the corporate and retail LGD models for IFRS 9, periodic validation studies have been carried out through quantitative tests by using the validation automation developed for regular monitoring and validation reports have been prepared. Periodic validation of the IFRS 9 model has been carried out by using the automated validation infrastructure and validation report has been prepared. During the 2024 operational period, the development process of ALM models, for which development work was conducted, has been accompanied, and preliminary evaluations have been carried out. Necessary infrastructure work has been conducted to assist with initial validation. Periodic validation studies of the model developed for the rating of project finance have been conducted, and validation reports have been prepared. For the managerial models developed within the scope of the Early Warning System, monthly regular monitoring and periodic validation studies have been carried out using the prepared validation automation, and validation reports have been prepared. In the 2025 operational period, it is aimed to conduct initial validation studies of ALM models, whose development work has been completed, to conduct initial validation studies of new PD models expected to complete development within the IRB approach, to continue periodic validation studies of existing models and to increase the level of automation.

Market risk is periodically reviewed in the Risk Committee and reported to BRSA monthly. Market risk-weighted assets are calculated under the Basel III standard method.

Bank's Internal Capital Adequacy Assessment Report with 2023 year-end data was prepared on a consolidated and unconsolidated basis to assess the capital adequacy of the Bank in normal and stress periods and was submitted to BRSA. Periodic stress tests and scenario analyses were performed and presented in the Risk Committee meetings. Besides, market risk, counterparty credit risk and liquidity risk stress tests were applied simultaneously and on a monthly basis. A monthly report which includes the Bank's asset-liability management, market and liquidity risks, investments and other topics has been shared with our main shareholder KFH. Sukuk and other investment portfolios have been monitored regularly, reported to the Risk Committee and our main shareholder KFH. Besides, studies regarding the risk appetite of the Bank, Türkiye and the world economy, financial issues were reported to our main shareholder KFH on a quarterly basis.

Within the framework of operational risk activities, the Bank's operational risk loss data is stored in a systematic way and accordance with Basel III standards. Operational risk concentrations were monitored actively by adopting a terminology appropriate to Basel III and reported to the Risk Committee. In Risk Control Self-Assessment studies, workshops are arranged as a tool to assess risks in the Bank's activities and processes against potential operational risk vulnerabilities and operational risk teams attended these workshops. Additionally, studies were conducted to comply with the operational risk best practice guidelines published by the BRSA. Moreover, the Risk Management Department actively involved in the activities required by the Regulation on Support Services, Risk Management Program for Support Services was revised and submitted to the Board of Directors.

In the framework of Basel III regulations, credit risk-weighted assets are calculated according to the standard method and reported to the BRSA monthly on an unconsolidated and consolidated basis. Capital adequacy ratio is also calculated and reported to the BRSA by the Risk Management Department. The Risk Report Set, which contains detailed information on all the transactions subject to Credit Risk-Weighted Assets calculation, is prepared monthly.

Disaster Recovery Center Test was completed successfully in December within the scope of Business Continuity. To determine criticality levels of the Bank's processes, business impact analysis studies have been performed. The Bank's incident response and business continuity plans are reviewed and department-specific plans are formed.

Compliance Department

Compliance Department conducts activities in order to ensure that compliance risk is effectively managed and kept under control, the risks are prevented before realization and the bank's operations are continuously carried out accordingly and in compliance with the relevant legislation and regulations.

Updating of the bank's operations in accordance with the regulatory changes concerning the bank activities is monitored and reported. Compliance of the bank's consolidated subsidiaries and foreign branches with the legislation they are subject to is monitored.

Compliance of the activities, products and transactions that the bank has carried out or plans to carry out with the Banking Law, the anti-money laundering and combating the finance of terrorism (AML/CFT) regulations and other relevant regulations, the bank's policies and banking practices is checked.

In order to ensure that the bank's activities are carried out with the AML/CFT regulations, the bank's policies and procedures are established, and within this scope, risk management, monitoring and control activities are carried out with a risk-based approach and suspicious transactions are detected and reported to the relevant public authority. Bank employees are provided with consultancy on AML/CFT related issues and training programs are organized to increase employees' consciousness on this issue. Compliance of the subsidiaries and foreign branches with AML/CFT regulations is monitored.

Shadi Ahmed Yacoub ZAHRAN
Audit Committee Chairman

Nadir ALPASLAN
Audit Committee Member

Mohamed Hedi MEJAI
Audit Committee Member

ADVISORY COMMITTEE'S ASSESSMENT ON THE BANK'S COMPLIANCE WITH INTEREST-FREE BANKING PRINCIPLES AND STANDARDS

Praise be to Allah and prayers and salat and salaam be on the Prophet, his family, and his followers.

Esteemed Shareholders,

The Advisory Committee reviewed the products, contracts, and practices of Kuveyt Türk Participation Bank as raised in the Advisory Committee meetings during the period that ended on December 31, 2024. Similarly, the Advisory Committee undertook activities to present opinions about fatwas and decisions to ensure Kuveyt Türk's compliance with the principles of participation banking. As stated by the Advisory Committee, the Management of the Bank is responsible for checking and auditing the compliance of contracts and practices with the principles of participation banking.

Taking the reports, information, disclosures, questions, and other matters presented to the Advisory Committee throughout the year into account, Kuveyt Türk was found to act generally in compliance with the principles of participation banking, decisions/standards of the Advisory Board, and the decisions of the Advisory Committee. Revenues found inconvenient to be entered as profit for the Institutions in terms of interest-free banking principles and standards were moved into the penalty pool and delay penalty pool. The Advisory Committee thanks the Senior Management, relevant units, and employees for their support and compliance with the Advisory Committee's decisions, and wish that Allah increase your good deeds and grant you success in your works.

May Allah's mercy and blessings be upon you.

RATINGS OF KUVEYT TÜRK BY INTERNATIONAL RATING AGENCIES

Ratings assigned by the rating agencies authorized in line with the Regulation on Principles for the Authorization and Activities of Rating Agencies and content thereof are given below.

Credit Ratings

Fitch Ratings-17 September 2024	Ratings
Long-term Foreign Currency	BB-(Outlook: Stable)
Short-term Foreign Currency	B (Positive Outlook)
Long-term Local Currency	BB-(Outlook: Stable)
Short-term Local Currency	B (Positive Outlook)
Financial Capacity Rating	b- (Positive Outlook)
Shareholders Rating	bb-
Long-Term National Credit Rating	AA (tur) Stable Outlook

Fitch Ratings-14 February 2025	Ratings
Long-term Foreign Currency	BB- (Outlook: Stable)
Short-term Foreign Currency	B
Long-term Local Currency	BB-(Outlook: Stable)
Short-term Local Currency	B
Financial Capacity Rating	b+
Shareholders Rating	bb-
Long-Term National Credit Rating	AA (tur) Stable Outlook

Corporate Governance Rating

DRC Rating - 07 March 2025	Ratings
Shareholders	9.30
Public Disclosure and Transparency	9.19
Stakeholders	9.47
Board of Directors	8.35
Corporate Governance General Compliance Rating	8.96

ADDITIONAL INFORMATION PROVIDED UNDER THE RELEVANT LEGISLATION

Duties of Kuveyt Türk Katılım Bankası A.Ş. Board Members Outside the Bank

Name-Surname	Duty	Duties Undertaken Outside Kuveyt Türk
Hamad A H D ALMARZOUQ	Chairman of the Board of Directors	Chairman of Kuwait Finance House in Kuwait since 2014 to present Chairman of Ahli United Bank in Bahrain since 2023 to present Chairman of KFH Egypt (formerly AUB Egypt) since 2023 to present A Board Member of Kuwait Banking Association (KBA) since 2002 KBA Chairman from 2010 to 2016, & from Feb 2025 to present
Nadir ALPASLAN	Vice Chairman	There is no other Board Membership outside of Kuveyt Türk. Deputy Minister of Culture and Tourism
Ahmad S A A ALKHARJI	Member of the Board of Directors	Group Chief Executive Officer at Ahli United Bank B.S.C (Bahrain) Director at Kuwait Finance House (Malaysia) Director, Kuwait Finance House Egypt
Dr. Shadi Ahmed YACOUB ZAHRAN	Member of the Board of Directors	Deputy Group CEO Finance- Kuwait Finance House Board member in Ahli United Bank UK A member of the Board of Trustees of the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) Vice Chairman of the Board of Trustees of the General Council for Islamic Banks and Financial Institutions (CIBAFI)
Gehad Mohamed ELBENDARY ANANY	Member of the Board of Directors	KFH Group Chief Risk Officer
Mohamed Hedi MEJAI	Member of the Board of Directors	Advisor to the President, Islamic Development Bank Group (KSA)
Sinan AKSU	Member of the Board of Directors	General Director of the Republic of Türkiye Directorate General of Foundations Vice Chairman of the Board of Vakıf Katılım Bankası Member of the Board of Trustees and Board Member of the Türkiye Martyrs' Families and Veterans Solidarity Foundation Member of the High Council of the Directorate General of Cultural Heritage and Museums (Member of the Supreme Council of Monuments) Member of the Administrative Board of Darülaceze President of the Foundation for Students and Alumni of the Central Imam Hatip High School (MİHVAK) Board Member of the Turkish Archaeology and Cultural Heritage Foundation Member of the Board of Trustees of the Yıldız Palace Foundation
Ufuk UYAN	Member of the Board of Directors	Member of the KT Bank AG Supervisory Committee and Chairman of the Board of Katılım Pension. Board Membership of the Participation Banks Association

Administrative Sanctions Imposed on the Members of the Board of Directors:
No administrative sanctions were imposed on the members of the Board of Directors in 2024.

Information on Legislative Amendments that May Significantly Affect the Company's Operations:
Significant amendments that may impact the Bank's activities and operational processes include the repeal of the Communiqué on Securities Maintenance by the Central Bank of the Republic of Türkiye (CBRT), the implementation of simplification measures through macroprudential regulations, the Banking Regulation and Supervision Agency's (BRSA) decisions concerning maturity limitations and utilization rates for certain loans, and the introduction of a provision allowing the establishment of separate pools based on contract types for participation accounts.

Information on Significant Lawsuits Filed Against the Company and Their Potential Outcomes:
There are no lawsuits that would materially affect the financial position or operations of the Bank.

Information on Conflicts of Interest Between the Company and Institutions Providing Investment Advisory and Rating Services, and Measures Taken to Prevent Such Conflicts:
No circumstances have arisen that could lead to a conflict of interest between the Bank and the institutions providing investment advisory and rating services.

Information on Cross-Shareholdings Where the Participation Rate Exceeds Five Percent (if applicable):
No cross-shareholding relationships exist.

Information on Extraordinary General Assembly Meetings Held During the Year (if applicable):
An Extraordinary General Assembly Meeting was convened on May 15, 2024.

Public and Private Audits:
In 2024, no special audit was conducted at Kuveyt Türk Participation Bank under Articles 207, 438, and 439 of the Turkish Commercial Code. Kuveyt Türk Participation Bank is subject to public oversight, primarily by public institutions such as the BRSA and the Central Bank of the Republic of Türkiye..

ANNUAL REPORT COMPLIANCE OPINION

Deloitte.

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INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

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

1) Opinion

As we have audited the full set consolidated and unconsolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") for the period between 01/01/2024–31/12/2024, we have also audited the annual report for the same period.

In our opinion, the consolidated and unconsolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit.

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 the 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 responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other 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 audit opinion.

3) Auditor's Opinion for the Full Set Consolidated and Unconsolidated Financial Statements

We have presented an unqualified opinion for the Bank's full set consolidated and unconsolidated financial statements for the period between 01/01/2024–31/12/2024 in our Auditor's Report dated 14 February 2025.

4) Other Matters

The independent audit of the management's annual report of the Bank for the year ended 31 December 2023 have been performed by another independent auditor who expressed an unqualified opinion in the independent auditor's report dated 5 March 2024.

Deloitte.

5) Management's Responsibility for the Annual Report

The Bank Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and the regulation on "Preparing and Publishing the Annual Report by Banks" published in the Official Gazette dated 1 November 2006 and No. 26333 ("the Communiqué"):

a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
b) Preparing the annual report with the all respects of the Bank's flow of operations for that year and the Bank's financial performance accurately, completely, directly and fairly. In this report, the financial position is assessed in accordance with the financial statements. The Bank's development and risks that the Bank may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
c) The annual report also includes the matters stated below:
   - The significant events occurred in the Bank's activities subsequent to the financial year ends,
   - The Bank's research and development activities,
   - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Banking Regulation and Supervision Agency and the Ministry of Trade and related institutions while preparing the annual report.

6) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

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 the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from 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
Istanbul, 7 March 2025

STATEMENT OF RESPONSIBILITY IN ACCORDANCE WITH ARTICLE 9 OF THE COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1) ISSUED BY THE CAPITAL MARKETS BOARD OF TÜRKİYE

The Annual Report prepared in accordance with the Capital Market Board regulations for the period 01.01.2024 - 31.12.2024 we declare that; they have been examined by us, within the framework of the information we have in our field of duty and responsibilities in our company, they do not contain any material deficiencies that may result in an untrue statement or misleading as of the date of disclosure, according to our information we have within the framework of our duties and responsibilities in our company, the financial statements prepared in accordance with the Communiqué, fairly reflect the Bank's assets, liabilities, financial position and profit and loss and the development and performance of the business and the financial position of the business, with significant risks and uncertainties.

Sincerely,

Shadi Ahmed Yacoub ZAHRAN	Nadir ALPASLAN	Mohamed Hedi MEJAI
Chairman of the Audit Committee	Audit Committee Member	Audit Committee Member

Ufuk UYAN	Ahmet KARACA	Mehmed Tahir KAPLAN
CEO	CFO	Budget and Reporting Group Manager

PERFORMANCE INDICATORS

Environmental Performance Indicators

Carbon Footprint Data

	Unit	2023	2024
Category 1	tCO_2e	5,007.13	20,177.17
Category 2	tCO_2e	12,212.39	12,798.94
Kapsam 3*	tCO_2e	-	35,215.79
Total	**tCO_2e**	**17,219.52**	**68,191.90**

*Kapsam 3- Kategori 15 Yatırım Emisyonları hariçtir.

Electricity Consumption Data

Location	Unit	2023	2024
Headquarters	kWh	1,283,775.62	1,373,920.45
Banking Hub	kWh	7,418,549.31	8,676,125.55
Branches	kWh	1,928,273.96	18,346,648.54
Total	**kWh**	**10,630,598.89**	**28,396,694.54**

Water Consumption Data

KTBÜ Water Consumption Data	Unit	2023	2024
Municipal Water	m^3	13,541	16,678
Groundwater	m^3	11,679	12,163
Total	**m^3**	**25,220**	**28,841**

Headquarters Water Consumption Data	Unit	2023	2024
Municipal Water	m^3	4,949	4,991
Groundwater	m^3	0	0
Total	**m^3**	**4,949**	**4,991**

Water Consumption Data (Consolidated)	Unit	2023	2024
Municipal Water	m^3	18,490	21,669
Groundwater	m^3	11,679	12,163
Total	**m^3**	**30,169**	**33,832**

Waste Data

KTBÜ Waste Data	Unit	2023	2024
Cartridges and Toners Containing Hazardous Materials	kg	143	201
Fluorescent Lamps and Other Mercury-Containing Waste	kg	31	15
Lead-Acid Batteries and Accumulators	kg	284	230
Paper and Cardboard Packaging	kg	12,820	5,834
Plastic Packaging	kg	610	660
Metals	kg	2,100	1,480
Glass Packaging	kg	7,850	8,200
Wooden Packaging	kg	690	-
Electronic waste	kg	5	7,100
Battery waste	kg	60	76
Other hazardous waste	kg	165	8,836
Other non-hazardous waste	kg	2,420	2,192
Total	**kg**	**27,178**	**34,824**

KTBÜ Waste Data	Unit	2023	2024
Hazardous Waste Quantity	kg	628	16,382
Non-Hazardous Waste Quantity	kg	26,550	18,442
Total	**kg**	**27,178**	**34,824**

Headquarters Waste Data	Unit	2023	2024
Cartridges and Toners Containing Hazardous Materials	kg	67	25
Fluorescent Lamps and Other Mercury-Containing Waste	kg	14	3
Lead-Acid Batteries and Accumulators	kg	26	35
Paper and Cardboard Packaging	kg	9,240	11,621
Plastic Packaging	kg	-	-
Metals	kg	2,152	2,100
Glass Packaging	kg	3,000	9,400
Wooden Packaging	kg	-	-
Electronic waste	kg	164	100
Battery waste	kg	12	-
Other hazardous waste	kg	76	4,552
Other non-hazardous waste	kg	-	70
Total	**kg**	**14,751**	**27,906**

Headquarters Waste Data	Unit	2023	2024
Hazardous Waste Quantity	kg	347	4,715
Non-Hazardous Waste Quantity	kg	14,404	23,191
Total	**kg**	**14,751**	**27,906**

Consolidated Waste Data	Unit	2023	2024
Cartridges and Toners Containing Hazardous Materials	kg	210	226
Fluorescent Lamps and Other Mercury-Containing Waste	kg	45	18
Lead-Acid Batteries and Accumulators	kg	310	265
Paper and Cardboard Packaging	kg	22,060	17,455
Plastic Packaging	kg	610	660
Metals	kg	4,252	3,580
Glass Packaging	kg	10,850	17,600
Wooden Packaging	kg	690	-
Electronic waste	kg	169	7,200
Battery waste	kg	72	76
Other hazardous waste	kg	241	13,388
Other non-hazardous waste	kg	2,420	2,262
Total	**kg**	**41,929**	**62,730**

Consolidated Waste Data	Unit	2023	2024
Hazardous Waste Quantity	kg	975	21,097
Non-Hazardous Waste Quantity	kg	40,954	41,633
Total	**kg**	**41,929**	**62,730**

Social Performance Indicators

Employee Demographics	2023		2024	
Total number of employees	**Male**	**Female**	**Male**	**Female**
	4,866	1,145	4,845	1,267
	6,011		6,112	
Number of People in Management Bodies and the Board of Directors	**Male**	**Female**	**Male**	**Female**
	12	0	12	0
	12		12	
Number of Employees Excluding Management Bodies	**Male**	**Female**	**Male**	**Female**
	4,854	1,145	4,833	1,267
	5,999		6,100	
Number of disabled employees	**Male**	**Female**	**Male**	**Female**
	124	22	124	22
	146		146	
Disabled Employee Rate (%)	**Male**	**Female**	**Male**	**Female**
	3%	2%	3%	2%
	2%		2.4%	
Number of new employees	**Male**	**Female**	**Male**	**Female**
	405	218	455	206
	623		661	
Number of Female Employees on Maternity/ Parental Leave		80		69
Number of Female Employees Returning to Work After Maternity/Parental Leave		80		69
Percentage of Female Employees Returning to Work After Maternity/Parental Leave (%)		100%		100%
Voluntary Resignation	**Male**	**Female**	**Male**	**Female**
	365	51	236	46
	416		282	
Involuntary Resignation	**Male**	**Female**	**Male**	**Female**
	11	0	53	17
	11		70	

2024		
Age Range	**Employee Count**	**%**
18-35 years	3,402	55.7%
35-55 years	2,697	44.1%
55+ years	13	0.2%
Total	**6,112**	**100%**

2024		
Seniority Distribution	**Employee Count**	**%**
0-5 years	1,984	32.5%
5-10 years	1,627	26.6%
10+ years	2,501	40.9%
Total	**6,112**	**100%**

Year	Employee Turnover Rate
2023	4.03%
2024	4.47%

Total Trainings	2023	2024
Total Number of Training Participants	4,522	6,112
Total Training (hours)	198,968	299,000
Total Training (person-hours)	44	48.9

PERFORMANCE INDICATORS

Sustainability Training	2023		2024	
	In-person Training	Digital Training	In-person Training	Digital Training
Total number of participants	**4**	**180**	**28**	**188**
Total training (hours)	**27**	**8,349**	**335**	**154.05**
Total training (person-hours)	**6.75**	**46.3**	**11.96**	**0.82**

	2023		2024	
Total number of OHS-trained employees	1,033		1,073	
Total OHS training hours	20,062		20,611	
Total OHS training (person-hours)	19.42		19.21	
Number of accidents	Employees	Supplier	Employees	Supplier
	0	0	0	0
	0		0	
Number of Fatal Accidents	Employees	Supplier	Employees	Supplier
	0	0	0	0
	0		0	
Days lost due to accidents	0		0	
Absenteeism due to accidents	0		0	
Accident frequency rate	0		0	
Accident severity rate	0		0	

Customer Data	2023	2024
Rate of change in the number of customers	10%	4%
Number of Complaints per 1,000 Customers	9.4	7.3

GREENHOUSE GAS VERIFICATION STATEMENT

CERTIFICATION & INSPECTION

Greenhouse Gas Verification Statement

Sera Gazı Doğrulama Beyanı

KUVEYT TÜRK KATILIM BANKASI A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar

Büyükdere Cad. No:129/1 34394 Şişli – İstanbul - Turkiye

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019 / *Sera Gazı emisyonları envanterinin, ISO 14064-3:2019'a göre aşağıda belirtilen standart gerekliliklerini karşıladığı doğrulanmıştır.*

GHG PROTOCOL

Scope 1- Direct Emissions / *Doğrudan emisyonlar*	20.177,17	t CO_2 eq
Scope 2- Indirect GHG emissions from imported energy emissions / *Enerji kaynaklı emisyonlar*	12.798,94	t CO_2 eq
Scope 3- Indirect GHG emissions / *Dolaylı Emisyonlar*	35.215,79	t CO_2 eq
Total Location Based Emissions / *Toplam Lokasyon Bazlı Emisyonlar*	**68.191,90**	**t CO_2 eq**
Biogenic Emissions / *Biyojenik Emisyonlar*	-	t CO_2 eq

Level of Assurance : Reasonable / Makul

Reporting Period : 01.01. 2024 – 31.12. 2024

Verification Report Date : 06.03.2025

Statement No : SG-GNL-397 / 2024

Approved by / Onaylayan
Okay Kayhanlı – Genel Müdür

Carbon Verified Company

QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
Beytepe Mah. 5397 Sokak, Mira Ofis B1 Blok D:2, Çankaya – Ankara
Tel : +90 312 472 60 67 Faks : +90 312 472 60 68
E-mail: info@qsi.com.tr Web: www.qsi.com.tr

PRO.13/F13/REV.02/07.02.2025

GRI CONTENT INDEX

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

Statement of use	Kuveyt Türk has reported in accordance with the GRI Standards for the period January 1 - December 31, 2024.
GRI 1:	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since the sector standard for the banking industry has not been prepared yet, no sector standard has been used.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
	Organization and Reporting Practices	
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, page 1 About Kuveyt Türk, pages 20-25 Capital and Shareholding Structure, page 28 Contact Information and Branch Directory, page 499
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 1
	2-3 Reporting period, frequency and contact point	Reporting is done annually. About the Report, page 1
	2-4 Restatements of information	None.
	2-5 External assurance	Greenhouse Gas Verification Statement, page 237
	Activities and Employees	
	2-6 Activities, value chain and other business relationships	Our Strong Performance in 2024, pages18-19 About Kuveyt Türk, pages 20-25 Kuveyt Türk's Value-Creation Model, pages 44-47 Sustainable Economic Growth Based on Trust, pages 66-99 Stakeholder Map and Communication, pages 120-121 Subsidiaries and Their Activities in 2024, pages 174-179
	2-7 Employees	Human Resources Approach, pages 138-149 Performance Indicators, pages 487-490
	2-8 Workers who are not employees	Human Resources Approach, pages 138-149 Performance Indicators, pages 487-490
	Governance	
	2-9 Governance structure and composition	Board of Directors, pages 188-191 Senior Management, pages 192-195 Organizational Chart, page 196 Committees under the Board of Directors and Attendance at Committee Meetings, pages 198-201
	2-10 Nomination and selection of the highest governance body	Board of Directors, pages 188-191 Senior Management, pages 192-195 Committees under the Board of Directors and Attendance at Committee Meetings, pages 198-201
	2-11 Chair of the highest governance body	Board of Directors, pages 188-191 Senior Management, pages 192-195
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance and Organization, pages 48-49 Board of Directors, pages 188-191 Senior Management, pages 192-195
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Sustainability Governance and Organization, pages 48-49 Board of Directors, pages 188-191 Senior Management, pages 192-195 Committees under the Board of Directors and Attendance at Committee Meetings, pages 198-201
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance and Organization, pages 48-49 Material Topics and Materiality Matrix, page 64 Committees under the Board of Directors and Attendance at Committee Meetings, pages 198-201
	2-15 Conflicts of interest	Business Ethics, Legal Compliance, and Transparency, pages 182-185 **Code of Ethics**
	2-16 Communication of critical concerns	Corporate Governance, pages 180-181 Business Ethics, Legal Compliance, and Transparency, pages 182-185
	2-17 Collective knowledge of the highest governance body	Sustainability Governance and Organization, pages 48-49 Board of Directors, pages 188-191 Senior Management, pages 192-195
	2-18 Evaluation of the performance of the highest govern-ance body	Sustainability Governance and Organization, pages 48-49 Committees under the Board of Directors and Attendance at Committee Meetings, pages 198-201
	2-19 Remuneration policies	Human Resources Approach, page 138-149
	2-20 Process to determine remuneration	Human Resources Approach, page 138-149
	2-21 Annual total compensation ratio	Unconsolidated Financial Statements, and Footnotes, page 343 Consolidated Financial Statements, and Footnotes, page 471
	Strategy, Policies and Practices	
	2-22 Statement on sustainable development strategy	Message from the Chairman, pages 14-15 Message from the CEO, pages 16-17
	2-23 Policy commitments	Corporate Governance, pages 180-181 **Policies**
	2-24 Embedding policy commitments	Corporate Governance, pages 180-181 **Policies**
	2-25 Processes to remediate negative impacts	Corporate Governance, pages 180-181 Business Ethics, Legal Compliance, and Transparency, pages 182-185 Sustainability Principles Compliance Report, pages 208-216
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance, pages 180-181 Business Ethics, Legal Compliance, and Transparency, pages 182-185
	2-27 Compliance with laws and regulations	There were no developments that were not in compliance with the law during the reporting period, and no significant administrative penalties were imposed for non-compliance with laws and regulations.
	2-28 Membership associations	Corporate Memberships and Supported Initiatives, pages 122-123

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 2: General Disclosures 2021	**Stakeholder Engagement**	
	2-29 Approach to stakeholder engagement	Stakeholder Map and Communication, pages 120-121
	2-30 Collective bargaining agreements	There is no collective bargaining agreement in Kuveyt Türk.
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics and Materiality Matrix, page 64
	3-2 List of material topics	Material Topics and Materiality Matrix, page 64
	Sustainable Economic Performance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Sustainable Economic Growth Based on Trust, pages 66-99 Financial Inclusion and Financial Literacy, pages 126-129 Social Responsibility, pages 130-133
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainable Economic Growth Based on Trust, pages 66-99 ESG Impact on Lending and Sustainable Finance, pages 160-161
	203-2 Significant indirect economic impacts	Sustainable Economic Growth Based on Trust, pages 66-99 Financial Inclusion and Financial Literacy, pages 126-129 Social Responsibility, pages 130-133
	Responsible Value Chain Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Responsible Value Chain Management, pages 134-137
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	There was no significant negative environmental impact in Kuveyt Türk's supply chain network during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-2 Negative environmental impacts in the supply chain and actions taken	There was no significant negative social impact in Kuveyt Türk's supply chain network during the reporting period.
	Combating Climate Change and Environmental Adaptation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Energy Efficiency and Management, pages 166-169 Water Management, pages 170-171 Sustainable Carbon Management, pages 162-165 Waste Management, pages 172-173
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency and Management, pages 166-169 Performance Indicators, pages 487-490
	302-3 Energy intensity	Energy Efficiency and Management, pages 166-169 Performance Indicators, pages 487-490
	302-4 Reduction of energy consumption	Energy Efficiency and Management, pages 166-169 Performance Indicators, pages 487-490
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, pages 170-171
	303-5 Water consumption	Water Management, pages 170-171 Performance Indicators, pages 487-490
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainable Carbon Management, pages 162-165 Performance Indicators, pages 487-490
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainable Carbon Management, pages 162-165 Performance Indicators, pages 487-490
	305-5 Reduction of GHG emissions	Sustainable Carbon Management, pages 162-165 Performance Indicators, pages 487-490

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 172-173
	306-2 Management of significant waste-related impacts	Waste Management, pages 172-173
	306-3 Waste generated	Waste Management, pages 172-173 Performance Indicators, pages 487-490
	306-4 Waste diverted from disposal	Waste Management, pages 172-173 Performance Indicators, pages 487-490
	Employee Engagement and Satisfaction	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Human Resources Approach, pages 138-149
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Resources Approach, pages 138-149 Performance Indicators, pages 487-490
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Resources Approach, page 138-149
	401-3 Parental leave	Human Resources Approach, pages 138-149 Performance Indicators, pages 487-490
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Resources Approach, pages 138-149 Performance Indicators, pages 487-490
	404-2 Programs for upgrading employee skills and transi-tion assistance programs	Human Resources Approach, page 138-149
	Occupational Health and Safety	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Occupational Health and Safety, pages 150-151 **Occupational Health and Safety Policy**
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Occupational Health and Safety, page 150-151
	403-4 Worker participation, consultation, and communica-tion on occupational health and safety	Occupational Health and Safety, page 150-151
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 150-151
	403-6 Promotion of worker health	Occupational Health and Safety, page 150-151
	Human Rights	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Human Re-sources Approach, pages 138-149
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period at Kuveyt Türk.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Kuveyt Türk does not employ child labor in any way, and expects its suppliers and other stakeholders in the value chain to comply with the age provisions specified in the relevant laws and regulations.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Kuveyt Türk and all stakeholders in its value chain, especially its suppliers, do not employ forced labor in any way.

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Contribution to Social Development	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Financial Inclusion and Financial Literacy, pages 126-129 Social Responsibility, pages 130-133 **Corporate Social Responsibility Policy**
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Financial Inclusion and Financial Literacy, pages 126-129 Social Responsibility, pages 130-133
	Cyber Security and Data Privacy	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Cyber Security and Data Privacy, pages 114-115
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no verified complaints regarding violation of customer privacy and loss of customer data during the reporting period.
	Customer Experience and Satisfaction	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Customer Experience and Satisfaction, pages 124-125
	Proactive Risk and Crisis Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Proactive Risk and Crisis Management, pages 186-187
	Digital Transformation and Innovation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Digital Banking, pages 100-105 Digital Transformation and Innovation, pages 106-113
	Sustainability Risks and Opportunities	
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Sustainability Risks and Opportunities, pages 56-61 Material Topics and Materiality Matrix, page 64 Managing Climate Risks, pages 156-159
	Financial Inclusion and Financial Literacy	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Financial Inclusion and Financial Literacy, pages 126-129
	ESG Impact on Lending and Sustainable Finance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 ESG Impact on Lending and Sustainable Finance, pages 160-161
	Corporate Governance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 64 Corporate Governance, pages 180-217 **Corporate Governance Policy**
	Effective Stakeholder Communication	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-64 Stakeholder Map and Communication with Stakeholders, pages 120-121

SASB INDEX

Table 1. Sustainability Disclosure Topics and Metrics

Topic	SASB Code	Relevant Disclosure Section
Data Security	FN-CB-230a.1	Cybersecurity and Data Privacy, pages 114-115
	FN-CB-230a.2	
	FN-CB-240a.4	GRI Index 418-1
Incorporation of Environmental, Social, and Governance (ESG) Factors in Credit Analysis	FN-CB-410a.2	ESG Impact on Lending and Sustainable Finance, pages 160-161
Incorporation of Financing Emissions	FN-CB-410b.4	Sustainable Carbon Management, pages 162-165
Business Ethics	FN-CB-510a.2	Business Ethics, Legal Compliance, and Transparency, pages 182-185
Systemic Risk Management	FN-CB-550a.2	Proactive Risk and Crisis Management, pages 186-187 Evaluation of the Audit Committee on Internal Systems, pages 221-224

*Topics not directly related to our banking activities have been excluded from the tables.

KUVEYT TÜRK KATILIM BANKASI A.Ş

KUVEYT TÜRK KATILIM BANKASI A.Ş.
INDEPENDENT AUDITOR'S REPORT,
UNCONSOLIDATED FINANCIAL STATEMENTS AND
NOTES TO THE FINANCIAL STATEMENTS FOR THE
ACCOUNTING PERIOD ENDED
31 DECEMBER 2024

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

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

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the accompanying unconsolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş ("the Bank") which comprise the unconsolidated statement of financial position as at 31 December 2024, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no. 26333 dated 1 November 2006 and communiques, circulars and pronouncements published by the Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards (TFRS) including the provisions of "Accounting and Financial Reporting Regulations BRSA" for the matters not legislated by the aforementioned regulations.

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA) and "Regulation on Independent Auditing of Banks" published by BRSA on Official Gazette dated 2 April 2015 numbered 29314. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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
Impairment of loans in accordance with TFRS 9 "Financial Assets" Impairment of loans is a key area of judgment for the management. The Bank has the total loans amounting to TL 434,742,175 thousands, which comprise 51% of the Bank's total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 12,981,772 thousands as at 31 December 2024. As of 1 January 2018, the 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 1.5 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. The Bank 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. Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. 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. Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note 1.5.	As part of our audit work, the following procedures were performed: We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Bank with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures. We have assessed and analyzed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples. 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. 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. 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. Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements, underlying the estimations of impairments were reasonable. Our specialists are involved in all procedures regarding assumptions of models and individual assessments. We have reviewed disclosures made within the TFRS 9 framework in the unconsolidated financial statements of the Bank with respect to loans and receivables and related impairment provisions.

Key Audit Matter	How the matter was addressed in the audit
Information technologies audit The Bank 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 Bank 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 Bank means that 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.	The procedures carried out within the scope of our information technology audit works: • The Bank's controls on information systems have been determined, understood and tested by us with a risk-based approach. • Information Technology Audit includes important information systems layers (applications, databases, operating systems and network levels) in terms of financial statements that play a role in the formation, transmission and storage of data. The information systems controls we tested are generally categorized in the areas listed below: • Access Security • Change Management • Data Center and Network Operations • As high-risk control areas, creating and monitoring audit trails at database and application levels and change management control activities have been determined for preventing and restraining unauthorized access to financial data. • The management of audit trails and controls for access management have been tested for all applications that have direct or indirect impact on financial data. • Automatic controls and integration controls have been tested in order to understand the basis of the financial data formation process and to detect changes and accesses. • In addition, tests have been carried out regarding the completeness and accuracy of the reports that provided input to the controls and was produced by IT components. • In addition, the controls regarding the database, network and operating system levels of the applications within the scope have been tested.

4) Other Matters

The unconsolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş. for the year ended 31 December 2023 have been audited by another auditor who expressed an unqualified opinion on those unconsolidated financial statements on 15 February 2024.

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

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

In preparing the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

6) 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 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 the "Regulation on Independent Auditing of Banks" published by BRSA on Official Gazette dated 2 April 2015 numbered 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 financial statements.

As part of an audit in accordance with the SIA and "Regulation on Independent Auditing of Banks" published by BRSA on Official Gazette dated 2 April 2015 numbered 29314, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those 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 Bank'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 Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6) Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 TCC, nothing has come to our attention that may cause us to believe that the Bank's set of accounts and financial statements prepared for the period 1 January - 31 December 2024 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, 14 February 2025

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THE UNCONSOLIDATED FINANCIAL REPORT OF
KUVEYT TÜRK KATILIM BANKASI A.Ş.
FOR THE YEAR ENDED 31 DECEMBER 2024

The Bank's Address of Headquarter	:	Büyükdere Cad. No:129/1 34394 Esentepe-Şişli / İSTANBUL
The Bank's Telephone and Fax	:	0212 354 11 11 - 0212 354 12 12
The Bank's Web Site	:	www.kuveytturk.com.tr
E-Mail Address for Contact	:	kuveytturk@kuveytturk.com.tr

The year-end unconsolidated 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 Bank
- Unconsolidated Financial Statements of The Bank
- Explanations on Accounting Policies Applied in The Period
- Information on Financial Structure and Risk Management of The Bank
- Disclosures and Explanations on Unconsolidated Financial Statements
- Other Explanations
- Independent Auditors' Report

The accompanying year-end unconsolidated 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	Shadi Ahmed Yacoub ZAHRAN Chairman of the Audit Committee	Nadir ALPASLAN Member of the Audit Committee

Mohamed Hedi MEJAI Member of the Audit Committee	Ufuk UYAN General Manager	Ahmet KARACA Vice General Manager of Financial Affairs	Mehmed Tahir KAPLAN Budget and Reporting Group 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	:	0212 354 10 86
Fax No	:	0212 354 11 03

SECTION ONE
GENERAL INFORMATION

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

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

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

As of 31 December 2024, 57.81% of the 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 bank

Name	Title	Date of Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Hamad A H D MARZOUQ	Head of the BOD	25/06/2014			Master	-
Shadi Ahmed YACOUB ZAHRAN	Member of BOD and chairman of the Audit Committee	25/09/2020	04/11/2020		Master	-
Nadir ALPASLAN	Vice President of BOD and member of Audit Committee	15/04/2011	24/12/2019		Bachelor	-
Salah A E ALMUDHAF	Member of BOD	07/10/2019		02/10/2024	Bachelor	-
Ahmad S A A ALKHARJI	Member of BOD	26/03/2014	24/09/2014	09/09/2020	Master	-
Mohamed Hedi MEJAI	Member of BOD and Audit Committee	25/03/2021	04/05/2021		Master	-
Gehad Mohamed ELBENDARY ANANY	Member of BOD	25/09/2020	09/09/2020	04/11/2020	Bachelor	-
Sinan AKSU	Member of BOD	08/05/2023			Bachelor	-
Ufuk UYAN	Member of BOD and General Manager	10/05/1999			Master	0.057%
Ahmet KARACA	Assistant General Manager, Financial Control.	12/07/2006			Master	0.001%
Ahmet Süleyman KARAKAYA	Assistant General Manager, Corporate and Commercial Banking	14/01/2003		31/12/2024	Bachelor	-
Bilal SAYIN	Assistant General Manager, Lending	20/08/2003			Bachelor	0.004%
İrfan YILMAZ	Assistant General Manager, Banking Services	27/10/2005			Bachelor	0.019%
Dr. Ruşen Ahmet ALBAYRAK	Assistant General Manager, Treasury and International Banking.	05/05/2005			Doctorate	0.007%
Nurettin KOLAÇ	Assistant General Manager, Legal and Risk Follow Up	20/04/2010			Bachelor	0.001%
Aslan DEMİR	Assistant General Manager, Strategy	08/10/2012			Bachelor	0.006%
Mehmet ORAL	Assistant General Manager, Retail Banking	01/10/2012			Bachelor	0.005%
Abdurrahman DELİPOYRAZ	Assistant General Manager, SME Banking	09/01/2015			Bachelor	0.005%
Hüseyin Cevdet YILMAZ	Head of the Risk, Control and Compliance Group	16/12/2003			Bachelor	0.001%
Bahattin AKCA	Head of Inspection Board	01/08/2007			Bachelor	0.001%

Chairman and members of the Board of Directors, members of auditing committee, general manager and assistant general managers own 0.11% of the Bank's share capital (31 December 2023: 0.11%).

4. Information on qualified shareholders

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	2,863,098	57.81%	2,863,098	-
T.C. Vakıflar General Directorate	1,212,608	24.49%	1,212,608	-
Total	**4,075,706**	**82.3%**	**4,075,706**	**-**

As of 31 December 2024, the shareholding structure of Kuwait Finance House, the main shareholder of the Bank, is as follows.

Name / Commercial Name	Share rates
Kuwait Investment Authority	15.67%
The Public Institution for Social Security & Group	9.05%
The Public Authority for Minors Affairs	6.82%
Public Shares	68.46%
Total	**100.00%**

5. Explanations of the Bank's services and field of operations

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

As of 31 December 2024, the Bank is operating through 449 domestic branches (31 December 2023 – 445) with 6,012 employees (31 December 2023 – 6,011). Summary of some of the Bank's operations described in the Articles of Association are as follows;

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

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

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

I. Unconsolidated Balance Sheet (Statement of Financial Position)

II. Unconsolidated Statement of Off-Balance Sheet Items

III. Unconsolidated Statement of Profit or Loss Statement (Income Statement)

IV. Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

V. Unconsolidated Statement of Changes in Shareholders' Equity

VI. Unconsolidated Statement of Cash Flows

VII. Unconsolidated Statement of Profit Distribution Table

UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2024

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

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

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	ASSETS	**Notes**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FINANCIAL ASSETS (Net)**		**113,004,326**	**231,439,362**	**344,443,688**	**82,833,739**	**188,565,919**	**271,399,658**
1.1.	**Cash and Cash Equivalents**		**59,569,581**	**190,460,115**	**250,029,696**	**30,060,030**	**128,727,096**	**158,787,126**
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	59,543,446	163,449,279	222,992,725	29,736,696	110,638,732	140,375,428
1.1.2.	Banks	(5.1.3.)	27,753	27,014,929	27,042,682	22,985	18,090,427	18,113,412
1.1.3.	Money Markets Placements		1,019	-	1,019	300,805	-	300,805
1.1.4.	Expected Credit Loss (-)		2,637	4,093	6,730	456	2,063	2,519
1.2.	**Financial Assets at Fair Value Through Profit or Loss**		**15,070,891**	**17,269,448**	**32,340,339**	**21,543,563**	**33,897,658**	**55,441,221**
1.2.1.	Government Debt Securities		475,948	11,956,887	12,432,835	661,487	32,015,909	32,677,396
1.2.2.	Equity Instruments		-	18,828	18,828	-	32,630	32,630
1.2.3.	Other Financial Assets		14,594,943	5,293,733	19,888,676	20,882,076	1,849,119	22,731,195
1.3.	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(5.1.4.)**	**38,046,620**	**22,911,647**	**60,958,267**	**29,815,694**	**25,477,693**	**55,293,387**
1.3.1.	Government Debt Securities		37,933,533	22,251,047	60,184,580	29,541,039	24,858,617	54,399,656
1.3.2.	Equity Instruments		105,587	382,853	488,440	60,587	241,172	301,759
1.3.3.	Other Financial Assets		7,500	277,747	285,247	214,068	377,904	591,972
1.4.	**Derivative Financial Assets**		**317,234**	**798,152**	**1,115,386**	**1,414,452**	**463,472**	**1,877,924**
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	317,234	798,152	1,115,386	1,414,452	463,472	1,877,924
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.11.)	-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED WITH AMORTISED COSTS (Net)**		**264,276,514**	**213,507,764**	**477,784,278**	**246,636,605**	**133,935,930**	**380,572,535**
2.1.	**Loans**	**(5.1.5.)**	**227,378,754**	**156,856,799**	**384,235,553**	**198,311,575**	**99,867,523**	**298,179,098**
2.2.	**Leasing Receivables**	**(5.1.10.)**	**15,662,731**	**34,843,891**	**50,506,622**	**17,428,625**	**19,691,158**	**37,119,783**
2.3.	**Other Financial Assets Measured at Amortized Cost**	**(5.1.6.)**	**30,475,591**	**25,548,284**	**56,023,875**	**41,947,315**	**21,256,329**	**63,203,644**
2.3.1.	Government Debt Securities		30,475,591	25,548,284	56,023,875	36,951,904	21,256,329	58,208,233
2.3.2.	Other Financial Assets		-	-	-	4,995,411	-	4,995,411
2.4.	**Expected Credit Loss (-)**		**9,240,562**	**3,741,210**	**12,981,772**	**11,050,910**	**6,879,080**	**17,929,990**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)**	**(5.1.16.)**	**522,743**	**-**	**522,743**	**428,585**	**-**	**428,585**
3.1.	Held For Sale		522,743	-	522,743	428,585	-	428,585
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN SUBSIDIARIES**		**4,142,212**	**-**	**4,142,212**	**3,212,925**	**-**	**3,212,925**
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.)**	**4,122,212**	**-**	**4,122,212**	**3,192,925**	**-**	**3,192,925**
4.2.1.	Unconsolidated Financial Subsidiaries		3,998,532	-	3,998,532	3,069,245	-	3,069,245
4.2.2.	Unconsolidated Non-Financial Subsidiaries		123,680	-	123,680	123,680	-	123,680
4.3.	**Investment in Joint Ventures (Net)**	**(5.1.9.)**	**20,000**	**-**	**20,000**	**20,000**	**-**	**20,000**
4.3.1.	Joint Ventures Valued Based on Equity Method		20,000	-	20,000	20,000	-	20,000
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(5.1.12.)**	**5,357,578**	**4,852**	**5,362,430**	**3,465,513**	**715**	**3,466,228**
VI.	**INTANGIBLE ASSETS (Net)**	**(5.1.13.)**	**2,314,602**	**247**	**2,314,849**	**984,132**	**28**	**984,160**
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		2,314,602	247	2,314,849	984,132	28	984,160
VII.	**INVESTMENT PROPERTIES (Net)**	**(5.1.14.)**	-	-	-	-	-	-
VIII.	**CURRENT TAX ASSETS**		-	-	-	-	-	-
IX.	**DEFERRED TAX ASSETS**	**(5.1.15.)**	**8,340,450**	**-**	**8,340,450**	**5,747,818**	**-**	**5,747,818**
X.	**OTHER ASSETS**	**(5.1.17.)**	**9,065,395**	**144,358**	**9,209,753**	**2,037,028**	**319,278**	**2,356,306**
	TOTAL ASSETS		**407,023,820**	**445,096,583**	**852,120,403**	**345,346,345**	**322,821,870**	**668,168,215**

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2024

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

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

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	LIABILITIES	**Notes**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FUNDS COLLECTED**	**(5.2.1.)**	**284,192,520**	**301,371,393**	**585,563,913**	**246,948,333**	**260,562,540**	**507,510,873**
II.	**FUNDS BORROWED**	**(5.2.3.)**	**4,147,337**	**117,773,649**	**121,920,986**	**9,265,255**	**63,762,092**	**73,027,347**
III.	**MONEY MARKETS**		**17,719,258**	**-**	**17,719,258**	**4,186,987**	**-**	**4,186,987**
IV.	**SECURITIES ISSUED (Net)**	**(5.2.4.)**	-	-	-	-	-	-
V.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	-	-	-
VI.	**DERIVATIVE FINANCIAL LIABILITIES**		**1,399,910**	**1,453,023**	**2,852,933**	**99,842**	**877,957**	**977,799**
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	1,399,910	1,453,023	2,852,933	99,842	877,957	977,799
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.7.)	-	-	-	-	-	-
VII.	**LEASE PAYABLES (Net)**	**(5.2.6.)**	**1,457,178**	**8,845**	**1,466,023**	**873,237**	**10,148**	**883,385**
VIII.	**PROVISIONS**	**(5.2.8.)**	**5,319,973**	**2,077,631**	**7,397,604**	**3,941,330**	**1,614,502**	**5,555,832**
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves for Employee Benefits		3,514,580	347,300	3,861,880	2,422,618	233,569	2,656,187
8.3.	Insurance for Technical Provision (Net)		-	-	-	-	-	-
8.4.	Other Provisions		1,805,393	1,730,331	3,535,724	1,518,712	1,380,933	2,899,645
IX.	**CURRENT TAX LIABILITIES**	**(5.2.9.1.)**	**5,716,978**	**-**	**5,716,978**	**3,384,651**	**-**	**3,384,651**
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.)**	**-**	**14,186,285**	**14,186,285**	**-**	**17,967,564**	**17,967,564**
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	14,186,285	14,186,285	-	17,967,564	17,967,564
XIII.	**OTHER LIABILITIES**	**(5.2.5.)**	**10,781,402**	**2,287,527**	**13,068,929**	**4,126,607**	**2,561,482**	**6,688,089**
XIV.	**SHAREHOLDERS` EQUITY**	**(5.2.12.)**	**81,954,307**	**273,187**	**82,227,494**	**47,752,551**	**233,137**	**47,985,688**
14.1.	Paid-in Capital		4,947,336	-	4,947,336	4,595,131	-	4,595,131
14.2.	Capital Reserves		6,375,380	-	6,375,380	25,124	-	25,124
14.2.1.	Share Premiums		6,373,506	-	6,373,506	23,250	-	23,250
14.2.2.	Share Cancellation Profits		1,874	-	1,874	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		(553,764)	-	(553,764)	(513,980)	-	(513,980)
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(5,732,435)	273,187	(5,459,248)	(1,277,616)	233,137	(1,044,479)
14.5.	Profit Reserves		42,203,716	-	42,203,716	18,253,903	-	18,253,903
14.5.1.	Legal Reserves		2,944,691	-	2,944,691	1,348,129	-	1,348,129
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		38,978,346	-	38,978,346	16,674,091	-	16,674,091
14.5.4.	Other Profit Reserves		280,679	-	280,679	231,683	-	231,683
14.6.	Profit or Loss		34,714,074	-	34,714,074	26,669,989	-	26,669,989
14.6.1.	Prior Years' Profits or Losses		60,618	-	60,618	60,618	-	60,618
14.6.2.	Current Period Net Profit or Loss		34,653,456	-	34,653,456	26,609,371	-	26,609,371
14.7.	Minority Shares	(5.2.13.)	-	-	-	-	-	-
	TOTAL LIABILITIES AND EQUITY		**412,688,863**	**439,431,540**	**852,120,403**	**320,578,793**	**347,589,422**	**668,168,215**

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

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2024

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

2. STATEMENT OF OFF-BALANCE SHEET ITEMS

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
		Notes	TL	FC	Total	TL	FC	Total
A.	**COMMITMENTS AND CONTINGENCIES (I+II+III)**		**248,076,321**	**297,568,524**	**545,644,845**	**169,038,320**	**149,442,897**	**318,481,217**
I.	**GUARANTEES AND WARRANTIES**	**(5.3.1.)**	**69,514,466**	**35,653,962**	**105,168,428**	**37,869,833**	**23,717,066**	**61,586,899**
1.1.	Letters of Guarantee		64,564,321	21,083,692	85,648,013	35,113,871	14,392,194	49,506,065
1.1.1.	Guarantees Subject to State Tender Law		990,082	27,987	1,018,069	732,597	24,480	757,077
1.1.2.	Guarantees Given for Foreign Trade Operations		2,948,213	166,991	3,115,204	1,774,567	86,137	1,860,704
1.1.3.	Other Letters of Guarantee		60,626,026	20,888,714	81,514,740	32,606,707	14,281,577	46,888,284
1.2.	Bank Loans		93,099	634,440	727,539	18,769	164,427	183,196
1.2.1.	Import Letter of Acceptances		93,099	634,440	727,539	18,769	164,427	183,196
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		30,972	13,550,814	13,581,786	49,354	8,836,973	8,886,327
1.3.1.	Documentary Letters of Credit		4,784	1,480,135	1,484,919	18,355	1,805,046	1,823,401
1.3.2.	Other Letters of Credit		26,188	12,070,679	12,096,867	30,999	7,031,927	7,062,926
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		4,826,074	385,016	5,211,090	2,687,839	323,472	3,011,311
1.7.	Other Warrantees		-	-	-	-	-	-
II.	**COMMITMENTS**	**(5.3.1.)**	**96,030,796**	**13,707,495**	**109,738,291**	**99,196,596**	**8,317,056**	**107,513,652**
2.1.	Irrevocable Commitments		96,030,796	13,707,495	109,738,291	43,894,580	8,317,056	52,211,636
2.1.1.	Forward Asset Purchase and Sales Commitments		7,573,069	13,707,495	21,280,564	1,955,404	7,582,980	9,538,384
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		22,500	-	22,500	67,500	-	67,500
2.1.3.	Loan Granting Commitments		5,708,160	-	5,708,160	3,871,287	-	3,871,287
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks		5,864,748	-	5,864,748	3,861,133	-	3,861,133
2.1.7.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments for Credit Card Expenditure Limits		76,389,710	-	76,389,710	33,913,418	-	33,913,418
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		472,609	-	472,609	225,838	734,076	959,914
2.2.	Revocable Commitments		-	-	-	55,302,016	-	55,302,016
2.2.1.	Revocable Loan Granting Commitments		-	-	-	55,302,016	-	55,302,016
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(5.3.2.)**	**82,531,059**	**248,207,067**	**330,738,126**	**31,971,891**	**117,408,775**	**149,380,666**
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		82,531,059	248,207,067	330,738,126	31,971,891	117,408,775	149,380,666
3.2.1	Forward Foreign Currency Buy/Sell Transactions		7,499,657	11,975,720	19,475,377	3,814,368	9,338,242	13,152,610
3.2.1.1	Forward Foreign Currency Buy Transactions		4,305,649	5,511,268	9,816,917	2,534,340	4,143,482	6,677,822
3.2.1.2	Forward Foreign Currency Sell Transactions		3,194,008	6,464,452	9,658,460	1,280,028	5,194,760	6,474,788
3.2.2	Other Forward Buy/Sell Transactions		75,031,402	236,231,347	311,262,749	28,157,523	108,070,533	136,228,056
3.3	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES SECURITIES (IV+V+VI)**		**4,152,268,333**	**5,573,608,289**	**9,725,876,622**	**2,450,729,796**	**2,900,613,677**	**5,351,343,473**
IV.	**ITEMS HELD IN CUSTODY**		**203,063,073**	**4,699,808,964**	**4,902,872,037**	**149,692,755**	**2,201,236,887**	**2,350,929,642**
4.1.	Customers' Securities Held		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		47,479,628	4,636,308,727	4,683,788,355	19,584,500	2,141,385,286	2,160,969,786
4.3.	Checks Received for Collection		79,818,813	1,735,102	81,553,915	56,183,252	1,430,053	57,613,305
4.4.	Commercial Notes Received for Collection		7,049,650	2,677,302	9,726,952	5,132,928	1,862,477	6,995,405
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		68,714,982	59,087,833	127,802,815	68,792,075	56,559,071	125,351,146
V.	**PLEDGED ITEMS**		**3,947,957,092**	**873,242,903**	**4,821,199,995**	**2,300,424,666**	**698,929,858**	**2,999,354,524**
5.1.	Marketable Securities		5,797,660	3,150,772	8,948,432	3,152,926	235,462	3,388,388
5.2.	Guarantee Notes		100,977	14,953,279	15,054,256	100,977	11,889,942	11,990,919
5.3.	Commodity		133,357,236	54,581,832	187,939,068	67,498,620	3,423,389	70,922,009
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		914,931,926	37,315,693	952,247,619	523,785,679	31,954,004	555,739,683
5.6.	Other Pledged Items		2,893,769,293	763,241,327	3,657,010,620	1,705,886,464	651,427,061	2,357,313,525
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED GUARANTEES AND WARRANTEES**		**1,248,168**	**556,422**	**1,804,590**	**612,375**	**446,932**	**1,059,307**
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		**4,400,344,654**	**5,871,176,813**	**10,271,521,467**	**2,619,768,116**	**3,050,056,574**	**5,669,824,690**

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2024

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

3. STATEMENT OF PROFIT OR LOSS (INCOME STATEMENT)

			Current Period Audited 01.01.2024-31.12.2024	Prior Period Audited 01.01.2023-31.12.2023
	INCOME AND EXPENSE ITEMS	Notes		
I.	**PROFIT SHARE INCOME**	**(5.4.1.)**	**129,337,843**	**63,057,751**
1.1.	Profit Share on Loans		85,697,791	37,357,184
1.2.	Profit Share on Reserve Deposits		9,688,833	-
1.3.	Profit Share on Banks		698,337	548,136
1.4.	Profit Share on Money Market Placements		-	-
1.5.	Profit Share on Marketable Securities Portfolio		23,137,917	20,308,521
1.5.1.	Fair Value Through Profit or Loss		1,055,118	761,342
1.5.2.	Fair Value Through Other Comprehensive Income		12,124,041	15,074,251
1.5.3.	Measured at Amortised Cost		9,958,758	4,472,928
1.6.	Finance Lease Income		9,437,621	4,714,670
1.7.	Other Profit Share Income		677,344	129,240
II.	**PROFIT SHARE EXPENSE (-)**		**80,903,588**	**27,876,292**
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	60,169,698	23,092,934
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	12,647,218	4,124,833
2.3.	Profit Share Expense on Money Market Borrowings		7,818,671	517,231
2.4.	Expense on Securities Issued	(5.4.2.)	-	-
2.5.	Profit Share Expense on Lease		268,001	141,294
2.6.	Other Profit Share Expense		-	-
III.	**NET PROFIT SHARE INCOME (I - II)**		**48,434,255**	**35,181,459**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**9,139,091**	**3,428,469**
4.1.	Fees And Commissions Received		18,747,752	7,184,139
4.1.1.	Non-Cash Loans		772,906	411,273
4.1.2.	Other	(5.4.13.)	17,974,846	6,772,866
4.2.	Fees And Commissions Paid (-)		9,608,661	3,755,670
4.2.1.	Non-Cash Loans		6,131	2,645
4.2.2.	Other	(5.4.13.)	9,602,530	3,753,025
V.	**DIVIDEND INCOME**	**(5.4.3.)**	**4,123**	**2,053**
VI.	**NET TRADING INCOME / LOSS**	**(5.4.5.)**	**7,084,527**	**9,612,948**
6.1.	Capital Market Transaction Gains/Losses		5,657,827	2,546,513
6.2.	Gains/Losses from Derivative Financial Instruments		(2,343,363)	8,350,409
6.3.	Foreign Exchange Gains/Losses		3,770,063	(1,283,974)
VII.	**OTHER OPERATING INCOME**	**(5.4.6.)**	**10,042,113**	**3,655,946**
VIII.	**GROSS OPERATING PROFIT (III+IV+V+VI+VII+ VIII)**		**74,704,109**	**51,880,875**
IX.	**EXPECTED LOSS PROVISIONS (-)**	**(5.4.7.)**	**5,562,804**	**6,836,429**
X.	**OTHER PROVISIONS (-)**	**(5.4.7.)**	**854,421**	**228,546**
XI.	**PERSONNEL EXPENSES (-)**		**11,943,826**	**6,123,344**
XII.	**OTHER OPERATING EXPENSES (-)**	**(5.4.8.)**	**10,085,900**	**5,189,148**
XIII.	**NET OPERATING INCOME/(LOSS) (IX-X-XI)**		**46,257,158**	**33,503,408**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		-	-
XV.	**INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		-	-
XVI.	**INCOME / (LOSS) ON NET MONETARY POSITION**		-	-
XVII.	**PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XII+...+XV)**	**(5.4.9.)**	**46,257,158**	**33,503,408**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(5.4.10)**	**(11,603,702)**	**(6,894,037)**
18.1.	Current Tax Provision		12,287,240	9,420,021
18.2.	Deferred Tax Expense Effect (+)		528,499	1,065,583
18.3.	Deferred Tax Income Effect (-)		1,212,037	3,591,567
XIX.	**CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)**	**(5.4.11.)**	**34,653,456**	**26,609,371**
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 (XVIII-XIX)**		-	-
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 (XX±XXI)**		-	-
XXV.	**NET PROFIT/LOSS (XVII+XXII)**	**(5.4.12.)**	**34,653,456**	**26,609,371**
25.1.	Group's Income/Loss		34,653,456	26,609,371
25.2.	Minority Interest Income/Loss (-)		-	-
	Earnings Per Share Income/Loss (Full TL)		7.2997	5.7846

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOMEAS OF 31 DECEMBER 2024

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

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited Current Period 01.01.2024 - 31.12.2024	Audited Prior Period 01.01.2023 - 31.12.2023
I.	**CURRENT PROFIT/LOSS**	**34,653,456**	**26,609,371**
II.	**OTHER COMPREHENSIVE INCOME**	**(4,454,553)**	**(5,947,555)**
2.1	**Other Comprehensive Income Not Reclassified Through Profit or Loss**	**(39,784)**	**(219,573)**
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	(56,835)	(341,715)
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	17,051	122,142
2.2	**Other Comprehensive Income Reclassified Through Profit or Loss**	**(4,414,769)**	**(5,727,982)**
2.2.1	Foreign Currency Translation Difference	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	(6,306,812)	(7,735,464)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Taxes Related Other Comprehensive Income Items Reclassified Through Profit or Loss	1,892,043	2,007,482
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**30,198,903**	**20,661,816**

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2024

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

5. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Notes	Paid-in Capital	Share Premiums	Share Cancellation profit	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						
	Prior Period (01/01/2023 –31/12/2023)																	
I.	**Prior Period Ending Balance**		**4,595,131**	**23,250**	**1,874**	-	-	**(294,407)**	-	-	**4,683,503**	-	**5,610,413**	**51,631**	**14,043,447**	**28,714,842**	-	**28,714,842**
II.	**Corrections and Accounting Policy Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Correction		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**4,595,131**	**23,250**	**1,874**	-	-	**(294,407)**	-	-	**4,683,503**	-	**5,610,413**	**51,631**	**14,043,447**	**28,714,842**	-	**28,714,842**
IV.	**Total Comprehensive Income (Loss)**		-	-	-	-	-	**(219,573)**	-	-	**(5,727,982)**	-	-	-	**26,609,371**	**20,661,816**	-	**20,661,816**
V.	**Capital Increase by Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**		-	-	-	-	-	-	-	-	-	-	**43**	**8,987**	**(14,043,447)**	**9,030**	-	**9,030**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**12,643,447**	**(1,400,000)**	-	**(1,400,000)**	-	**(1,400,000)**
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	**(12,643,447)**	-	-	-	-
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	12,643,447	14,043,447	(14,043,447)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+.....+XI+XII)	(5.2.12.)	**4,595,131**	**23,250**	**1,874**	-	-	**(513,980)**	-	-	**(1,044,479)**	-	**18,253,903**	**60,618**	**26,609,371**	**47,985,688**	-	**47,985,688**
	Current Period (01/01/2024 –31/12/2024)																	
I.	**Prior Period Ending Balance**		**4,595,131**	**23,250**	**1,874**	-	-	**(513,980)**	-	-	**(1,044,479)**	-	**18,253,903**	**60,618**	**26,609,371**	**47,985,688**	-	**47,985,688**
II.	**Corrections and Accounting Policy Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Correction		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**4,595,131**	**23,250**	**1,874**	-	-	**(513,980)**	-	-	**(1,044,479)**	-	**18,253,903**	**60,618**	**26,609,371**	**47,985,688**	-	**47,985,688**
IV.	**Total Comprehensive Income (Loss)**		-	-	-	-	-	**(39,784)**	-	-	**(4,414,769)**	-	-	-	**34,653,456**	**30,198,903**	-	**30,198,903**
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**		-	-	-	-	-	-	-	-	-	-	**(1,438)**	**(2,660,937)**	**(23,948,434)**	**(2,658,120)**	-	**(1,438)**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**23,951,251**	**(23,948,434)**	**(2,660,937)**	**(2,660,937)**	-	**(2,660,937)**
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	**(2,660,937)**	-	-	-	-
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	23,951,251	2,817	(2,660,937)	**2,817**	-	**2,817**
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+.....+XI+XII)	(5.2.12.)	**4,947,336**	**6,373,506**	**1,874**	-	-	**(553,764)**	-	-	**(5,459,248)**	-	**42,203,716**	**60,618**	**34,653,456**	**82,227,494**	-	**82,227,494**

1. Accumulated revaluation increase/ decrease of fixed assets,
2. Accumulated remeasurement gain/ loss of defined benefit pension plan,
3. Other (Shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income not reclassified through profit or loss)
4. Foreign currency translation differences
5. Accumulated revaluation and/ or remeasurement gain/ loss of the financial asset at fair value through other comprehensive income,
6. Other (Cash flow hedge gain/ loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income reclassified through other profit or loss.)

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

UNCONSOLIDATED STATEMENT OF CASH FLOW
AS OF 31 DECEMBER 2024

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

6. STATEMENT OF CASH FLOWS

		Notes	Audited Current Period 01.01.2024-31.12.2024	Audited Prior Period 01.01.2023-31.12.2023
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Assets and Liabilities from Banking Operations**		**61,852,648**	**39,537,441**
1.1.1	Profit Share Income Received		123,139,124	66,115,155
1.1.2	Profit Share Expense Paid		(75,550,874)	(22,650,931)
1.1.3	Dividends Received		4,123	2,053
1.1.4	Fees And Commissions Received		18,747,752	7,184,139
1.1.5	Other Income		28,992,280	5,145,334
1.1.6	Collections From Previously Written Off Loans		1,736,292	1,145,045
1.1.7	Payments to Personnel and Service Suppliers		(10,738,133)	(5,047,985)
1.1.8	Taxes Paid		(8,853,598)	(6,988,997)
1.1.9	Others	(5.6.3)	(15,624,318)	(5,366,372)
1.2	**Changes in Assets and Liabilities from Banking Operations**		**(41,127,958)**	**(430,861)**
1.2.1	Net (Increase) Decrease Held for Trading Financial Assets		27,228,976	(29,686,542)
1.2.2	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(31,429,043)	(34,872,176)
1.2.3	Net (Increase) Decrease in Due from Banks and Other Financial Institutions		(60,374,553)	(106,390,671)
1.2.4	Net (Increase) Decrease in Loans	(5.6.3)	(12,054,124)	4,435,890
1.2.5	Net Increase (Decrease) in Other Assets		1,722	(11,130)
1.2.6	Net Increase (Decrease) in Bank Deposits		(401,403)	137,093,160
1.2.7	Net Increase (Decrease) in Other Deposits		-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed		16,750,453	21,535,471
1.2.9	Net Increase (Decrease) in Due Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(5.6.3)	19,150,014	7,465,137
I.	**Net Cash Provided From Banking Operations**		**20,724,690**	**39,106,580**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided From Investing Activities**		**(462,472)**	**(47,124,849)**
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(974,287)	(772,500)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3	Fixed Assets Purchases		(2,840,012)	(2,246,519)
2.4	Fixed Assets Sales		764,983	533,248
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(25,148,291)	(21,189,008)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		24,845,926	10,258,801
2.7	Cash Paid for Purchase of Investment Securities	(5.1.6.)	(3,660,000)	(33,590,663)
2.8	Cash Obtained from Sale of Investment Securities	(5.1.6.)	8,560,000	692,130
2.9	Other		(2,010,791)	(810,338)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Cash Provided From Financing Activities**		**(2,928,938)**	**(1,541,294)**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Capital Increase		-	-
3.4	Dividends Paid		(2,660,937)	(1,400,000)
3.5	Payments For Finance Leases		(268,001)	(141,294)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(5.6.4)**	**36,516,686**	**35,924,861**
V.	**Net Increase in Cash and Cash Equivalents**		**53,849,966**	**26,365,298**
VI.	**Cash And Cash Equivalents at The Beginning of The Period**	**(5.6.1)**	**71,638,422**	**45,273,124**
VII.	**Cash And Cash Equivalents at The End of The Period**	**(5.6.1)**	**125,488,388**	**71,638,422**

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

UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
AS OF 31 DECEMBER 2024

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

7. STATEMENT OF PROFIT DISTRIBUTION

		Current Period 01.01.2024 31.12.2024 (*)	Prior Period 01.01.2023- 31.12.2023 (*)
I.	**Distribution of Current Period Profit**		
1.1	Current Period Profit	46,257,158	33,503,408
1.2	Taxes and Dues Payable (-)	11,603,702	6,894,037
1.2.1	Corporate Tax (Income Tax)	12,287,240	9,420,021
1.2.2	Income Tax Withholding	-	-
1.2.3	Other Taxes and Dues Payable (**)	(683,538)	(2,525,984)
A.	**Net Profit for the Period (1.1-1.2)**	**34,653,456**	**26,609,371**
1.3	Prior Year's Losses (-)	-	-
1.4	First Legal Reserves (-)	-	1,596,562
1.5	Legal funds required to be left in the bank (-)	-	-
B.	**Distributable Net Period Profit [(A-(1.3+1.4+1.5)]**	**34,653,456**	**25,012,809**
1.6	First Dividend to Shareholders (-)	-	2,660,937
1.6.1	To Owners of Ordinary Shares	-	2,660,937
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	Statutory Reserves (-)	-	-
1.11	Extraordinary Reserves	-	22,301,443
1.12	Other Reserves	-	429
1.13	Special Funds	-	50,000
II.	**Distribution from Reserves**		
2.1	Distributed Reserves	-	-
2.2	Dividends to Shareholders (-)	-	-
2.2.1	The Owners of Ordinary Shares	-	-
2.2.2	The Owners of Preferred Stocks	-	-
2.2.3	The Owners of Preferred Stocks (Preemptive Rights)	-	-
2.2.4	The Profit-Sharing Bonds	-	-
2.2.5	The Owners of the profit/loss Sharing Certificates	-	-
2.3	Share to Personnel (-)	-	-
2.4	Share to Board of Directors (-)	-	-
III.	**Earnings per Share**		
3.1	To Owners of Stocks	7.30	5.78
3.2	To Owners of Stocks (%)	729.97	578.46
3.3	To Owners of Preferred Stocks	-	-
3.4	To Owners of Preferred Stocks (%)	-	-
IV.	**Dividend per Share**		
4.1	To Owners of Stocks	-	0.58
4.2	To Owners of Stocks (%)	-	58
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.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

1. Explanations on basis of presentation

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

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

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

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

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

POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in "Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation", adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA 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. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Group as of 31 December 2024.

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.

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

The financial statements of the Bank have been subject to inflation adjustment in accordance with TAS 29 "Turkish Accounting Standard for Financial Reporting in Hyperinflationary Economies" until 31 December 2004. 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. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Group as of 31 December 2024.

1.5 Disclosures regarding TFRS 9 financial instruments

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

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

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

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

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

During the first recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

Classification and measurement of financial instruments

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

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

Modelling 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.

As of 31 December 2024, the Bank has been exposed to recession, geopolitical risks, inflation, unemployment, exchange rate risk, etc. with the effect of current internal and external conditions. in order to reflect the macroeconomic outlook and the upward risks that factors may pose on the bank's loan portfolio, it has revised its macroeconomic expectations and its calculations made considering the change in PD along with the update in the EDF model have been reflected in the financial statements. By its nature, the model effects are reflected in the financial statements with a delay due to the occurrence of the events and their effects at different times. For this reason, the Bank is establishing additional provisions for the Wholesale and Retail Trade, Build, Construction, Contracting and Tourism sectors, whose PD is more sensitive to the current macroeconomic and geopolitical conjuncture among the sectors that are declining. The Bank maintains this approach as of 31 December 2024. When deemed necessary, the future will review these assumptions according to the course of economic and geopolitical risks.

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

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

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

Stage 2: Includes financial assets having significant increase in their credit risk subsequent to the initial recognition, but not having objective evidence about impairment. It is recognized lifetime expected credit losses for such financial assets.

In this context, the basic considerations that are considered in determining the significant increase in the credit risk of a financial asset and its transfer to Phase 2 are, but are not limited to, the following.

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

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

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

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

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

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

1.7 Explanations on TFRS 16 leases standard

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

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Within the scope of TFRS 16, the Bank reflects the existence of a lease obligation and a right of use to the financial statements at the date of initial application. The Bank measures the leasing liability on the present value of the remaining lease payments, discounted at their present value using the alternative borrowing cost ratio at the date of initial application of the Bank. In addition, the Bank measures the existence of the right to use of such right at an amount equal to the lease obligation, which is reflected in the statement of financial position immediately after the first application date, adjusted for the amount of all prepaid or accrued lease payments.
As of 31 December 2024, the right-of-use assets classified tangible assets gross amounting to TL 1,976,948 in the balance sheet of The Bank and lease liabilities classified in the item of liabilities from lease transactions amounting to gross TL 2,296,129. In the twelve period that ended as of the same date, financial expenses amounting to TL 268,001 and depreciation expenses amounting to TL 424,662 were incurred.

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

The Bank follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Bank's exposure to liquidity risk, currency risk and credit risk while increasing profitability and strengthening the Bank's equity. The assets-liabilities committee (ALC) 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 Turkey converting them into Turkish Lira and valuation differences of foreign currencies have been recognized in the income statement under the net foreign exchange income/expense account.

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

3. Investments in associates and subsidiaries

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

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

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

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

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

As of 31 December 2024, the Bank's has no cash flow hedging transaction.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from 1 January 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on

the Bank's financial position or performance. As of 31 December 2024, the Bank has no hedging transactions based on the benchmark interest rate.

5. Explanations on profit share income and expense

Profit share income is recognized in the income statement on an accrual basis by using the method of internal rate of return and is accounted under profit share income account in the financial statements. While applying the internal rate of return method, the Bank amortizes the fees included in the account of the effective profit rate over the expected life of the financial instrument. If the financial asset is impaired and classified as a non-performing loan, profit accruals and rediscount calculations for these customers within the scope of TFRS 9 Financial Instruments Standard.

The Bank calculates expense accrual in accordance with the unit value calculation method on profit/loss sharing accounts and reflects these amounts in “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 used by the Bank granted are deferred and reflected to the income statement by using the internal rate of return method. Unearned portion of the commission and fees relating to the future periods are recorded to the “Unearned Revenues” account under “Other Liabilities” on the balance sheet.

7. Explanations on financial assets

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

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

7.1 Financial assets at fair value through profit or loss

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

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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 Bank are foreign currency swaps, cross currency swaps and currency forwards.

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

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

7.5 Loans

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

8. Explanations on offsetting of financial assets and liabilities

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

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

Central Bank of the Republic of 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 need 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 2024, the Bank has repurchased agreement amounting to TL 17,719,258 (31 December 2023 – TL 4,186,987).

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 Bank) 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 Bank) 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 Bank) 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 Bank) can remain to be classified as assets (or disposal Bank) held for sale. Extension of the period necessary to complete the sale, does not avoid the classification of the related asset (or disposal Bank) to be classified as asset held for sale.

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

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

12. Explanations on tangible assets

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

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

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

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

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

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

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

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

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

13. Explanations on leasing transactions

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

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

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

The right of the use asset

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

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

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

When the Bank applying cost method, the existence of the right of use:
(a) Accumulated depreciation and accumulated impairment losses are deducted and
(b) Measures the restatement of the lease obligation over the adjusted cost.

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

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

Lease liability

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

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

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

14. Explanations on provisions and contingent liabilities

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

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

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

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

15. Explanations on liabilities relating to employee benefits

15.1 Defined benefit plans

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

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

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

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15.2 Defined contribution plans

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

15.3 Short term benefits to employees

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

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

16. Explanations on taxation

Current tax

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

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

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

Withholding taxes is not applied to dividends distributed to companies' resident in Turkey or companies who earn income in Turkey through their resident representatives in Turkey. With the Council of Minister's decision numbered 2009/14593 and 2009/14594 which are published in official gazette numbered 27130 and dated 3 February 2009, some deduction rates in 15th and 30th articles of the corporate tax law numbered 5520 were re-determined. In accordance with this, dividends distributed to companies other than companies' resident in Turkey or companies who earn income in Turkey through their resident representatives in Turkey are subject to 10% withholding taxes. Double tax treaty agreements are also taken into consideration during the application of withholding taxes on dividends distributed to real persons and to foreign-based taxpayers. Addition of profit to share capital is not considered as dividend distributed therefore no withholding taxes is applied.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç. Accordingly, corporate income tax has calculated with respect to revaluated real estate and depreciation units.

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 Turkey, 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.

Pillar 2 regulations agreed upon by OECD member countries entered into force in Turkey with the Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024. Although secondary legislation on the subject has not been published, preliminary assessments based on the regulations published by the OECD indicate that these regulations will not have any material impact on the financials. However, legislative changes in Turkey and other countries where Kuveyt Türk Katılım Bankası A.Ş. operates are monitored.

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.

According to the provisional article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2024, regardless of whether the conditions for inflation adjustment are met, are included in the deferred tax calculation as of 31 December 2024.

17. 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.

18. Explanations on share certificates issued

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

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19. Explanations on acceptances and availed drafts

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

20. Explanations on government grants

There are no government grants received by the Bank.

21. Explanations on segment reporting

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

Segment reporting is disclosed in Section Four, Note 14.

22. Explanations on other matters

The Bank has no disclosures on other matters.

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

1. Explanations on equity items

Shareholders' equity and capital adequacy ratio were calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". As of 31 December 2024, the Bank's total shareholders' equity is calculated as TL 97,272,056 (31 December 2023: TL 66,892,662), and the capital adequacy ratio is 24.46% (31 December 2023: 25.27%).

In the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks published in the Official Gazette dated 23.10.2015 and numbered 29511, specified in the BRSA Board Decision dated 12.12.2023 and numbered 10747; the practice of using the foreign exchange buying rate of the Central Bank of the Republic of Turkey (Central Bank) dated 26.06.2023 for the calculation of monetary assets and non-monetary assets, except for foreign currency denominated items measured at historical cost in accordance with the Turkish Accounting Standards and the related specific provision amounts; the Central Bank of the Republic of Turkey (Central Bank) foreign exchange buying rate dated 28.06.2024 to be applied as of 01.01.2025 in accordance with the Board Decision dated 19.12.2024, until a Board Decision to the contrary is taken.

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 Bank's legal capital adequacy ratio calculation has been made by taking into account the regulation changes mentioned above as of 31 December 2024.

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

1.1 Explanations on the components of shareholder's equity

	Current Period Amount	Prior Period Amount
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	4,952,205	4,600,000
Share issue premiums	6,373,506	23,250
Reserves	42,203,716	18,253,903
Gains recognized in equity as per Turkish Accounting Standards (TAS)	348,081	386,210
Profit	34,714,074	26,669,989
Current Period Profit	34,653,456	26,609,371
Prior Periods' Profit	60,618	60,618
Shares acquired free of charge from associates, subsidiaries and joint ventures and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	**88,591,582**	**49,933,352**
Deductions from Common Equity Tier 1 Capital	-	-
Common Equity as per the (i) clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	5,761,052	1,284,744
Improvement costs for operating leasing	429,260	238,694
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	2,215,572	925,513
The remaining part of the deferred tax asset based on taxable income to be obtained in future periods, excluding the deferred tax assets based on temporary differences, after deducting with the related deferred tax liability	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	553,764	513,980
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	**8,964,517**	**2,967,800**
Total Common Equity Tier I Capital	**79,627,065**	**46,965,552**

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	1,763,558	7,358,175
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**1,763,558**	**7,358,175**
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other Items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	**1,763,558**	**7,358,175**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**81,390,623**	**54,323,727**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	12,344,896	10,301,445
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3,726,449	2,316,841
Tier II Capital Before Deductions	**16,071,345**	**12,618,286**
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	**16,071,345**	**12,618,286**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**97,461,968**	**66,942,013**

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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	180,626	48,494
Other items to be defined by the BRSA	9,286	857
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier1 capital for the purposes of the first and second sub-paragraph of the first paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	97,272,056	66,892,662
Total Risk Weighted Assets	397,708,358	264,700,050
CAPITAL ADEQUACY RATIOS	-	-
CET 1 Capital Ratio (%)	20.02	17.74
Tier I Capital Ratio (%)	20.47	20.52
Capital Adequacy Ratio (%)	24.46	25.27
BUFFERS		
Total additional core capital requirement ratio	2.52	2.52
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific countercyclical buffer requirement (%)	0.03	0.02
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	14.46	13.24
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand	4,918,196	7,948,868
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	3,726,449	2,316,841
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

Information on debt instruments to be included in equity calculation:		
Issuer	KT AT One Company Limited	KT21 T2 Company Limited
Instrument Code (CUSIP, ISIN vb.)	XS2227803819	XS2384355520
Legislation to which the Instrument is subject	BRSA regulation on Shareholders ' Equity	BRSA regulation on Shareholders ' Equity
Consideration In Equity Calculation		
Subject to consideration application reduced by 10% from 1/1/2015	Not Being Subject	Not Being Subject
Validity on a consolidated or unconsolidated basis or both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis
Instruments Type	Subordinated Sukuk (Additional Tier I Capital)	Subordinated Sukuk (Tier II Capital)
Amount taken into account in equity calculation (as of last reporting date-TL million)	1,764	12,345
Nominal value of the Instrument (TL million)	1,764	12,345
The account in which the Instrument is followed accounting	34701103	34700103
Export date of the Instrument	28/09/2020	16/09/2021
Maturity structure of the Instrument (demand/term)	Demand	10 Years and 3 Months Term
Initial maturity of the Instrument	5 Years (Due Date: 28/09/2025)	10 Years and 3 Months (Due Date:16/12/2031)
Whether the issuer has the right to refund subject to BRSA approval	Yes	Yes
Date of repayment option, contingent repayment options and amount to be paid back	28/09/2025 – Complete	16/12/2031 -Complete
Subsequent repayment option dates	28/09/2025	16/12/2031
Dividend payments		
Fixed or variable dividend payments	Fixed Dividend payments	Fixed Dividend payments
Dividend ratio and index value for dividend ratio	9.95%	6.125%
Whether there are any restrictions that stop paying dividends	None	None
The ability to be completely optional, partially optional or mandatory	Mandatory	Mandatory
Whether there is an element to encourage repayment, such as a dividend rate hike	None	None
Non-accumulative or cumulative property	Noncumulative	Noncumulative
Ability to convert to stock		
Trigger events/events that would cause conversion if converted to stock	Cannot be converted into stock	Cannot be converted into stock
Fully or partially convert property if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
If it can be converted to stock, the conversion rate	Cannot be converted into stock	Cannot be converted into stock
Forced or optional conversion property, if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
Types of convertible Instruments if convertible to stock	Cannot be converted into 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	Cannot be converted into stock
Value reduction feature		
Trigger events/events to cause reduction if value reduction is enabled	No Value Reduction	No Value Reduction
If it has a value reduction feature, it has a total or partial value reduction feature	No Value Reduction	No Value Reduction
If the value reduction property is continuous or transient	No Value Reduction	No Value Reduction
If the value can be temporarily reduced, the value increment mechanism	No Value Reduction	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))	Tier - 1	Tier - 2
Whether or not the provisions of Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None	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	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 Bank, and to provide the availability of adequate capital in order to cover these risks and the application of the risk management techniques. The results obtained in this evaluation process by taking into consideration, the Banks' growth strategy, assets-liabilities structure, funding sources, liquidity position, foreign currency position, the effect of the price and market fluctuations on the capital, which are among the variables of the economy, aim to provide the continuity of the mentioned capital adequacy level at the determined level in compliance with the Banks' risk profile and risk appetite.

Within this scope, capital structure is reviewed as based on the frame of the activities and risks exposed to, and the internal capital requirement, probable to occur within the direction of targets and strategies of the Bank is evaluated. This evaluation includes 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 credit risk

Credit risk means the risks and damages to arise because 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 Bank.

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 Bank is subjected to outside of Turkey is followed up by the Board of Directors within the frame of the determined limits based on countries and regions. Within this scope, the total risk which the Bank 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 Bank 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.

The Bank's top 100 and 200 cash loan customers represents 18% and 25% of the total cash loan portfolio, respectively.

The Bank's top 100 and 200 non-cash loan customers represent 12% and 17% of the total non-cash loan portfolio, respectively.

The Bank's top 100 and 200 cash and non-cash loan customers represent 14% and 20% 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	264,873,248	239,818,075
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	-	310,755
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	30,092,335	43,288,758
Conditional and unconditional receivables from corporates	170,849,138	132,656,635
Conditional and unconditional receivables from retail portfolios	80,854,760	64,496,083
Conditional and unconditional receivables secured by mortgages	101,796,609	77,476,549
Past due receivables	518,076	330,733
Receivables defined under high risk category by BRSA	1,593,687	31,437,246
Guaranteed securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	4,486,142	4,111,574
Other receivables	24,836,514	25,363,259
Total	**679,900,509**	**619,289,667**

(*) 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	191,853,312	170,513,859
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	231,344	239,314
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	21,062,659	22,222,897
Conditional and unconditional receivables from corporates	84,469,167	78,151,703
Conditional and unconditional receivables from retail portfolios	51,891,336	47,097,770
Conditional and unconditional receivables secured by mortgages	55,317,159	48,480,721
Past due receivables	102,417	126,077
Receivables defined under high-risk category by BRSA	25,598,233	16,333,840
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Equity Investments	3,415,343	2,928,458
Other receivables	19,110,684	19,656,690
Total	**453,051,654**	**405,751,329**

(*) 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 of 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	264,873,248	-	8,571,504	168,208,790	80,670,857	100,697,015	517,771	1,593,687	-	-	-	625,132,872
European Union Countries	-	-	959,693	237,125	33,619	100,972	84	-	-	-	-	1,331,493
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	-	-	7,693,451	1,669	7,790	8,443	1	-	-	-	-	7,711,354
Other Countries	-	-	4,071,141	719,506	107,665	152,537	88	-	-	-	-	5,050,937
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	4,486,142	-	4,486,142
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	24,836,514	24,836,514
Total	**264,873,248**	**-**	**30,092,335**	**170,849,138**	**80,854,760**	**101,796,609**	**518,076**	**1,593,687**	**-**	**4,486,142**	**24,836,514**	**679,900,509**

(*) 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 of 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	191,853,312	-	4,473,040	83,020,932	51,739,495	54,694,596	102,352	25,598,233	-	-	-	411,481,960
European Union Countries	-	-	1,425,991	143,211	20,463	106,140	36	-	-	-	-	1,695,841
OECD Countries (**)	-	-	4,162,128	5,432	3,677	28,154	1	-	-	-	-	4,199,392
Off-Shore Regions	-	-	3,477	818,123	30,760	386,008	-	-	-	-	-	1,238,368
USA, Canada	-	-	6,662,434	2,031	5,133	8,647	-	-	-	-	-	6,678,245
Other Countries	-	231,344	4,335,589	479,438	91,808	93,614	28	-	-	-	-	5,231,821
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	3,415,343	-	3,415,343
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	19,110,684	19,110,684
Total	**191,853,312**	**231,344**	**21,062,659**	**84,469,167**	**51,891,336**	**55,317,159**	**102,417**	**25,598,233**	**-**	**3,415,343**	**19,110,684**	**453,051,654**

(*) 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 were taken into consideration.

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	Securities collateralized by mortgages	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**	**32,476,413**	**16,977,456**	**49,453,869**
Services	**264,873,248**	**-**	**-**	**-**	**-**	**30,092,335**	**56,540,096**	**21,480,372**	**31,054,254**	**153,135**	**629,655**	**-**	**-**	**-**	**-**	**3,984,241**	**24,247,507**	**224,668,121**	**208,386,722**	**433,054,843**
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	-	-	-	-	22,680	3,047	2,073,528	871,505	2,945,033
Transportation and Telecom.	-	-	-	-	-	-	11,622,060	5,556,287	4,566,462	19,672	185,418	-	-	-	-	101,000	37,152	8,111,473	13,976,578	22,088,051
Financial Institutions	264,873,248	-	-	-	-	29,930,353	470,339	30,102	145,310	-	-	-	-	-	-	2,185,960	23,364,642	164,387,771	156,612,183	320,999,954
Real Estate and Rental Services	-	-	-	-	-	161,982	4,206,718	974,624	2,078,007	4,039	177,852	-	-	-	-	50	2,401	5,575,766	2,029,907	7,605,673
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	-	-	-	-	-	-	3,603,340	1,836,925	2,313,466	10,562	56,672	-	-	-	-	1,674,551	756,798	8,072,079	2,180,235	10,252,314
Others	**-**	**-**	**-**	**-**	**-**	**-**	**13,855,614**	**36,763,546**	**24,567,764**	**139,784**	**145,921**	**-**	**-**	**-**	**-**	**501,901**	**525,003**	**73,966,293**	**2,533,240**	**76,499,533**
Total	**264,873,248**	**-**	**-**	**-**	**-**	**30,092,335**	**170,849,138**	**80,854,760**	**101,796,609**	**518,076**	**1,593,687**	**-**	**-**	**-**	**-**	**4,486,142**	**24,836,514**	**375,314,578**	**304,585,931**	**679,900,509**

(*) Includes risk amounts before the effect of Credit Risk Mitigation but after the credit conversions.

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

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	Securities collateralized by mortgages	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	**-**	**-**	**-**	**-**	**-**	**-**	**1,376,737**	**710,141**	**1,184,375**	**552**	**526,499**	**-**	**-**	**-**	**-**	**-**	**1,500**	**2,595,172**	**1,204,632**	**3,799,804**
Farming and Stockbreeding	-	-	-	-	-	-	843,673	452,453	998,489	422	467,096	-	-	-	-	-	1,297	2,104,461	658,969	2,763,430
Forestry	-	-	-	-	-	-	532,533	238,952	180,425	91	48,850	-	-	-	-	-	203	469,495	531,559	1,001,054
Fishery	-	-	-	-	-	-	531	18,736	5,461	39	10,553	-	-	-	-	-	-	21,216	14,104	35,320
Manufacturing	**-**	**-**	**-**	**-**	**-**	**-**	**36,752,473**	**11,951,421**	**14,743,324**	**18,298**	**8,496,920**	**-**	**-**	**-**	**-**	**-**	**51,853**	**37,032,819**	**34,981,470**	**72,014,289**
Mining and Quarrying	,	-	-	-	-	-	8,562,212	2,185,315	2,299,157	477	1,132,336	-	-	-	-	-	3,273	6,108,694	8,074,076	14,182,770
Production	-	-	-	-	-	-	22,347,847	8,906,615	11,453,358	17,715	6,733,717	-	-	-	-	-	34,977	28,828,618	20,665,611	49,494,229
Electricity, Gas and Water	-	-	-	-	-	-	5,842,414	859,491	990,809	106	630,867	-	-	-	-	-	13,603	2,095,507	6,241,783	8,337,290
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**16,923,788**	**5,173,427**	**7,813,406**	**2,487**	**1,937,201**	**-**	**-**	**-**	**-**	**-**	**14,662**	**20,959,297**	**10,905,674**	**31,864,971**
Services	**191,853,312**	**-**	**-**	**231,344**	**-**	**21,062,659**	**22,820,740**	**16,500,270**	**16,713,851**	**62,463**	**9,818,541**	**-**	**-**	**-**	**-**	**3,363,442**	**18,828,566**	**167,205,883**	**134,049,305**	**301,255,188**
Wholesale and Retail Trade	-	-	-	-	-	-	14,360,614	10,254,195	10,746,083	27,215	6,902,889	-	-	-	-	-	72,166	30,461,794	11,901,368	42,363,162
Accommodation and Dining	-	-	-	-	-	-	291,121	420,528	800,226	27,516	253,029	-	-	-	-	-	24,276	1,494,934	321,762	1,816,696
Transportation and Telecom.	-	-	-	-	-	-	4,771,620	3,584,115	2,441,352	1,150	903,628	-	-	-	-	-	548,526	5,732,459	6,517,932	12,250,391
Financial Institutions	191,853,312	-	-	231,344	-	20,502,158	2,107	29,347	88,610	-	9,573	-	-	-	-	2,187,789	18,180,613	120,048,230	113,036,623	233,084,853
Real Estate and Rental Services	-	-	-	-	-	560,501	1,608,150	660,770	1,141,475	595	1,259,401	-	-	-	-	50	1,174	3,887,287	1,344,829	5,232,116
Professional Services	-	-	-	-	-	-	20,189	11,312	277	-	-	-	-	-	-	-	-	7,246	24,532	31,778
Educational Services	-	-	-	-	-	-	84,205	114,796	121,860	-	20,627	-	-	-	-	-	364	278,183	63,669	341,852
Health and Social Services	-	-	-	-	-	-	1,682,734	1,425,207	1,373,968	5,987	469,394	-	-	-	-	1,175,603	1,447	5,295,750	838,590	6,134,340
Others	**-**	**-**	**-**	**-**	**-**	**-**	**6,595,429**	**17,556,077**	**14,862,203**	**18,617**	**4,819,072**	**-**	**-**	**-**	**-**	**51,901**	**214,103**	**41,448,938**	**2,668,464**	**44,117,402**
Total	**191,853,312**	**-**	**-**	**231,344**	**-**	**21,062,659**	**84,469,167**	**51,891,336**	**55,317,159**	**102,417**	**25,598,233**	**-**	**-**	**-**	**-**	**3,415,343**	**19,110,684**	**269,242,109**	**183,809,545**	**453,051,654**

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

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	33,824,565	-	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	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	27,702,911	1,162,294	279,865	43,330	903,935
Conditional and unconditional receivables from corporates	14,968,273	27,134,428	22,449,570	31,254,418	75,042,449
Conditional and unconditional receivables from retail portfolios	11,983,642	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	299,677	72,631	27,503	48,468	69,797
Receivables defined under high-risk category by BRSA	373,020	334,823	192,635	269,808	423,401
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	4,486,142
Other Receivables	20,133,050	1,957	2,607	4,013	4,694,887
Total	**118,679,978**	**65,629,944**	**48,226,261**	**70,104,211**	**377,260,114**

(*) Risk amounts are stated before credit risk mitigation and after credit conversion ratio. Risk categories in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy have been considered.

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

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	15,127,187	7,543,703	490,345	2,018,580	166,673,497
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	-	-	-	231,344	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	13,837,793	4,406,430	366,066	2,285,297	167,073
Conditional and unconditional receivables from corporates	9,234,169	8,026,292	12,210,939	18,605,550	36,392,217
Conditional and unconditional receivables from retail portfolios	13,723,858	6,820,319	6,712,164	10,024,315	14,610,680
Conditional and unconditional receivables secured by mortgages	7,762,892	5,591,727	6,436,724	12,773,199	22,752,617
Past due receivables	-	-	-	-	-
Receivables defined under high-risk category by BRSA	3,244,354	4,076,192	3,767,178	8,555,794	5,954,715
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	3,415,343
Other Receivables	16,183,787	358	286	1,368	2,924,885
Total	**79,114,040**	**36,465,021**	**29,983,702**	**54,495,447**	**252,891,027**

(*) Risk amounts are stated before credit risk mitigation and after credit conversion ratio. Risk categories in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy have been considered.

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.

		Exposure Categories			
Credit Quality Grade	**Fitch Rating Risk**	**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%	50%
4	BB+ BB BB-	100%	50%	100%	100%
5	B+ B B-	100%	50%	100%	100%
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 Bank's located country.

2.5. Credit risk using the standard approach

2.5.1. Credit risk exposed and credit risk mitigation effects

		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	
	Risk Classes	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	247,064,942	-	254,745,301	-	-	-
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	27,260,625	18,521,097	27,260,625	874,658	7,914,887	28
7	Receivables from corporate	144,280,535	63,518,335	136,717,220	25,784,206	152,808,199	94
8	Retail receivables	68,441,632	93,763,345	68,395,273	12,394,908	58,220,322	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	1,593,687	-	1,593,687	-	7,968,428	500
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	24,836,514	-	24,836,514	-	8,342,344	34
17	Stock investments	4,486,142	-	4,486,142	-	4,486,142	100
18	**Total**	**608,190,426**	**201,248,467**	**608,190,426**	**51,142,108**	**296,488,495**	

2.5.2. Exposures by risk classes and risk weights

	Risk Classifications/Risk Weights (*) (Current Period)	0%	10%	20%	25%	50%	75%	100%	150%	200%	Other%	Total risk amount (post-CCF and CRM)
1	Receivables from central governments and Central Banks	254,745,301	-	-	-	-	-	-	-	-	-	254,745,301
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	498,076	-	23,650,583	-	1,603,707	-	2,382,917	-	-	-	28,135,283
7	Receivables from corporate	7,042,740	-	3,313,108	-	-	-	152,145,577	-	-	-	162,501,425
8	Retail receivables	2,609,200	-	755,298	-	-	77,425,683	-	-	-	-	80,790,181
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	-	-	-	-	-	-	-	2	-	1,593,685	1,593,687
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	4,486,142	-	-	-	4,486,142
17	Other receivables	16,494,029	-	174	-	-	-	8,342,311	-	-	-	24,836,514
18	**Total**	**283,618,175**	**-**	**29,250,199**	**-**	**42,164,303**	**77,425,683**	**191,800,684**	**2**	**-**	**35,073,487**	**659,332,533**

* 35% Risk Weight is classified in Others.

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	Risk Classifications/Risk Weights (*) (Prior Period)	0%	10%	20%	25%	50%	75%	100%	150%	200%	Other%	Total risk amount (post-CCF and CRM)
1	Receivables from central governments and Central Banks	195,586,912	-	-	-	-	-	-	-	-	-	195,586,912
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	231,344	-	-	-	-	-	-	-	-	-	231,344
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	3,356,504	-	11,713,363	-	3,015,834	-	1,237,497	-	-	-	19,323,198
7	Receivables from corporate	14,259,705	-	3,530,939	-	-	-	60,415,562	-	-	-	78,206,206
8	Retail receivables	10,577,218	-	651,302	-	-	40,258,554	158,901	-	-	-	51,645,975
9	Receivables secured by residential property	2,255,434	-	364,493	-	-	-	-	-	-	17,836,923	20,456,850
10	Receivables secured by commercial property	4,440,938	-	1,602,236	-	19,108,771	-	9,573,037	-	-	-	34,724,982
11	Non-performing receivables	2,249	-	214	-	95,544	-	1,526	-	-	-	99,533
12	Receivables in high-risk categories	-	-	-	-	-	-	-	3,842,472	20,862,831	892,930	25,598,233
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	3,415,343	-	-	-	3,415,343
17	Other receivables	12,626,068	-	140,532	-	-	-	6,344,084	-	-	-	19,110,684
18	**Total**	**243,336,372**	**-**	**18,003,079**	**-**	**22,220,149**	**40,258,554**	**81,145,950**	**3,842,472**	**20,862,831**	**18,729,853**	**448,399,260**

* 35% Risk Weight is classified in Others.

2.6. Risk amounts according to risk weights

Current Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	264,057,047	-	23,650,756	-	34,666,544	43,716,521	80,836,540	210,811,438	2	-	1,593,685	-
Exposures after Credit Risk Mitigation	283,618,175	-	29,250,199	-	33,479,802	42,164,303	77,425,683	191,800,684	2	-	1,593,685	-

Prior Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	205,336,156	-	11,853,895	-	20,506,638	25,976,948	51,703,120	107,424,269	3,842,472	-	21,755,761	3,017,151
Exposures after Credit Risk Mitigation	243,336,372	-	18,003,079	-	17,836,923	22,220,149	40,258,554	81,145,950	3,842,472	-	21,755,761	3,017,151

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, “specific 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	**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	**8,596,018**	**2,398,054**	**3,967,964**
Mining and Quarrying	2,128,913	460,970	1,263,860
Production	5,764,315	1,917,974	2,474,862
Electricity, Gas and Water	702,790	19,110	229,242
Construction	**3,319,971**	**1,184,343**	**1,494,325**
Services	**7,978,899**	**2,456,784**	**3,053,605**
Wholesale and Retail Trade	4,737,623	1,179,772	1,459,869
Accommodation and Dining	282,058	155,666	177,301
Transportation and Telecommunication	1,111,755	548,557	487,447
Financial Institutions	1,599	193,113	31
Real Estate and Rental Services.	1,078,804	292,369	708,716
Self-employment Services	817	-	3,802
Educational Services	161,407	1,233	108,444
Health and Social Services	604,836	86,074	107,995
Others	**6,436,256**	**926,915**	**1,600,734**
Total	**26,804,367**	**7,040,670**	**10,222,258**

(*) Provisions for expected credit loss include Stage II and Stage III provisions.
(**) Financial lease receivables are not included.

	Loans		Provisions
	Impaired Loans		
Prior Period (**)	**Significant Increase in Credit Risk (Stage II)**	**Default (Stage III)**	**Expected Credit Loss Provisions (*)**
Agriculture	**216,175**	**21,676**	**65,399**
Farming and Stockbreeding	179,782	10,757	44,144
Forestry	36,145	10,576	20,954
Fishery	248	343	301
Manufacturing	**6,448,012**	**592,051**	**2,922,703**
Mining and Quarrying	1,171,460	25,762	676,226
Production	3,551,887	559,729	1,704,716
Electricity, Gas and Water	1,724,665	6,560	541,761
Construction	**2,818,855**	**1,123,118**	**2,207,555**
Services	**6,952,008**	**1,645,613**	**3,285,072**
Wholesale and Retail Trade	3,991,949	991,125	1,682,255
Accommodation and Dining	158,771	385,910	410,262
Transportation and Telecommunication	1,323,493	91,870	396,221
Financial Institutions	2,097	14,052	14,057
Real Estate and Rental Services.	670,032	69,910	442,230
Self-employment Services	-	-	3,181
Educational Services	125,811	9,718	119,019
Health and Social Services	679,855	83,028	217,847
Others	**2,999,884**	**220,883**	**934,524**
Total	**19,434,934**	**3,603,341**	**9,415,253**

(*) Provisions for expected credit loss include Stage II and Stage III provisions.
(**) Leasing receivables are not included.

2.8. Movements in Value Adjustments and Provisions

Current Period(*****)	Opening Balance	Provisions for period	Provision Reversals (***)	Other Adjustments (****)	Closing Balance
Stage 3 Provisions (*)	3,443,425	5,272,319	(2,736,006)	1,392,133	4,587,605
Stage 1&2 Provisions (**)	14,438,259	290,485	(7,789,734)	-	6,939,010

Prior Period	Opening Balance	Provisions for period	Provision Reversals (***)	Other Adjustments (****)	Closing Balance
Stage 3 Provisions (*)	3,088,511	1,886,187	(984,028)	(547,245)	3,443,425
Stage 1&2 Provisions (**)	10,686,487	4,950,242	(1,198,470)	-	14,438,259

(*) 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.

2.9. Risk involved in counter-cyclical capital buffer calculation

Current Period

Country	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	273,380,069	-	273,380,069
Marshall Islands	1,934,000	-	1,934,000
Liberia	581,847	-	581,847
Malta	205,329	-	205,329
Albania	102,146	-	102,146
Sen Kitt and Nevis	87,817	-	87,817
Germany	31,607	-	31,607
Italy	28,996	-	28,996
England	27,211	-	27,211
Qatar	21,007	-	21,007
Other	143,154	-	143,154

Prior Period

Country	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	168,010,825	-	168,010,825
Marshall Islands	819,259	-	819,259
Liberia	301,961	-	301,961
Malta	98,022	-	98,022
Albania	81,766	-	81,766
Italy	50,121	-	50,121
Germany	26,795	-	26,795
England	20,923	-	20,923
Saudi Arabia	14,885	-	14,885
Qatar	14,663	-	14,663
Other	107,191	-	107,191

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

Risk Management Department improves rating models for corporate and individual portfolios based on statistical methods. As of 31 December 2024, the classes of performing loans are given in the table below:

Current Period	Cash Loans	Non-Cash Loans	Total
High Quality	55.71%	76.49%	59.79%
Medium Quality	32.21%	18.53%	29.53%
Average	9.02%	4.36%	8.10%
Below Average	3.06%	0.62%	2.58%

Prior Period	Cash Loans	Non-Cash Loans	Total
High Quality	50.18%	69.37%	53.17%
Medium Quality	34.23%	23.32%	32.53%
Average	13.84%	6.31%	12.67%
Below Average	1.75%	1.00%	1.63%

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3. Explanations on currency risk

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

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

As of 31 December 2024, the Bank has an open position of TL 8,318,317 (31 December 2023 – TL 1,267,554 open), consisting of TL 9,121,278 (31 December 2023 – TL 21,084,887 open) balance sheet closed position and TL 17,439,595 (31 December 2023 – TL 19,817,333 TL closed) off-balance sheet open position.

The announced current foreign exchange buying rates of the Bank as of 31 December 2024 and the previous five working days are as follows (full TL):

	24/12/2024	25/12/2024	26/12/2024	27/12/2024	30/12/2024	Balance Sheet Valuation Rate
USD	35.16422	35.15816	35.1925	35.10954	35.24444	35.27113
EUR	36.55872	36.57875	36.59531	36.58938	36.76091	36.69538
GBP	44.10212	44.11332	44.09091	44.01202	44.34389	44.2348
CHF	39.07334	39.06251	39.09842	38.99287	39.04783	38.9975
JPY	0.22385	0.22365	0.22342	0.22253	0.22337	0.22519

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

	Monthly Average Foreign Buying Rate
USD	34.92111
EUR	36.58147
GBP	44.13756
CHF	39.17885
JPY	0.22689

Currency risk of the Bank

Current Period	EUR	USD	Other FC (****)	Total
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey (****)	22,241,898	56,265,849	84,938,284	163,446,031
Banks (******)	1,737,153	12,650,764	12,626,167	27,014,084
Financial assets at fair value through profit and loss	77,547	14,689,318	2,502,583	17,269,448
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	8,713	22,902,934	-	22,911,647
Loans and finance lease receivables (*)	73,167,897	115,725,563	34,578	188,928,038
Subsidiaries, associates, and joint ventures (**)	1,592,030	-	-	1,592,030
Financial assets at amortized cost (*******)	-	25,519,129	-	25,519,129
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	4,852	-	4,852
Intangible assets	-	247	-	247
Other assets	44,768	87,258	8,949	140,975
Total Assets	**98,870,006**	**247,845,914**	**100,110,561**	**446,826,481**
Liabilities				
Current account and funds collected from Banks via participation accounts	23,818	247,770	1,471,833	1,743,421
Current and profit-sharing accounts FC	44,859,816	116,205,680	138,562,476	299,627,972
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	14,205,205	108,735,043	9,019,686	131,959,934
Marketable securities issued	-	-	-	-
Miscellaneous payables	523,866	1,234,964	15,697	1,774,527
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (*****)	981,241	1,516,607	101,501	2,599,349
Total Liabilities	**60,593,946**	**227,940,064**	**149,171,193**	**437,705,203**
Net balance sheet position	38,276,060	19,905,850	(49,060,632)	9,121,278
Net off-balance sheet position	(43,380,945)	(23,204,388)	49,145,738	(17,439,595)
Financial derivative assets	4,531,990	40,080,292	77,625,201	122,237,484
Financial derivative liabilities	47,912,935	63,284,680	28,479,463	139,677,078
Non-cash loans (***)	9,914,129	20,082,670	5,657,163	35,653,962
Prior Period				
Total assets	83,270,665	173,940,921	68,203,590	325,415,176
Total liabilities	53,405,606	197,331,345	95,763,112	346,500,063
Net balance sheet position	29,865,059	(23,390,424)	(27,559,522)	(21,084,887)
Net off-balance sheet position	(33,147,473)	25,234,458	27,730,348	19,817,333
Financial derivative assets	3,239,837	35,652,884	33,511,823	72,404,544
Financial derivative liabilities	36,387,310	10,418,426	5,781,475	52,587,211
Non-cash loans (***)	7,016,775	15,086,815	1,613,476	23,717,066

(*) Includes foreign currency indexed loans amounting to TL 939,403 (31 December 2023 – TL 1,467,641) followed as TL on the balance sheet and expected credit loss amounting to TL 3,712,055 followed as TL on the balance sheet.
(**) TL 1,592,030 (31 December 2023 - TL 1,592,030) of subsidiaries amounting to TL 4,122,212 in the balance sheet includes foreign currency subsidiaries.
(***) 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 1,453,023 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 12,693.
(******) Includes provisions for expected losses amounting to TL 4,093 were deducted from the cash values and the relevant lines from the Central Bank and Banks accounts.
(*******) Provisions are included in the related amount.

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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 798,152 (31 December 2023 – TL 463,472)
- Prepaid expenses: TL 3,383 (31 December 2023 – TL 2,893)
- Derivative financial liabilities held for trading: TL 1,453,023 (31 December 2023 – TL 877,957)
- Marketable securities of FC revaluation reverse: TL (301,804) (31 December 2023 – TL (240,265))
- Derivative financial liabilities held for hedging: None (31 December 2023 – None)

Receivables/Payables related to derivative financial instruments include foreign currency purchase/sale transactions that are amounting to.

- Forward foreign currency purchase transactions: TL 7,019,428 (31 December 2023 – TL 3,285,216)
- Forward foreign currency sale transactions: TL 6,688,067 (31 December 2023 – TL 4,297,763)
- Precious metal purchase transactions: TL 72,552,364 (31 December 2023 – TL 29,870,800)
- Precious metal sale transactions: TL 26,609,412 (31 December 2023 – TL 4,593,906)

Currency risk sensitivity

The bank is mainly exposed to foreign currency risk in Euro, USD and Gold.

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

	Change in exchange rate (%)	Effects on profit/loss		Effects on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10%	(329,854)	184,403	(516,433)	431,111
EUR	10%	(510,489)	(328,241)	(318,163)	(316,871)
Gold	10%	972,593	456,113	972,593	456,113

4. Explanations related to stock position risk

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

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

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

Current Period		Comparison	
Equity Securities Investments	**Carrying Value**	**Fair Value**	**Market Value**
Securities at Fair Value Through Other Comprehensive Income	**488,440**	**-**	**488,440**
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	**4,122,212**	**2,603,700**	**2,603,700**
Quoted Securities	52,706	2,603,700	2,603,700
Other	**20,000**	**-**	**-**
Quoted Securities	-	-	-

Prior Period		Comparison	
Equity Securities Investments	**Carrying Value**	**Fair Value**	**Market Value**
Securities at Fair Value Through Other Comprehensive Income	**301,759**	**-**	**301,759**
Quoted Securities	-	-	-
Investments in Associates	**-**	**-**	**-**
Quoted Securities	-	-	-
Investment in Subsidiaries	**3,192,925**	**1,980,000**	**1,980,000**
Quoted Securities	53,418	1,980,000	1,980,000
Other	**20,000**	**-**	**-**
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. Liquidity risk management and liquidity coverage ratio

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

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

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

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

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

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

The Bank has a strong capital structure and is supported by its main shareholder is Kuwait Finance House; also its current and participation accounts are spread to the base and are stable, and its sources of foreign borrowing are diversified. Hence, by the virtue of the aforementioned facts, the Bank has a high risk capacity. In addition, the Liquidity Coverage Ratio of the Bank which insures its cash outflows with the high-quality liquid assets is deemed high. The Bank also has limits available for use at Central Bank of 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 Bank in case of urgent situations and generate action plans based on these estimates. Risk Management Department follows the limits on liquidity risk determined by the Board of Directors. Risk Management Department, in addition to these, is implementing monthly liquidity stress tests to measure the effects of negative scenarios on liquidity position of the Bank. The Treasury 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.

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

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

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

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

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

Almost all liabilities of the Bank are denominated in Turkish Lira, American Dollar, Euro or Gold. The TL denominated liquidity of the Bank is managed through the open market transactions implemented by the Central Bank of the 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 comfortably 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 Bank, related with the overall market or scenarios take in consideration both of the situations. Stress tests related with liquidity risk are repeated at monthly periods. Results are tracked with key risk indicators and monitored by Senior Management.

5.7 General information on emergency funding plan

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Contingency Funding Plan, which is approved and reviewed every year by the Executive Risk Committee. The actions to be taken favour the benefits of depositors, creditors of the Bank and shareholders. Indicators of Contingency Funding Plan were determined, in case of unexpected progress at the liquidity situation occur or at situations trigger of other indicators, plan is put into use. 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 Bank'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 2024								
Funds collected	502,161,338	53,772,139	26,560,263	3,062,498	7,675	585,563,913	-	**585,563,913**
Other fundings	80,068,483	15,313,083	24,365,539	10,454,777	12,344,896	142,546,778	(6,439,507)	**136,107,271**
Funds provided under repurchase agreements	18,059,471	-	-	-	-	18,059,471	(340,213)	**17,719,258**
Finance lease payable	69,081	108,546	441,274	1,381,020	296,208	2,296,129	(830,106)	**1,466,023**
Total	**600,358,373**	**69,193,768**	**51,367,076**	**14,898,295**	**12,648,779**	**748,466,291**	**(7,609,826)**	**740,856,465**
31 December 2023								
Funds collected	387,731,856	63,004,094	53,639,048	3,129,705	6,170	507,510,873	-	507,510,873
Other fundings	48,726,432	7,118,924	23,509,301	7,230,117	10,616,927	97,201,701	(6,206,790)	90,994,911
Funds provided under repurchase agreements	4,300,897	-	-	-	-	4,300,897	(113,910)	4,186,987
Finance lease payable	40,660	66,812	252,229	802,172	235,766	1,397,639	(514,254)	883,385
Total	**440,799,845**	**70,189,830**	**77,400,578**	**11,161,994**	**10,858,863**	**610,411,110**	**(6,834,954)**	**603,576,156**

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 2024								
Letters of Guarantee	35,780,853	1,336,765	5,108,085	28,257,276	14,613,349	551,685	-	85,648,013
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
Pre-financings given as guarantee	-	-	-	-	-	-	-	-
Total	**42,563,440**	**5,957,783**	**9,612,687**	**31,708,070**	**14,774,541**	**551,907**	**-**	**105,168,428**
31 December 2023								
Letters of Guarantee	21,241,162	1,154,690	3,974,554	14,748,850	8,001,014	385,795	-	49,506,065
Bills of Exchange and Bank Acceptances	39,386	73,470	40,982	29,358	-	-	-	183,196
Letters of Credit	4,332,973	833,645	1,661,196	2,037,804	20,709	-	-	8,886,327
Other guarantees	268,773	695,364	1,180,269	860,784	5,887	234	-	3,011,311
Pre-financings given as guarantee	-	-	-	-	-	-	-	-
Total	**25,882,294**	**2,757,169**	**6,857,001**	**17,676,796**	**8,027,610**	**386,029**	**-**	**61,586,899**

Contractual maturity analysis of derivative instruments

31 December 2024	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Derivatives financial assets held for trading						
Foreign exchange derivatives:						
Entry	100,566,246	51,976,727	7,504,287	2,998,715	-	163,045,975
Exit	101,102,213	53,731,941	8,005,850	4,852,145	-	167,692,149
Hedging purposes financial assets						
Foreign exchange derivatives:						
Entry	-	-	-	-	-	-
Exit	-	-	-	-	-	-
Total Cash Inflow	**100,566,246**	**51,976,727**	**7,504,287**	**2,998,715**	**-**	**163,045,975**
Total Cash Outflow	**101,102,213**	**53,731,941**	**8,005,850**	**4,852,145**	**-**	**167,692,149**

31 December 2023	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Derivatives financial assets held for trading						
Foreign exchange derivatives:						
Entry	38,689,886	30,628,094	5,711,313	12,119	-	75,041,412
Exit	38,811,063	30,810,205	4,705,608	12,378	-	74,339,254
Hedging purposes financial assets						
Foreign exchange derivatives:						
Entry	-	-	-	-	-	-
Exit	-	-	-	-	-	-
Total Cash Inflow	**38,689,886**	**30,628,094**	**5,711,313**	**12,119**	**-**	**75,041,412**
Total Cash Outflow	**38,811,063**	**30,810,205**	**4,705,608**	**12,378**	**-**	**74,339,254**

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

5.9 Liquidity coverage ratio

Current Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	High quality liquid assets (HQLA)	202,912,497	128,792,058	202,840,451	128,720,011
CASH OUTFLOWS					
2	Retail and small business customers, of which;	203,344,021	22,844,938	17,644,538	2,284,494
3	Stable deposits	53,797,292	-	2,689,865	-
4	Less stable deposits	149,546,729	22,844,938	14,954,673	2,284,494
5	Unsecured debts other than real person deposits and retail deposits	118,411,515	63,898,446	56,660,997	29,575,647
6	Operational deposit	-	-	-	-
7	Non-operational deposits	109,275,598	60,564,199	47,525,080	26,241,400
8	Other unsecured funding	9,135,917	3,334,247	9,135,917	3,334,247
9	Secured funding			-	-
10	Other cash outflows	180,221,376	167,022,189	180,221,376	167,022,189
11	Derivative liabilities and collateral fulfilment obligations	97,774,752	88,161,348	97,774,752	88,161,348
12	Obligations related to structured financial products	82,446,624	78,860,841	82,446,624	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	182,393,700	34,514,007	15,231,352	2,360,354
16	TOTAL CASH OUTFLOWS			269,758,263	201,242,684
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Unsecured lending	96,959,007	63,556,483	73,529,016	55,633,016
19	Other cash inflows	99,132,567	68,220,072	99,132,567	68,220,072
20	**TOTAL CASH INFLOWS**	**196,091,574**	**131,776,555**	**172,661,583**	**123,853,088**
				Upper Limit Applied Value	
21	**TOTAL HQLA STOCK**			**202,840,451**	**128,720,011**
22	**TOTAL NET CASH OUTFLOWS**			**97,096,680**	**77,389,596**
23	**LIQUIDITY COVERAGE RATIO (%)**			**208.91**	**166.33**

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

For the period 1 October - 31 December 2024, the lowest, highest and average liquidity coverage ratios calculated on a monthly basis are presented in the table below.

	Highest	Date	Lowest	Date	Average
TL+FC	237.83	08/11/2024	179.81	20/12/2024	212.80
FC	223.68	04/10/2024	128.06	20/12/2024	175.87

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

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)	149,692,759	106,115,730	148,013,228	104,436,199
CASH OUTFLOWS					
2	Retail and small business customers, of which;	139,366,606	21,003,274	12,192,644	2,100,327
3	Stable deposits	34,880,322	-	1,744,016	-
4	Less stable deposits	104,486,284	21,003,274	10,448,628	2,100,327
5	Unsecured debts other than real person deposits and retail deposits	77,087,295	39,204,140	41,781,188	18,418,520
6	Operational deposit	-	-	-	-
7	Non-operational deposits	64,891,160	36,809,211	29,585,053	16,023,591
8	Other unsecured funding	12,196,135	2,394,929	12,196,135	2,394,929
9	Secured funding			-	-
10	Other cash outflows	102,296,809	92,683,353	102,296,809	92,683,353
11	Derivative liabilities and collateral fulfilment obligations	49,890,031	41,131,776	49,890,031	41,131,776
12	Obligations related to structured financial products	52,406,778	51,551,577	52,406,778	51,551,577
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	95,352,408	22,769,425	8,919,635	1,616,333
16	TOTAL CASH OUTFLOWS			165,190,276	114,818,533
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Unsecured lending	62,169,819	34,222,350	47,108,399	29,405,640
19	Other cash inflows	49,892,927	48,054,740	49,892,927	48,054,740
20	**TOTAL CASH INFLOWS**	**112,062,746**	**82,277,090**	**97,001,326**	**77,460,380**
				Upper Limit Applied Value	
21	**TOTAL HQLA STOCK**			**148,013,228**	**104,436,199**
22	**TOTAL NET CASH OUTFLOWS**			**68,188,950**	**37,358,153**
23	**LIQUIDITY COVERAGE RATIO (%)**			**217.06**	**279.55**

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

For the period 1 October – 31 December 2023, the lowest, highest and average liquidity coverage ratios calculated on a monthly basis are presented in the table below.

Prior Period

	Highest	Date	Lowest	Date	Average
TL+FC	265.41	27/10/2023	184.50	22/12/2023	222.04
FC	356.13	08/12/2023	237.86	10/11/2023	283.75

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

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

Presentation of assets and liabilities according to their remaining maturities

End of Current Period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated (***)	Total
Assets								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Turkey	135,667,996	87,324,729	-	-	-	-	(5,870)	222,986,855
Banks (*)	27,042,682	-	-	-	-	-	(860)	27,041,822
Financial assets at fair value through profit and loss	-	52,888	11,007	6,492,399	6,946,176	3,108,008	15,729,861	32,340,339
Money market placements	-	1,019	-	-	-	-	-	1,019
Financial assets at fair value through other comprehensive income	-	5,781,119	-	3,633,087	35,770,111	15,285,509	488,441	60,958,267
Loans (**)	-	104,771,029	74,473,584	155,175,366	88,240,074	4,978,428	(5,815,054)	421,823,427
Financial assets measured at amortized cost	-	7,456,463	-	4,679,538	36,104,938	7,782,936	(63,024)	55,960,851
Other assets (***)	760,973	8,316,412	54,749	-	8,340,450	-	13,535,239	31,007,823
Total Assets	**163,471,651**	**213,703,659**	**74,539,340**	**169,980,390**	**175,401,749**	**31,154,881**	**23,868,733**	**852,120,403**
Liabilities								
Current account and funds collected from banks via participation accounts	2,014,236	44	-	-	-	-	-	2,014,280
Current and profit sharing accounts	318,513,039	181,634,019	53,772,139	26,560,263	3,062,498	7,675	-	583,549,633
Funds provided from other financial institutions	-	80,019,844	15,002,140	22,395,357	6,312,254	12,377,676	-	136,107,271
Money market borrowings	-	17,719,258	-	-	-	-	-	17,719,258
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	3,239,740	1,748,603	-	-	-	-	-	4,988,343
Other liabilities (****)	-	9,345,715	7,061,872	475,915	1,071,535	71,703	89,714,878	107,741,618
Total Liabilities	**323,767,015**	**290,467,483**	**75,836,151**	**49,431,535**	**10,446,287**	**12,457,054**	**89,714,878**	**852,120,403**
Net liquidity gap	(160,295,364)	(76,763,824)	(1,296,811)	120,548,855	164,955,462	18,697,827	(65,846,145)	-
Prior Period								
Total Assets	83,853,869	144,172,044	92,314,620	152,248,156	149,395,521	30,992,721	15,191,284	668,168,215
Total liabilities	246,583,362	201,196,636	73,369,643	75,351,277	7,720,723	10,392,928	53,553,646	668,168,215
Liquidity gap	(162,729,493)	(57,024,592)	18,944,977	76,896,879	141,674,798	20,599,793	(38,362,362)	-

(*) 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.

5.11 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 last three months including December 2024 was 132.85% (31 December 2023 - 166.61%). As of 31 December 2024, the current stable fund amount in our bank's consolidated Net Stable Funding Table is TL 653,056,391 (31 December 2023 - TL 519,299,348), while the required stable fund amount is TL 491,584,420 (31 December 2023 - TL 311,681,380) and our Net Stable Funding Rate is 132.85% (31 December 2023 - 166.61%).

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	102,798,715	-	-	-	102,798,715
2	Tier 1 and Tier 2 capital	102,798,715	-	-	-	102,798,715
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	314,284,622	236,037,766	10,866,636	1,429,592	531,553,613
5	Stable deposit/participation fund	275,185,648	217,388,811	10,449,552	913,166	478,740,318
6	Low stable deposit/participation fund	39,098,974	18,648,955	417,084	516,426	52,813,295
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	7,658,322	131,797,037	21,448,827	-	10,724,413
12	Derivative liabilities				-	
13	Other equity items and liabilities not included above	59,494,433	-	-	7,979,650	7,979,650
14	**Available Stable Fund**					**653,056,391**
Required Stable Funding						
15	High-quality liquid assets					2,809,546
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	35,106,981	85,408,888	77,959,784	261,009,643	325,642,866
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	8,783	7,729,522	-	-	1,160,746
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	18,934,262	77,668,378	77,727,666	241,844,076	297,981,553
21	*Receivables subject to risk weighting of 35% or less*	-	-	-	18,758,203	12,192,832
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	*Receivables subject to risk weighting of 35% or less*	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	16,163,936	10,988	232,118	407,364	14,307,735
25	Assets equivalent to interconnected liabilities					
26	Other assets	128,916,314	31,297,370	-	31,802,594	158,175,178
27	Commodities with physical delivery including gold	13,590,045				11,551,538
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,139,255	1,139,255
30	Derivative liabilities before deduction of variation margin				30,158,115	30,158,115
31	Other assets not included above	115,326,269	-	-	31,802,594	115,326,269
32	Off-balance sheet payables		99,136,640	-	-	4,956,830
33	**Required Stable Funding**					**491,584,420**
34	**Net Stable Funding Ratio (%)**					**132.85**

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	65,445,120	-	-	-	65,445,120
2	Tier 1 and Tier 2 capital	65,445,120	-	-	-	65,445,120
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	234,445,513	223,580,309	9,578,288	1,932,098	443,134,248
5	Stable deposit/participation fund	200,187,497	201,019,767	8,506,473	1,319,468	390,481,545
6	Low stable deposit/participation fund	34,258,016	22,560,542	1,071,815	612,630	52,652,703
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	11,034,067	69,833,583	13,803,191	-	6,901,596
12	Derivative liabilities					
13	Other equity items and liabilities not included above	54,790,478	-	-	3,818,384	3,818,384
14	**Available Stable Fund**					**519,299,348**
Required Stable Funding						
15	High-quality liquid assets					1,364,521
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	17,076,061	115,018,436	70,265,672	151,700,386	235,565,281
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	6,532	5,083,046	-	-	763,437
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	4,627,759	108,748,823	68,838,630	138,349,188	213,292,308
21	*Receivables subject to risk weighting of 35% or less*	-	-	-	12,622,757	8,204,792
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	*Receivables subject to risk weighting of 35% or less*	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	12,441,770	1,186,567	1,427,042	728,441	13,304,744
25	Assets equivalent to interconnected liabilities					
26	Other assets	56,578,822	43,178,206	565,542	53,922,088	71,872,689
27	Commodities with physical delivery including gold	9,843,761				8,367,197
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,440,182	1,440,182
30	Derivative liabilities before deduction of variation margin				15,330,249	15,330,249
31	Other assets not included above	46,735,061	26,407,775	565,542	53,922,088	46,735,061
32	Off-balance sheet payables		57,577,781	-	-	2,878,889
33	**Required Stable Funding**					**311,681,380**
34	**Net Stable Funding Ratio (%)**					**166.61**

6. Explanations on leverage ratio

Disclosure of leverage ratio template

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

	On-balance sheet assets (*)	Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	843,750,928	643,879,745
2	(Assets deducted in determining Tier I Capital)	(9,087,996)	(2,606,775)
3	Total on-balance sheet risks (sum of lines 1 and 2)	834,662,932	641,272,970
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative instruments and credit derivatives	1,698,299	1,379,152
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	1,271,782	766,290
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	2,970,081	2,145,442
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (excluding on-balance sheet)	(2,341,046)	19,249,850
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	(2,341,046)	19,249,850
	Other off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	377,210,385	160,649,396
11	(Adjustments for conversion to credit equivalent amounts)	(153,868,221)	(49,665,843)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	223,342,164	110,983,553
	Capital and total risks		
13	Tier I Capital	78,154,085	50,886,957
14	Total risks (sum of lines 3, 6, 9 and 12)	1,058,634,131	773,651,815
	Leverage ratio		
15	Leverage ratio	7.38	6.58

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

As of the Bank's unconsolidated 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 7.38% (31 December 2023 - 6.58%). 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 54% from profit for the period, while on-balance sheet risk increased by 30%, off-balance sheet items increased by 101%. Accordingly, there is an increase of 80 basis points in the leverage ratio in the current period compared to the previous period.

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7. Explanations on 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 Bank'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	27,042,682	18,113,412	27,042,682	18,113,412
Financial Assets at Fair Value Through Other Comprehensive Income	60,958,267	55,293,387	60,958,267	55,293,387
Financial Assets Valued at Amortized Cost	56,023,875	63,203,644	51,220,727	57,671,659
Loans and Lease Receivables	427,701,505	331,695,540	431,047,547	326,246,533
Financial liabilities				
Current account and funds collected from banks via participation accounts.	2,014,280	1,575,716	2,014,280	1,575,716
Other current and profit-sharing accounts	583,549,633	505,935,157	583,549,633	505,935,157
Money market borrowings	17,719,258	4,186,987	17,241,650	4,092,900
Funds provided from other financial institutions	136,107,271	90,994,911	137,157,921	91,488,295
Issued securities	-	-	-	-
Other Liabilities	13,068,929	6,688,089	13,068,929	6,688,089
Leasing payables	1,466,023	883,385	1,466,023	883,385

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

9. Explanations on hedge accounting practices

None (31 December 2023: None).

10. Explanations on risk management

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

10.1. Explanations on risk management and risk weighted amounts

10.1.1.GBA - Bank's risk management approach

What kind of an interaction does the Bank's risk profile has with the management board's risk appetite and how does the business model determine the 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 Bank's Internal Capital Competence Evaluation Process. Bank's risk strategy for all significant risks is formed in writing. 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 Banks Internal Systems and Internal Capital Competence Evaluation Process, numbered 29057 and published by the Official Gazette on 11 July 2014. 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 Bank's Risk Appetite Policy, risk levels and risk limits of each kind of risks which appeared important are collectively determined to achieve the Bank's goals and to actualize the Bank's strategies by taking the risk capacity of the 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 are occurred. Due to the business model, Risk Management Leadership strategically contribute to the Bank to identify, follow, measure, and manage all risks which the 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 Bank's capital planning works and manage risks regarding the market, operations, liquidity, and other important risk types.

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 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 Bank exposed/predicts to be exposed damage is credit risk. The significant risks within the scope of Bank's credit risks are as follows.

- Credit Risk states the possibility of loan loss which the 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 bank's ability to maintain its core operations or its financial structure or which could cause significant changes in the bank's risk profile.

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The 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 to hedge foreign exchange risk.

The 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 in line with the size of the bank, considering the level and importance of the risk.

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 Bank is carried out by the head of Risk Management. The 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 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 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. Overview of risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 31/12/2024	Prior Period 31/12/2023	Current Period 31/12/2024
1	Credit risk (excluding counterparty credit risk)	296,488,495	184,247,498	23,719,080
2	Standardized approach	296,488,495	184,247,498	23,719,080
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1,627,418	1,099,814	130,193
5	Standardized approach for counterparty credit risk	1,627,418	1,099,814	130,193
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	44,449,178	49,803,589	3,555,934
17	Standardized approach	44,449,178	49,803,589	3,555,934
18	Internal model approaches	-	-	-
19	Operational risk	55,143,267	29,549,149	4,411,461
20	Basic indicator approach	55,143,267	29,549,149	4,411,461
21	Standardized approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**397,708,358**	**264,700,050**	**31,816,668**

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 in legal consolidation prepared as per TAS	Valued amounts of items in accordance with TAS				
			Credit Risk	Counterparty Credit Risk	Securization Positions	Market Risk	No subject to capital requirements or subject to dedication from capital
Assets							
Cash and Balances with Central Bank of Turkey	222,992,725	222,992,725	222,992,725	-	-	-	-
Banks	27,042,682	27,042,682	27,042,682	-	-	-	-
Receivables From Money Markets	1,019	1,019	1,019	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	32,340,339	32,340,339	-	-	-	32,340,339	-
Financial Assets at Fair Value Through OCI	60,958,267	60,958,267	60,958,267	-	-	-	-
Financial Assets Measured at Amortized Cost	56,023,875	56,023,875	56,023,875	-	-	-	-
Derivative Financial Assets	1,115,386	1,115,386	-	1,115,386	-	-	-
Expected Loss Provisions (-)	12,988,502	12,988,502	5,979,738	-	-	-	7,008,764
Loans	384,235,553	384,235,553	386,666,770	-	-	-	-
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	4,122,212	4,122,212	4,122,212	-	-	-	-
Jointly Controlled Entities (Joint Ventures) (Net)	20,000	20,000	20,000	-	-	-	-
Tangible Assets (Net)	5,362,430	5,362,430	5,362,430	-	-	-	429,260
Intangible Assets (Net)	2,314,849	2,314,849	2,314,849	-	-	-	2,215,572
Investment Properties (Net)	-	-	-	-	-	-	-
Current Tax Asset	-	-	-	-	-	-	-
Deferred Tax Asset	8,340,450	8,340,450	8,340,450	-	-	-	-
Other Assets	9,209,753	9,209,753	9,209,753	-	-	-	-
Total Assets	**852,120,403**	**852,120,403**	**828,104,659**	**1,115,386**	**-**	**32,340,339**	**(4,363,932)**
Liabilities							
Funds Collected	585,563,913	585,563,913	-	-	-	-	585,563,913
Borrowings	121,920,986	121,920,986	-	-	-	-	121,920,986
Debt to money markets	17,719,258	17,719,258	-	17,719,258	-	-	-
Securities Issued (Net)	-	-	-	-	-	-	-
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	2,852,933	2,852,933	-	-	-	-	2,852,933
Lease Payables	1,466,023	1,466,023	-	-	-	-	1,466,023
Provisions	7,397,604	7,397,604	-	-	-	-	7,397,604
Current Tax Liabilities	5,716,978	5,716,978	-	-	-	-	5,716,978
Deferred Tax Liabilities	-	-	-	-	-	-	-
Subordinated Debt Instruments	14,186,285	14,186,285	-	-	-	-	14,186,285
Other Liabilities	13,068,929	13,068,929	-	-	-	-	13,068,929
Equity	82,227,494	82,227,494	-	-	-	-	82,227,494
Total Liabilities	**852,120,403**	**852,120,403**	**-**	**17,719,258**	**-**	**-**	**834,401,145**

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)	852,120,403	828,104,659	-	1,115,386	32,340,339
2- Carrying Value of Liabilities in Accordance with TAS (as in template 1B)	-	-	-	17,719,258	-
3- Total net amount	852,120,403	828,104,659	-	18,834,644	32,340,339
4- Off-balance sheet amounts	545,644,845	51,142,108	-	2,847,728	330,738,126
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	-	(219,914,233)	-	-	-
9-Risk Amounts	**1,397,765,248**	**659,332,534**	**-**	**21,682,372**	**363,078,465**

10.2. General qualitative information on credit risk

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

The business model of the Bank 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 bank's assets have a credit-weighted structure. Reflecting this business model, its total assets are cash credit-weighted and financial leasing receivable-weighted. The bank lends funds to finance the real sector in general and increases its volume of credits by considering its risk-return balance to achieve sustainable growth.

The risk profile of the Bank 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 Bank 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 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.

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 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 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 Bank in accordance with the 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 Bank. The internal control system and internal control activities of the 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 bank's compliance risk and taking it under control in an efficient way, forecasting and preventing the risk in question, and ensuring the 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 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 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 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.

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 Bank are reported.

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

The 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	7,040,670	430,132,723	5,979,738	431,193,655
2	Debt securities	-	130,038,204	13,056,062	116,982,142
3	Off-balance sheet exposures (*)	944,163	213,962,556	863,935	214,042,784
4	**Total**	**7,984,833**	**774,133,483**	**19,899,735**	**762,218,581**

(*) 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	3,603,341	333,084,931	3,443,425	333,244,847
2	Debt securities	-	121,629,880	3,132,851	118,497,031
3	Off-balance sheet exposures (*)	576,685	107,730,100	569,527	107,737,260
4	**Total**	**4,180,026**	**562,444,911**	**7,145,803**	**559,479,138**

(*) 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	3,603,341	3,246,047
2	Loans and debt securities that have been defaulted since the last reporting period	6,565,754	2,049,584
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	1,392,133	547,245
5	Other changes	(1,736,292)	(1,145,045)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**7,040,670**	**3,603,341**

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 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 2024.

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 considering 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. 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	48,210,259	37,917,166
Construction - Commitment	35,385,266	27,696,267
Food and Beverage	38,976,900	28,572,325
Individual Loans	39,215,594	28,121,592
Metal Industry	30,617,054	22,487,382
Automotive	25,702,469	20,319,985
Construction (Build-and-sell)	15,991,791	15,321,711
Energy	15,881,732	15,566,920
Chemistry	24,417,060	15,236,492
Transportation & Warehouse	24,793,755	15,139,920
Machinery Equipment	17,605,375	13,312,913
Construction Equipment	18,980,578	12,836,928
Manufacturing	15,674,901	12,706,267
Wholesale and Retail Trade	16,745,098	11,935,332
Services	9,834,337	8,440,834
Technology-Electronics	11,024,231	9,062,988
Car Rental	11,669,430	8,859,582
Financial Services	3,620,767	6,526,917
Agriculture and Livestock	8,035,681	5,852,347
Tourism	3,860,591	2,657,231
Health	6,535,980	4,557,458
Public	130,777	1,996,798
Furniture	4,174,170	3,579,372
Real Estate and Brokerage	3,724,817	3,020,876
Mining	3,242,883	3,005,075
Education	690,679	568,203
Total	**434,742,175**	**335,298,881**

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

Region	Current Period – Cash Loan Amount	Prior Period – Cash Loan Amount
Akdeniz Region	33,373,142	21,510,728
Dogu Anadolu Region	7,320,533	4,970,350
Ege Region	27,951,165	22,582,026
Güneydogu Anadolu Region	33,937,185	24,818,375
Iç Anadolu Region	68,731,353	57,662,751
Karadeniz Region	15,167,777	10,841,446
Marmara Region	242,465,891	185,451,538
Foreign	5,795,129	7,461,667
Total	**434,742,175**	**335,298,881**

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	253,290,629	215,596,357
1-3 years	120,198,991	72,434,968
3-5 years	34,551,374	23,348,647
5 years and more	18,778,497	20,013,621
Delayed	7,922,684	3,905,288
Total	**434,742,175**	**335,298,881**

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

Current Period - Sector	Non-Performing Loans	Specific 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	**2,398,054**	**2,066,918**	**434,264**
Mining and Quarrying	460,970	424,460	3,756
Production	1,917,974	1,627,037	304,699
Electricity, Gas and Water	19,110	15,421	125,809
Construction	**1,184,343**	**1,222,259**	**28,391**
Services	**2,456,784**	**1,913,204**	**805,045**
Wholesale and Retail Trade	1,179,772	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	**926,915**	**716,800**	**123,078**
Total	**7,040,670**	**5,979,738**	**1,392,133**

Prior Period - Sector	Non-Performing Loans	Specific Provisions	Write-Offs
Agriculture	**21,676**	**20,819**	**781**
Farming and Stockbreeding	10,757	10,149	644
Forestry	10,576	10,400	137
Fishery	343	270	-
Manufacturing	**592,051**	**545,908**	**105,939**
Mining and Quarrying	25,762	24,198	37,669
Production	559,729	515,338	68,246
Electricity, Gas and Water	6,560	6,372	24
Construction	**1,123,118**	**1,118,832**	**82,957**
Services	**1,645,613**	**1,558,829**	**337,673**
Wholesale and Retail Trade	991,125	944,281	321,525
Accommodation and Dining	385,910	358,318	187
Transportation and Telecommunication	91,870	90,548	12,977
Financial Institutions	14,052	13,984	-
Real Estate and Rental Services	69,910	68,909	1,104
Professional Services	-	-	-
Educational Services	9,718	9,718	274
Health and Social Services	83,028	73,071	1,606
Other	**220,883**	**199,037**	**19,895**
Total	**3,603,341**	**3,443,425**	**547,245**

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Current Period - Geographic Region	Non-performing Loans	Provisions	Write-Offs
Marmara Region	4,037,752	3,212,152	922,529
Güneydogu Anadolu Region	457,459	418,342	88,807
Iç 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
Dogu Anadolu Region	152,381	125,264	45,621
Karadeniz Region	215,550	173,150	13,857
Abroad	2,108	1,795	169
Total	**7,040,670**	**5,979,738**	**1,392,133**

Prior Period - Geographic Region	Non-performing Loans	Provisions	Write-Offs
Marmara Region	1,915,725	1,813,553	278,162
Güneydogu Anadolu Region	196,326	189,841	168,541
Iç Anadolu Region	871,453	864,051	12,342
Akdeniz Region	241,592	235,721	3,133
Ege Region	145,664	139,460	48,869
Dogu Anadolu Region	198,314	169,492	1,550
Karadeniz Region	33,442	30,554	214
Abroad	825	753	34,434
Total	**3,603,341**	**3,443,425**	**547,245**

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	2,601,114	1,868,216	545,713	959,437	375,163
Retail Loans	20,321	40,168	14,299	2,051	1,656
Credit cards	220,404	357,908	28,210	3,249	2,761
Other	-	-	-	-	-
Total	**2,841,839**	**2,266,292**	**588,222**	**964,737**	**379,580**

Prior Period	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and Over
Corporate and Commercial Loans	236,699	466,452	579,630	1,930,478	209,118
Retail Loans	10,449	14,755	8,081	5,359	33,916
Credit cards	36,654	36,424	28,939	4,798	1,589
Other	-	-	-	-	-
Total	**283,802**	**517,631**	**616,650**	**1,940,635**	**244,623**

10.6.8. Breakdown of restructured receivables according to whether they are performing loan or non-performing loan

Restriction Status	Current Period - Risk	Prior Period - Risk
Performing	3,909,491	3,342,122
Non-Performing	2,463	744,591
Total	**3,911,954**	**4,086,713**

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 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.

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	237,301,484	181,842,456	19,134,869	12,049,714	10,119,191	-	-
2	Debt securities	116,982,142	-	-	-	-	-	-
3	**Total**	**354,283,626**	**181,842,456**	**19,134,869**	**12,049,714**	**10,119,191**	**-**	**-**
4	Overdue	551,966	490,395	5,488	18,570	12,267	-	-

	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	170,676,574	150,200,055	39,456,429	12,368,218	10,115,540	-	-
2	Debt securities	118,497,031	-	-	-	-	-	-
3	**Total**	**289,173,605**	**150,200,055**	**39,456,429**	**12,368,218**	**10,115,540**	**-**	**-**
4	Overdue	65,393	86,305	2,545	8,218	3,684	-	-

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 Bank in accordance with the regulations published by BRSA and the international practices to limit the exposure to be suffered by the 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 Bank's counterparty credit risk and central counterparty limits are non-committed limits and they include cash, non-cash and guarantee 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 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.

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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 bank must provide.

10.8.6. Counterparty

	Current Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives) (*)	760,034	1,274,057		1.4	2,847,729	1,567,284
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**						**1,567,284**

	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) (*)	1,173,204	724,989		1.4	2,657,471	980,846
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**						**980,846**

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	2,847,729	60,131	2,657,471	118,968
4	**Total subject to the CVA capital obligation**	**2,847,729**	**60,131**	**2,657,471**	**118,968**

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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	17,808,306	-	-	-	-	-	-	-	-	-
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	-	-	1,344,936	223,764	-	388,352	-	-	-	769,221
7	Receivables from corporate	-	-	-	-	-	784,397	-	-	-	784,398
8	Retail receivables	-	-	-	-	18,220	-	-	-	-	13,665
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	**Total**	**17,808,306**	**-**	**1,344,936**	**223,764**	**18,220**	**1,172,749**	**-**	**-**	**-**	**1,567,284**

* 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	2,731,072	-	-	-	-	-	-	-	-	-
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	-	-	777,934	621,600	-	339,927	-	-	-	806,314
7	Receivables from corporate	-	-	-	-	-	152,546	-	-	-	152,546
8	Retail receivables	-	-	-	-	29,315	-	-	-	-	21,986
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	**Total**	**2,731,072**	**-**	**777,934**	**621,600**	**29,315**	**492,473**	**-**	**-**	**-**	**980,846**

* 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.

11. Securitization Positions

None.

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

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

13. Qualitative explanations on market risk

13.1. Bank's processes and strategies

Procedures for the identification, measurement, monitoring and control of the market risk of the bank, 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 bank'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 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 Parent Bank'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 to ensure their effectiveness.

Treasury Group Department monitors foreign currency positions and cash flows on behalf of the 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 Bank's strategic objectives for trading activities are given below.

- Ensure that the bank's lease certificate portfolio is managed at the optimum level within the risk-return balance limits
- Implement transaction by considering 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 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 12.1.

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 Systems 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 Bank.

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

Within the scope of risk management system, the Bank 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 2024 and 31 December 2023 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:

13.4. Market risk under standardised approach

		Risk Weighted Amounts	Risk Weighted Amounts
		Current Period	**Prior Period**
	Outright products	**44,449,178**	**49,803,589**
1	Profit share risk (general and specific)	28,592,557	42,398,701
2	Equity risk (general and specific)	458,665	667,906
3	Foreign exchange risk	5,249,008	1,389,203
4	Commodity risk	10,148,948	5,347,779
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**44,449,178**	**49,803,589**

13.4. Explanations on operational risk

"Basic Indicator Method" is used in operational risk calculation of the Bank. The sum that is the basis for the operational risk is calculated by the use of the gross revenues of the Bank for the last 3 years, 2023, 2022 and 2021 in compliance with "Third Section "Calculation of the Operational Risk" of The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks 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 bank, subsidiary of the bank or subsidiary of the shareholder of the 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 7,099,708 corresponding to the 8% of TL 88,746,351 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 7,099,708 also defines the minimum capital sum which is required in order to eliminate the mentioned risk.

Current Period	**31/12/2021 Amount**	**31/12/202 Amount**	**31/12/2023 Amount**	**Total/ No. of Years of Positive Gross**	**Rate (%)**	**Total**
Gross Income	10,346,656	29,881,947	48,000,624	29,409,742	15	4,411,461
Value at Operational Risk (Total*12.5)						55,143,263

Prior Period	**31/12/2020 Amount**	**31/12/2021 Amount**	**31/12/2022 Amount**	**Total/ No. of Years of Positive Gross**	**Rate (%)**	**Total**
Gross Income	7,050,036	10,346,656	29,881,947	15,759,546	15	2,363,932
Value at Operational Risk (Total*12.5)						29,549,150

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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

Current Period

	Currency	Applied Shock (+/- x basis points)	Gains/ Losses	Gains/Shareholder's equity - Losses/shareholder's equity
1	TL	(+) 500bp	(3,811,556)	(3.92%)
2	TL	(-) 400bp	3,619,170	(3.72%)
3	USD	(+) 200bp	(1,365,794)	(1.40%)
4	USD	(-) 200bp	1,510,809	1.55%
5	EURO	(+) 200bp	908,840	0.93%
6	EURO	(-) 200bp	(908,915)	(0.93%)
	Total (For Negative Shocks)		**4,221,065**	**4.34%**
	Total (For Positive Shocks)		**(4,268,510)**	**(4.39%)**

Prior Period

	Currency	Applied Shock (+/- x basis points)	Gains/ Losses	Gains/Shareholder's equity - Losses/shareholder's equity
1	TL	(+) 500bp	(2,707,727)	(4.05%)
2	TL	(-) 400bp	2,749,679	4.11%
3	USD	(+) 200bp	(526,431)	(0.79%)
4	USD	(-) 200bp	639,214	0.96%
5	EURO	(+) 200bp	394,784	0.59%
6	EURO	(-) 200bp	(347,568)	(0.52%)
	Total (For Negative Shocks)		**3,041,325**	**4.55%**
	Total (For Positive Shocks)		**(2,839,374)**	**(4.25%)**

13.7. Risk management objectives and policies

In accordance with Bank's strategies, risk policies and vision, the analysis that Risk Management Service 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 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 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 Kuveyt Türk'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 2024 and 31 December 2023 are given in the table below:

Current period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	12,451,663	21,004,062	-	33,455,725
Forward transactions	-	267,747	-	267,747
Swap transactions	-	847,639	-	847,639
Government debt securities	12,432,835	-	-	12,432,835
Other marketable securities	18,828	19,888,676	-	19,907,504
Financial assets at fair value through other comprehensive income	60,673,020	285,247	-	60,958,267
Equity securities	488,440	-	-	488,440
Government debt securities	60,184,580	-	-	60,184,580
Other marketable securities	-	285,247	-	285,247
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	2,852,933	-	2,852,933
Forward transactions	-	265,757	-	265,757
Swap transactions	-	2,587,176	-	2,587,176
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	51,427,200	5,891,945	-	57,319,145
Forward transactions	-	111,442	-	111,442
Swap transactions	-	1,766,482	-	1,766,482
Government debt securities	32,695,161	-	-	32,695,161
Other marketable securities	18,732,039	4,014,021	-	22,746,060
Financial assets at fair value through other comprehensive income	54,701,415	591,972	-	55,293,387
Equity securities	301,759	-	-	301,759
Government debt securities	54,399,656	-	-	54,399,656
Other marketable securities	-	591,972	-	591,972
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	977,799	-	977,799
Forward transactions	-	87,114	-	87,114
Swap transactions	-	890,685	-	890,685
Financial liabilities for hedging purposes	-	-	-	-

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

14. Explanations on business segments

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

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

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

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.

Selected balance sheet and income statement items according to segments

Current Period 1 January 2024-31 December 2024	Retail Banking	Corporate and Commercial Banking	Treasury and international Banking	Unallocated	Bank's Total operation
Operating income	99,217,173	47,986,358	18,012,827	-	165,216,358
Operating expenses (-)	51,968,863	25,392,229	21,162,219	20,435,889	118,959,200
Transfers between segments	47,198,583	(21,574,525)	(25,624,058)	-	-
Net operating income / loss	**94,446,893**	**1,019,604**	**(28,773,450)**	**(20,435,889)**	**46,257,158**
Income from associates	-	-	-	-	-
Income before tax	94,446,893	1,019,604	(28,773,450)	(20,435,889)	46,257,158
Provision for taxation (-)	-	-	-	11,603,702	11,603,702
Net income for the period	**94,446,893**	**1,019,604**	**(28,773,450)**	**(32,039,591)**	**34,653,456**
Current Period **31 December 2024**					
Segment assets	161,029,683	260,169,927	401,551,099	-	822,750,709
Associates, subsidiaries and joint ventures	-	-	-	4,142,212	4,142,212
Undistributed assets	-	-	-	25,227,482	25,227,482
Total assets	**161,029,683**	**260,169,927**	**401,551,099**	**29,369,694**	**852,120,403**
Segment liabilities	445,912,051	139,651,862	158,145,485	-	743,709,398
Undistributed liabilities	-	-	-	26,183,511	26,183,511
Shareholders' equity	-	-	-	82,227,494	82,227,494
Total liabilities	**445,912,051**	**139,651,862**	**158,145,485**	**108,411,005**	**852,120,403**

Prior Period 1 January 2023-31 December 2023	Retail Banking	Corporate Commercial Banking	Treasury and International Banking	Unallocated	Bank's total operation
Operating income	32,307,046	43,252,980	7,952,811	-	83,512,837
Operating expenses (-)	30,520,182	7,812,584	1,475,051	10,201,612	50,009,429
Transfers between segments	18,901,296	(12,543,958)	(6,357,338)	-	-
Net operating income / loss	**20,688,160**	**22,896,438**	**120,422**	**(10,201,612)**	**33,503,408**
Income from associates	-	-	-	-	-
Income before tax	**20,688,160**	**22,896,438**	**120,422**	**(10,201,612)**	**33,503,408**
Provision for taxation (-)	-	-	-	6,894,037	6,894,037
Net income for the period	**20,688,160**	**22,896,438**	**120,422**	**(17,095,649)**	**26,609,371**
Prior Period **31 December 2023**					
Segment assets	115,123,175	201,740,942	335,536,661	-	652,400,778
Associates, subsidiaries and joint ventures	-	-	-	3,212,925	3,212,925
Undistributed assets	-	-	-	12,554,512	12,554,512
Total assets	**115,123,175**	**201,740,942**	**335,536,661**	**15,767,437**	**668,168,215**
Prior Period **31 December 2023**					
Segment liabilities	385,565,367	121,945,506	97,043,082	-	604,553,955
Undistributed liabilities	-	-	-	15,628,572	15,628,572
Shareholders' equity	-	-	-	47,985,688	47,985,688
Total liabilities	**385,565,367**	**121,945,506**	**97,043,082**	**63,614,260**	**668,168,215**

SECTION FIVE

DISCLOSURES AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

1. Explanations and notes related to 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	3,622,738	9,463,215	2,085,927	12,814,660
The Central Bank of Republic of Türkiye	55,920,535	141,876,397	27,619,499	91,480,001
Other (*)	173	12,109,667	31,270	6,344,071
Total	**59,543,446**	**163,449,279**	**29,736,696**	**110,638,732**

(*) As of 31 December 2024, precious metal account amounting to TL 12,109,667 (31 December 2023 – TL 6,141,897) and money in transit amounting to TL 173 (31 December 2023 – TL 233,444) 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	30,806,892	54,551,669	21,567,615	16,522,557
Restricted Time Deposit	-	-	-	-
Unrestricted Time Deposit	25,113,643	87,324,728	6,051,884	74,957,444
Total	**55,920,535**	**141,876,397**	**27,619,499**	**91,480,001**

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 2024, the Bank maintains reserve requirements for Turkish Lira participation funds and other liabilities at 3% to 17% (22% to 33% for accounts with currency hedging support), for foreign currency participation funds and other liabilities at 5% to 30%, and for precious metal deposit accounts at 22% to 26% 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 4%.

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

As of 31 December 2024, there are no financial assets at fair value through profit or loss subject to repurchase transactions (31 December 2023 - None), the amount given as collateral and blocked is TL 4,424,962 (31 December 2023 - TL 16,953,796).

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	164,392	103,355	68,530	42,912
Swap transactions	152,842	694,797	1,345,922	420,560
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**317,234**	**798,152**	**1,414,452**	**463,472**

1.3 Information on Banks

1.3.1. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	**27,753**	**27,014,929**	**22,985**	**18,090,427**
Domestic	27,753	512,475	22,985	486,588
Foreign	-	26,502,454	-	17,603,839
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	**27,753**	**27,014,929**	**22,985**	**18,090,427**

1.3.2. Information on foreign banks account

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	10,412,708	3,150,531	-	-
USA and Canada	11,007,771	10,592,249	-	-
OECD Countries (*)	177,585	193,049	-	-
Off-shore Banking Regions	2,468	4,635	-	-
Other	4,901,922	3,663,375	-	-
Total	**26,502,454**	**17,603,839**	**-**	**-**

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

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

	Current Period	Prior Period
Debt Securities	**67,313,502**	**58,316,469**
Quoted on Stock Exchange	57,564,834	58,316,469
Not Quoted on Stock Exchange	9,748,668	-
Share certificates / Investment Funds	**172,796**	**109,769**
Quoted on Stock Exchange	57,759	-
Not Quoted on Stock Exchange	115,037	109,769
Impairment provision (-)	**6,528,031**	**3,132,851**
Total	**60,958,267**	**55,293,387**

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 22,504,948 (31 December 2023: TL 35,980,390) 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 5,781,119 (31 December 2023: TL 4,087,162) is reflected to other comprehensive income.

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

1.5 Explanations on financial assets measured at amortized cost

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	**31,373**	**104,629**	**29,238**	**82,280**
Corporate shareholders	2,080	104,169	2,156	82,059
Real person shareholders	29,293	460	27,082	221
Indirect loans granted to shareholders	**1,117**	**3,505**	**2,974,543**	**20,322**
Loans granted to employees	**331,765**	**5,782**	**252,314**	**3,139**
Total	**364,255**	**113,916**	**3,256,095**	**105,741**

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	**350,387,220**	**22,876,571**	**3,909,491**	**-**
Export Loans	56,243,452	1,030,894	-	-
Import Loans	18,028,033	340,620	-	-
Corporation Loans	176,124,416	15,321,535	3,504,424	-
Consumer Loans	20,522,311	799,233	3,265	-
Credit Cards	47,479,935	4,906,271	136,378	-
Loans given to Financial Sector	3,451,488	-	-	-
Other	28,537,586	478,018	265,424	-
Other Receivables	**3,295**	**18,305**	**-**	**-**
Total	**350,390,516**	**22,894,876**	**3,909,491**	**-**

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
Loans	**275,139,984**	**16,084,305**	**3,342,122**	**-**
Export Loans	34,576,357	935,578	-	-
Import Loans	11,094,258	417,052	-	-
Corporation Loans	156,470,480	11,566,448	3,316,712	-
Consumer Loans	18,026,123	541,128	2,513	-
Credit Cards	23,068,840	2,088,257	22,366	-
Loans given to Financial Sector	6,438,211	-	-	-
Other	25,465,715	535,842	531	-
Other Receivables	**839**	**8,508**	**-**	**-**
Total	**275,140,823**	**16,092,813**	**3,342,122**	**-**

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	2,696,490	-	8,466,431	-
Other Financial Assets Measured at Amortized Cost Expected Credit Losses	63,024	-	48,306	-
Significant Increase in Credit Risk	-	4,242,520	-	5,971,828
Total	**2,759,514**	**4,242,520**	**8,514,737**	**5,971,828**

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

		Loans Under Close Monitoring	
Current Period	**Standard Loans**	**Not Subject to Restructuring**	**Restructured**
Short-term Loans	182,376,086	13,224,521	1,001,569
Medium- and Long-term Loans	168,014,430	9,670,355	2,907,922
Total	**350,390,516**	**22,894,876**	**3,909,491**

		Loans Under Close Monitoring	
Prior Period	**Standard Loans**	**Not Subject to Restructuring**	**Restructured**
Short-term Loans	137,318,091	8,243,387	454,262
Medium and Long-term Loans	137,822,732	7,849,425	2,887,860
Total	**275,140,823**	**16,092,812**	**3,342,122**

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

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

Current Period	**Short-term**	**Medium and Long-term**	**Total**
Consumer Loans-TL	**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	**-**	**16,396**	**16,396**
Housing Loans	-	16,396	16,396
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TL	**16,193,511**	**24**	**16,193,535**
With Instalment	4,142,089	24	4,142,113
Without Instalment	12,051,422	-	12,051,422
Retail Credit Cards-FC	**-**	**-**	**-**
With Instalment	-	-	-
Without Instalment	-	-	-
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 Instalment	66,931	2	66,933
Without Instalment	93,012	-	93,012
Personnel Credit Cards-FC	-	-	-
With Instalment	-	-	-
Without Instalment	-	-	-
Overdraft Account-TL (Real Person)	**-**	**-**	**-**
Overdraft Account-FC (Real Person)	-	-	-
Total	**18,287,349**	**19,390,940**	**37,678,289**

Prior Period	Short-term	Medium and Long-term	Total
Consumer Loans-TL	**669,451**	**17,710,802**	**18,380,253**
Housing Loans	17,660	10,071,872	10,089,532
Vehicle Loans	333,734	5,720,411	6,054,145
Consumer Loans	249,854	931,118	1,180,972
Other	68,203	987,401	1,055,604
Consumer Loans-FC Indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**29,922**	**29,922**
Housing Loans	-	29,922	29,922
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TL	**7,873,652**	**24**	**7,873,676**
With Instalment	2,429,914	24	2,429,938
Without Instalment	5,443,738	-	5,443,738
Retail Credit Cards-FC	**-**	**-**	**-**
With Instalment	-	-	-
Without Instalment	-	-	-
Personnel Loans-TL	**21,406**	**138,181**	**159,587**
Housing Loans	172	9,686	9,858
Vehicle Loans	5,821	40,180	46,001
Consumer Loans	15,413	88,315	103,728
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	**113,146**	**2**	**113,148**
With Instalment	54,858	2	54,860
Without Instalment	58,288	-	58,288
Personnel Credit Cards-FC	-	-	-
With Instalment	-	-	-
Without Instalment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	**8,677,655**	**17,878,931**	**26,556,586**

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

1.5.5 Information on commercial instalment loans and corporate credit cards

Current Period	Short-term	Medium and Long-term	Total
Commercial Instalment Loans-TL	**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 Instalment 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 Instalment Loans-FC	**27,458**	**8,876,162**	**8,903,620**
Business Loans	-	1,773,606	1,773,606
Vehicle Loans	27,458	7,102,556	7,130,014
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	**36,169,104**	**-**	**36,169,104**
With Instalment	15,847,479	-	15,847,479
Without Instalment	20,321,625	-	20,321,625
Corporate Credit Cards-FC	-	-	-
With Instalment	-	-	-
Without Instalment	-	-	-
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	**44,603,614**	**51,039,879**	**95,643,493**

Prior Period	Short-term	Medium and Long-term	Total
Commercial Instalment Loans-TL	**5,777,427**	**23,559,600**	**29,337,027**
Business Loans	116,664	1,784,000	1,900,664
Vehicle Loans	4,729,616	17,921,768	22,651,384
Consumer Loans	931,147	3,853,832	4,784,979
Other	-	-	-
Commercial Instalment Loans-FC Indexed	**11,945**	**382,169**	**394,114**
Business Loans	11,945	-	11,945
Vehicle Loans	-	-	-
Consumer Loans	-	382,169	382,169
Other	-	-	-
Commercial Instalment Loans-FC	**10,293**	**3,892,787**	**3,903,080**
Business Loans	-	724,311	724,311
Vehicle Loans	10,293	3,168,476	3,178,769
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	**17,192,639**	**-**	**17,192,639**
With Instalment	8,974,843	-	8,974,843
Without Instalment	8,217,796	-	8,217,796
Corporate Credit Cards-FC	-	-	-
With Instalment	-	-	-
Without Instalment	-	-	-
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	**22,992,304**	**27,834,556**	**50,826,860**

1.5.6. Allocation of loans by customers

	Current Period	Prior Period
Public	886,721	898,560
Private	376,308,162	293,677,197
Total	**377,194,883**	**294,575,757**

1.5.7 Breakdown of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	369,452,118	285,085,242
Foreign Loans	7,742,765	9,490,515
Total	**377,194,883**	**294,575,757**

1.5.8 Loans granted to subsidiaries and associates

	Current Period	Prior Period
Loans Granted Directly to Subsidiaries and Associates	111,135	736,761
Loans Granted Indirectly to Subsidiaries and Associates	-	-
Total	**111,135**	**736,761**

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

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	1,226,003	171,423
Loans and Receivables with Doubtful Collectability	1,387,051	373,091
Uncollectible Loans and Receivables	3,366,684	2,898,911
Total	**5,979,738**	**3,443,425**

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

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period			
Gross Amount Before Specific Provisions	-	-	2,463
Restructured Loans and Receivables	-	-	2,463
Prior Period			
Gross Amount Before Specific Provisions	-	-	744,591
Restructured Loans and Receivables	-	-	744,591

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

Current Period	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Ending balance of prior period 31.12.2023	**231,744**	**434,254**	**2,937,343**
Additions in the current period (+)	1,638,924	1,913,853	3,012,977
Transfers from other categories of non-performing loans (+)	-	108,379	721,212
Transfers to other categories of non-performing loans (-)	108,379	721,212	-
Collections in the current period (-)	51,438	38,755	1,646,099
Write offs (-) (*)	-	-	1,392,133
Sold Portfolio (-)	**-**	**-**	**-**
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Ending balance of the current period	1,710,851	1,696,519	3,633,300
Specific provisions (-)	1,226,003	1,387,051	3,366,684
Net balances on balance sheet	**484,848**	**309,468**	**266,616**

(*) In 2024, the Bank has deleted TL 1,392,133 of its receivables from its assets. As a result of this transaction, there was an effect of 31 basis points on the defaulted conversion rate.

Prior Period	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Ending balance of prior period 31.12.2022	**131,936**	**304,959**	**2,809,152**
Additions in the current period (+)	264,948	585,369	1,199,267
Transfers from other categories of non-performing loans (+)	-	137,098	478,316
Transfers to other categories of non-performing loans (-)	137,098	478,316	-
Collections in the current period (-)	28,042	114,856	1,002,147
Write offs (-)	-	-	547,245
Sold Portfolio (-)	**-**	**-**	**-**
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	**231,744**	**434,254**	**2,937,343**
Specific provisions (-)	171,423	373,091	2,898,911
Net balance at the balance sheet	**60,321**	**61,163**	**38,432**

1.5.10.3 Information on non-performing loans granted as foreign currency

	III. Group	IV. Group	V. Group
Current Period			
Ending Balance of the Current Period	191,875	99,372	521,991
Provision Amount (-)	154,919	72,473	492,098,
Net balance at the balance sheet	**36,956**	**26,899**	**29,893**
Prior Period			
Ending Balance of the Current Period	26,066	69,720	878,527
Provision amount (-)	19,066	61,499	869,672
Net balance at the balance sheet	**7,000**	**8,221**	**8,855**

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	**Loans and receivables with doubtful collectability**	**Uncollectible loans and receivables**
Current period (Net)	**484,848**	**309,468**	**266,616**
Loans granted to real persons and legal entities (gross)	1,710,851	1,696,519	3,633,300
Specific provision (-)	1,226,003	1,387,051	3,366,684
Loans to real persons and legal entities (Net)	**484,848**	**309,468**	**266,616**
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (Net)	**60,321**	**61,163**	**38,432**
Loans to real persons and legal entities (gross)	231,744	434,254	2,937,343
Specific provision (-)	171,423	373,091	2,898,911
Loans to real persons and legal entities (net)	**60,321**	**61,163**	**38,432**
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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

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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	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**

Prior period	**Less than 30 days**	**31-60 days**	**More than 61 days**	**Total**
Loans and receivables				
Corporate loans	15,238,725	1,216,042	325,902	16,780,669
Retail loans	456,961	64,665	22,015	543,641
Credit cards	1,967,205	107,521	35,898	2,110,624
Total	**17,662,891**	**1,388,228**	**383,815**	**19,434,934**

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

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	**Loans with Doubtful Collectability**	**Uncollectible Loans**
Current 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

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	**Loans with Doubtful Collectability**	**Uncollectible Loans**
Prior Period (Net)	**1,890**	**2,924**	**2,171**
Profit Share Accruals, Rediscount and Valuation Differences	6,698	17,502	324,809
Provision (-)	4,808	14,578	322,638

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 Bank's receivables deleted from the records in 20234 are TL 1,392,133. (31 December 2023 – TL 547,245).

1.5.11. Information on the write-off policy

The 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 Information on 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	**56,023,875**	**63,203,644**
Quoted on a Stock Exchange	56,023,875	63,203,644
Not Quoted on a Stock Exchange	-	-
Total	**56,023,875**	**63,155,338**

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

	Current Period	Prior Period
Opening Balance	**63,203,644**	**21,678,735**
Foreign Currency Differences on Monetary Assets	4,127,728	6,872,911
Purchases During the Year	3,660,000	33,590,663
Disposals Through Sales and Redemptions (-)	8,560,000	692,130
Transfers	(6,325,000)	-
Income Accruals and Rediscounts	(82,497)	1,753,465
Total	**56,023,875**	**63,203,644**

1.7 Information on investment in associates (Net)

1.7.1 The Bank holds shares of Kredi Garanti Vakfı A.Ş. amounted TL 4,897 (31 December 2023 – TL 4,897) corresponding to 1.49% ownership, Katılım Finans Kefalet A.Ş. amounted TL 67,500 (31 December 2023 – TL 22,500) corresponding to 15% ownership, Swift amounted TL 8,713 (31 December 2023 - TL 7,732), Borsa Istanbul A.Ş. amounted TL 15 (31 December 2023 – TL 15) corresponding to 0.0035% ownership and JCR Avrasya Rating A.Ş. shares worth TL 2,755 (31 December 2023 – TL 2,755) corresponding to 2.86% ownership, İhracatı Gelişim A.Ş. shares amounting to TL 30,420 (31 December 2023 – TL 30,420) corresponding to 0.44% ownership, VISA INC. shares amounting to TL 374,140 (31 December 2023 – TL 233,440), since ownership percentage is below 10% and it does not have significant effectiveness, it is followed in the Financial Assets at Fair Value Through Other Comprehensive Income.

1.7.2 Information about investments in unconsolidated associates: None (31 December 2023 - None).

1.7.3 Information related to consolidated associates: None (31 December 2023 - None).

1.8 Information on subsidiaries (Net)

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

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1.8.2 Information on subsidiaries

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

Information on subsidiaries in the order presented in the 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(*)	30,756,109	5,828,991	355,477	1,039,902	92,684	(123,180)	73,182	-
2 (***)	26,129,379	4,316,913	583,414	4,925,719	3,673,241	1,107,496	432,619	-
3	598,785	1,014	-	-	-	394	111	-
4	404,425	1,187	-	-	-	312	130	-
5	1,036,549	870,913	30,404	-	-	589,960	167,591	-
6	521,718	339,816	10,574	32,426	17,643	115,561	75,890	-
7(**)	1,056,713	835,248	91,030	61,190	60,837,329	319,563	143,266	-
8(**)	295,865	214,065	617	-	-	35,270	47,490	-
9	744,945	402,785	24,042	83,757	-	(54,863)	6,103	-
10	200,000	200,000	-	-	-	-	-	

(*) 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 2024, 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 on 31 December 2024, the capital deficit was TL 738,368 (31 December 2023: Capital deficiency was TL 251,493). The Company anticipates that the resulting capital deficit will be closed in the first quarter of 2024 within the framework of full and timely compliance with legal regulations in line with the capital increase, forecasts and expectations in its 2024 business plan. The shareholder of Neova Katılım Sigorta A.Ş. has the financial power and management understanding to eliminate all kinds of risks that may arise financially.

Movement regarding the subsidiaries

	Current Period	Prior Period
Balance at the beginning of the year	**3,192,925**	**2,442,925**
Movements during the year	929,287	750,000
Purchases (*)	929,287	750,000
Transfers from subsidiaries (net)	-	-
Bonus shares	-	-
Dividends from current year income	-	-
Sales	-	-
Revaluation increases	-	-
Impairment	-	-
Capital commitment payments	-	-
Balance at the end of the year	**4,122,212**	**3,192,925**
Capital commitments	22,500	67,500
Share percentage at the end of the year (%)	-	-

(*) On 21 November 2024, the Bank established the subsidiary Sağlam Finansal Teknolojiler A.Ş. with a capital of TL 200,000,000 (full amount).

Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	1,592,030	1,592,030
Insurance Companies	1,651,796	1,151,796
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	754,706	325,419
Total	**3,998,532**	**3,069,245**

Subsidiaries that are quoted on the stock exchange

	Current Period	Prior Period
Quoted in Domestic Stock Exchange	52,706	53,418
Quoted in Foreign Stock Exchange	-	-
Total	**52,706**	**53,418**

1.8.3 Information on capital adequacies of major subsidiaries

The shareholder's equity of KT Bank AG, the bank's subsidiary in Germany, calculated as of 31 December 2024, is EUR 159,110,961 (Full EUR amount) and the capital adequacy ratio is 25.8%.

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%	36,535,954	1,277,663	132,284	686,249	341,295

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

1.10 Information on finance lease receivables (Net)

1.10.1 Presentation of remaining maturities of net finance leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	34,908,399	27,101,903	25,525,713	19,042,090
1 to 4 years	24,424,789	22,145,023	20,095,599	17,156,342
More than 4 years	1,270,489	1,259,696	951,303	921,351
Total	**60,603,677**	**50,506,622**	**46,572,615**	**37,119,783**

1.10.2 Information on net investments in finance leases

	Current Period	Prior Period
Gross Investment in Finance Leases	60,603,677	46,572,615
Unearned Finance Lease Income (-)	10,097,055	9,452,832
Reversed Finance Lease Income (-)	-	-
Net Investment in Finance Leases	**50,506,622**	**37,119,783**

1.10.3 Information on finance lease contracts

The Bank determines the settlements of the financial lease agreements in accordance with related legislations. Payment terms and amounts may be rearranged with additional agreements upon customers' requests. On the agreements, the Bank gives the customer the option to buy the related property. According to the Financial Lease Law, if a customer does not fulfill its obligations until 60 days, the Bank sends a notice to the customer and the Bank takes legal action against the customer if necessary. Non-performing finance lease receivables amounting to TL 652,739 are included in the non-performing loans in the balance sheet (31 December 2023 – TL 131,812).

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1.11 Information on derivative financial assets for hedging purposes

None (31 December 2023 – None).

1.12 Explanations on Property, Plant and Equipment

Current Period	Buildings	Leased Property Plant and Equipment	Vehicles	Other Property, Plant and Equipment	Total
Cost					
Opening balance as of 1 January 2024	1,176,076	1,566,381	718,482	1,171,031	4,631,970
Additions	295,900	1,298,538	291,487	1,046,659	2,932,584
Disposals	(7)	(297,298)	(71,776)	(19,102)	(388,183)
Transfers	(191)	-	-	-	(191)
Exchange rate differences		776	224	478	1,478
Impairment / cancellation	-	-	-	-	-
Ending balance as of 31 December 2024	1,471,778	2,568,397	938,417	2,199,066	7,177,658
Accumulated Depreciation (-)					
Opening balance as of 1 January 2024	64,057	522,495	156,848	422,342	1,165,742
Amortization cost	18,915	497,447	162,006	265,354	943,722
Disposals	-	(235,827)	(44,783)	(16,115)	(296,725)
Exchange rate differences	1,433	-	-	-	1,433
Transfers		522	94	440	1,056
Ending balance as of 31 December 2024	84,405	784,637	274,165	672,021	1,815,228
Cost at the end of period	**1,471,778**	**2,568,397**	**938,417**	**2,199,066**	**7,177,658**
Accumulated depreciation at the end of period (-)	**84,405**	**784,637**	**274,165**	**672,021**	**1,815,228**
Closing net book value	**1,387,373**	**1,783,760**	**664,252**	**1,527,045**	**5,362,430**

Prior Period	Buildings	Leased Property Plant and Equipment	Vehicles	Other Property, Plant and Equipment	Total
Cost					
Opening balance as of 1 January 2023	502,574	951,785	350,671	762,370	2,567,400
Additions	673,502	755,934	418,595	436,182	2,284,213
Disposals	-	(143,134)	(51,358)	(28,974)	(223,466)
Exchange rate differences	-	-	-	-	-
Transfers	-	1,796	574	1,453	3,823
Impairment / cancellation	-	-	-	-	-
Ending balance as of 31 December 2023	1,176,076	1,566,381	718,482	1,171,031	4,631,970
Accumulated Depreciation (-)					
Opening balance as of 1 January 2023	54,096	356,178	95,939	294,122	800,335
Amortization cost	8,525	293,728	92,671	152,400	547,324
Disposals	-	(130,206)	(32,308)	(25,256)	(187,770)
Exchange rate differences	-	2,795	546	1,076	4,417
Transfers	1,436	-	-	-	1,436
Ending balance as of 31 December 2023	64,057	522,495	156,848	422,342	1,165,742
Cost at the end of period	**1,176,076**	**1,566,381**	**718,482**	**1,171,031**	**4,631,970**
Accumulated depreciation at the end of period (-)	**64,057**	**522,495**	**156,848**	**422,342**	**1,165,742**
Closing net book value	**1,112,019**	**1,043,886**	**561,634**	**748,689**	**3,466,228**

1.13. Explanations on Intangible Assets

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 Carrying Value	3,406,614	1,395,635
Accumulated Amortization	(1,091,765)	(411,475)
Total (net)	**2,314,849**	**984,160**

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

	Current Period	Prior Period
Opening balance	984,160	397,403
Additions	2,010,579	812,919
Disposals (-), Net	-	1,240
Depreciation Amount (-)	680,190	224,854
Exchange Rate Differences	300	(68)
Closing Net Book Value	**2,314,849**	**984,160**

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

1.14. Explanations on investment property

None (31 December 2023 – None).

1.15. Information on deferred tax asset

In accordance with the related regulations, deferred tax as of 31 December 2024 is netted off in the balance sheet as TL 8,340,450 (31 December 2023 - TL 5,747,818). Deferred tax asset is calculated as TL 9,115,487 (31 December 2023 - TL 6,477,294) and deferred tax liability is calculated as TL 775,037 (31 December 2023 - TL 729,476).

	Current Period	Prior Period
TFRS 9 Provisions	1,794,065	2,612,011
Property, Plant and Equipment Valuation Differences	1,997,385	1,608,654
Employee Benefits Liability	730,910	468,236
Deferred Income	612,715	394,378
Severance Pay Liability	429,630	328,616
Precious metal valuation differences	-	283,950
Financial Assets Valuation difference	2,303,149	45,342
Other	472,596	6,631
Net Deferred Tax Asset	**8,340,450**	**5,747,818**

Table of deferred tax asset movement

	Current Period	Prior Period
As of 1 January	5,747,818	1,083,223
Deferred Tax (Expense)/Income	683,538	2,525,984
Deferred Tas Accounted Under Other Comprehensive Income	1,909,094	2,138,611
Deferred tax asset	**8,340,450**	**5,747,818**

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1.16. Explanations on assets held for sale and assets of discontinued operations

	Current Period	Prior Period
Opening Balance	428,585	117,719
Additions	212,519	350,438
Transfer from Property, Plant and Equipment	-	-
Disposals (-), Net	118,361	39,572
Transfer to Property, Plant and Equipment	-	-
Depreciation Amount (-)	-	-
Impairment Losses Provision (-)	-	-
Closing Net Book Value	**522,743**	**428,585**

1.17. Information on other assets

As of balance sheet date, the Bank's other assets amount to TL 9,209,753 (31 December 2023 – TL 2,356,306), other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

2. Explanations and notes related to liabilities

2.1 Information on funds collected

2.1.1 Information on maturity structure of funds collected

Current Period	Demand	Up to 1 month	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. Other current accounts-TL	**37,528,225**	-	-	-	-	-	-	-	**37,528,225**
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	**270,815**	-	-	-	-	-	-	-	**270,815**
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	270,641	-	-	-	-	-	-	-	270,641
Participation banks	144	-	-	-	-	-	-	-	144
Others	30	-	-	-	-	-	-	-	30
IV. Profit sharing accounts-TL	**-**	**18,852,846**	**18,339,504**	**961,192**	**-**	**11,529,332**	**172,697**	**22**	**49,855,593**
Public sector	-	6,948	52,425	-	-	789,834	-	-	849,207
Commercial sector	-	18,485,757	16,825,843	887,174	-	10,497,176	172,257	22	46,868,229
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	**95,969,664**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**95,969,664**
VI. Real persons profit sharing accounts-FC	**-**	**13,469,602**	**15,553,725**	**1,495,889**	**-**	**1,753,498**	**1,753,540**	**21,015**	**34,047,269**
VII. Other current accounts-FC	**36,154,741**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,154,741**
Commercial residents in Türkiye	31,932,443	-	-	-	-	-	-	-	31,932,443
Commercial residents in Abroad	3,888,380	-	-	-	-	-	-	-	3,888,380
Banks and participation banks	**333,918**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**333,918**
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	329,317	-	-	-	-	-	-	-	329,317
Participation banks	4,601	-	-	-	-	-	-	-	4,601
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	**-**	**459,009**	**1,004,573**	**38,849**	**-**	**195,514**	**160,402**	**249**	**1,858,596**
Public sector	-	17	113,739	-	-	-	-	-	113,756
Commercial sector	-	402,718	767,263	34,679	-	195,349	160,402	249	1,560,660
Other institutions	-	16,702	32,416	2,395	-	165	-	-	51,678
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. Participation accounts special fund pools – FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (**)	**320,527,275**	**65,562,005**	**138,964,436**	**10,520,523**	**-**	**40,439,463**	**9,515,399**	**34,812**	**585,563,913**

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

(**) As of 31 December 2024, the Bank has TL 62,001,875 (31 December 2023: TL 85,258,512) opened within the scope of the "Communiqué on Supporting Conversion to Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696 and TL 4,810 (31 December 2023: TL 116,495,635) opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021; TL 4,810 (31 December 2023: TL 31,237,123) and TL 4,810 (31 December 2023: TL 31,237,123) opened within the scope of the announcement of the Turkish Ministry of Treasury and Finance ("Treasury") dated 24 December 2021 and TL 62,006,685 (31 December 2023: TL 116,495,635) in total) foreign exchange valuation differences amounting to TL 632,624 (31 December 2023: TL 19,428,176) calculated as of the balance sheet date are included in other assets in assets and other liabilities in liabilities.

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Prior Period	Demand	Up to 1 month	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	**28,237,630**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,237,630**
II. Real persons profit sharing accounts-TL	**-**	**11,540,673**	**71,351,967**	**5,388,093**	**-**	**12,050,702**	**3,090,927**	**14,651**	**103,437,013**
III. Other current accounts-TL	**25,691,962**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,691,962**
Public sector	597,601	-	-	-	-	-	-	-	597,601
Commercial sector	24,626,713	-	-	-	-	-	-	-	24,626,713
Other institutions	320,272	-	-	-	-	-	-	-	320,272
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	147,376	-	-	-	-	-	-	-	147,376
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	24	-	-	-	-	-	-	-	24
Foreign banks	147,336	-	-	-	-	-	-	-	147,336
Participation banks	13	-	-	-	-	-	-	-	13
Other	3	-	-	-	-	-	-	-	3
IV. Profit sharing accounts-TL	**-**	**14,769,092**	**8,585,515**	**1,884,335**	**-**	**5,794,661**	**81,730**	**74**	**31,115,407**
Public sector	-	224	5,188	-	-	273,294	284	-	278,990
Commercial sector	-	14,515,707	7,379,274	1,752,982	-	5,316,871	80,864	74	29,045,772
Other institutions	-	246,208	799,173	28,027	-	82,063	582	-	1,156,053
Commercial and other institutions	-	6,953	401,848	103,326	-	122,433	-	-	634,560
Banks and participation banks	-	-	32	-	-	-	-	-	32
V. Real persons current accounts-FC	**88,598,190**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**88,598,190**
VI. Real persons profit sharing accounts-FC	**-**	**15,876,483**	**13,162,188**	**1,566,496**	**-**	**2,560,758**	**2,087,729**	**19,860**	**35,273,514**
VII. Other current accounts-FC	**30,214,741**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30,214,741**
Commercial residents in Türkiye	25,977,273	-	-	-	-	-	-	-	25,977,273
Commercial residents in Abroad	3,781,821	-	-	-	-	-	-	-	3,781,821
Banks and participation banks	455,647	-	-	-	-	-	-	-	455,647
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	629	-	-	-	-	-	-	-	629
Foreign banks	448,379	-	-	-	-	-	-	-	448,379
Participation banks	6,639	-	-	-	-	-	-	-	6,639
Other	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	**-**	**18,285,304**	**1,409,534**	**48,836**	**-**	**104,774**	**13,720**	**138**	**19,862,306**
Public sector	-	30	94,311	-	-	-	-	-	94,341
Commercial sector	-	11,663,322	898,196	46,620	-	104,752	13,720	138	12,726,748
Other institutions	-	6,517,503	32,110	2,172	-	22	-	-	6,551,807
Commercial and other institutions	-	104,449	384,917	44	-	-	-	-	489,410
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	**70,915,059**	**9,454,219**	**4,872,520**	**777,226**	**-**	**558,685**	**36,080**	**-**	**86,613,789**
X. Profit sharing accounts special funds - TL	**-**	**-**	**1,563,263**	**4,050,088**	**-**	**49,028,063**	**3,824,907**	**-**	**58,466,321**
Residents in Türkiye	-	-	1,563,263	4,050,088	-	48,266,714	3,309,678	-	57,189,743
Residents Abroad	-	-	-	-	-	761,349	515,229	-	1,276,578
XI. Profit sharing accounts special funds - FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	**243,657,582**	**69,925,771**	**100,944,987**	**13,715,074**	**-**	**70,097,643**	**9,135,093**	**34,723**	**507,510,873**

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

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 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 persons/ entities current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	96,653,891	69,519,844	185,753,070	176,376,582
FC accounts	130,301,005	95,973,791	170,350,795	164,268,235
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions under foreign authorities' insurance	-	-	-	-

Funds collected in special current accounts and participation accounts opened in Turkish Lira or foreign currency on behalf of real and legal persons in Participation Banks (except those opened in foreign branches) are under the guarantee of the Savings Deposit Insurance Fund within the scope of the Banking Law No. 5411 published in the Official Gazette dated 1 November 2005 and bis numbered 25983, provided that the sum of the principal and dividends of the accounts belonging to one person does not exceed TL 650.

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

The headquarters of the Bank is in Türkiye.

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

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

	Current Period	Prior Period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	-	-
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	57,044	15,167
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	-	-

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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	214,508	51,249	69,460	17,654
Swap Transactions	1,185,402	1,401,774	30,382	860,303
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**1,399,910**	**1,453,023**	**99,842**	**877,957**

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	3,547,337	85,667,578	9,211,884	44,343,337
From Foreign Banks, Institutions and Funds	600,000	32,106,071	53,371	19,418,755
Total	**4,147,337**	**117,773,649**	**9,265,255**	**63,762,092**

2.3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	4,069,314	111,539,418	9,265,255	61,176,296
Medium and Long-term	78,023	6,234,231	-	2,585,796
Total	**4,147,337**	**117,773,649**	**9,265,255**	**63,762,092**

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

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

2.4. Information on issued securities

None (31 December 2023 - None).

2.5 Information on other liabilities and miscellaneous payables

As of 31 December 2024, other liabilities amount to TL 8,080,586 (31 December 2023 – TL 2,917,796), sundry creditors amount to TL 4,988,343 (31 December 2023 – TL 3,770,293), both of them do not exceed 10% of the balance sheet total.

2.6 Information on finance lease payables (Net)

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	38,525	36,204	30,361	28,706
1 to 4 years	87,015	69,035	42,044	32,373
More than 4 years	2,170,589	1,360,784	1,325,234	822,306
Total	**2,296,129**	**1,466,023**	**1,397,639**	**883,385**

The Bank 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. Information on the changes in agreements and new obligations originating from these changes

None (31 December 2023 – None).

2.6.1.1. Information on Financial Lease Obligations

None (31 December 2023 – None).

2.6.1.2. Information on Operational Leases

The leasing transactions, in which all risks and benefits of the leased asset are held by the lessor, are classified as operational leases. Such transactions consist of rent contracts of branches which may be cancelled by declaration.

There are no significant commitments regarding the changes at the operational lease agreements.

The payments related with operational leases are recognized as expense in the income statement during the period of the agreement in equal instalments.

2.7. Information on hedging derivative financial liabilities

None (31 December 2023 – None).

2.8. Information on provisions

2.8.1 Information on provision for foreign exchange differences on foreign currency indexed loans

None (31 December 2023 – None).

2.8.2 Information on other provisions

	Current Period	Prior Period
Non-Cash Loans That are not Converted into Cash	863,935	569,527
General Provisions for Non-Cash Loans	483,337	964,137
Provision for Profits will be Allocated to Participation Accounts	1,526,885	887,567
Promotional Applications for Credit Cards	5,478	8,905
Other (*)	656,089	469,509
Total	**3,535,724**	**2,899,645**

(*) The other item is TL 509,045 (31 December 2023 – TL 393,760) for litigation, TL 13,058 (31 December 2023 – TL 12,009) for expenses, TL 107,311 (31 December 2023 – TL 59,455) for other provisions in the current period.

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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 1,432,099 (31 December 2023 – TL 1,095,389), vacation pay liability amounting to TL 13,507 (31 December 2023 – TL 6,107), performance premium amounting to TL 1,442,087 (31 December 2023 – TL 1,004,875), retirement bonuses on payment of TL 808,924 (31 December 2023 – TL 426,049), committee fee amounting to TL 129,992 (31 December 2023 – TL 94,335) and other fees amounting to TL 35,271 (31 December 2023 – TL 29,432).

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 41,828.42 (full TL amount) 31 December 2023 – TL 23,489.83 (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 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 (%)	26.67	28.03
Inflation rate (%)	23.49	24.35
Salary increases rate (%)	23.99	24.85

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

	Current Period	Prior Period
Balance at the beginning of the period	1,095,389	614,054
Provisions recognized during the period	477,530	189,371
Paid during the period	(197,655)	(49,751)
Actuarial loss	56,835	341,715
Balances at the end of the period	**1,432,099**	**1,095,389**

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 Bank has a corporate tax liability of TL 12,563,001 (31 December 2023: TL 9,586,270) and a prepaid tax of TL 6,846,023 (31 December 2023: TL 6,201,619). The bank clearly showed its corporate tax liability and prepaid tax in the financial statements.

2.9.1.2. Information on taxes payable

	Current Period	Prior Period
Taxation of marketable securities	755,307	97,908
Taxation of immovable property	9,532	5,524
Banking Insurance Transaction Tax (BITT)	510,165	244,771
Foreign Exchange Transaction Tax	27,737	24,591
Value Added Tax Payable	42,622	30,802
Income tax deducted from wages	194,158	100,916
Income tax payable	-	126,672
Other	12,333	6,248
Total	**1,551,854**	**637,432**

2.9.1.3. Information on premiums (*)

	Current Period	Prior Period
Social Insurance Premiums-Employee	83,993	89,048
Social Insurance Premiums-Employer	94,214	98,276
Unemployment insurance-Employee	5,998	6,358
Unemployment insurance-Employer	12,544	13,390
Other	-	10
Total	**196,749**	**207,082**

(*) Included in Other Liabilities on the balance sheet.

2.9.1.4. Information on deferred tax liability

As of 31 December 2024, the deferred tax balance sheet was netted as TL 8,340,450 within the scope of the relevant regulations. Deferred tax assets were calculated as TL 9,115,487 (31 December 2023 – TL 6,477,294) and deferred tax debt was calculated as TL 775,037 (31 December 2023 – TL 729,476).

2.10. Information on payables related to assets held for sale

None (31 December 2023 - 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	-	14,186,285	-	17,967,564
Total	**-**	**14,186,285**	**-**	**17,967,564**

2.12. Information on shareholders' equity

2.12.1. Presentation of paid-in capital

	Current Period	Prior Period
Common shares	4,952,205	4,600,000
Preference shares	-	-
Repurchased shares amount (*)	(4,869)	(4,869)
Total	**4,947,336**	**4,595,131**

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

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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 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 2023 - None).

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

None (31 December 2023 - None).

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

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

2.12.6 Summary of privileges given to shares representing the capital

None (31 December 2023 - 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 (*)	(5,682,248)	301,804	(1,263,418)	240,265
Foreign Exchange Difference	-	-	-	-
Total	**(5,682,248)**	**301,804**	**(1,263,418)**	**240,265**

(*) 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

None (31 December 2023 - None).

3. Explanations on off-balance sheet accounts

3.1 Explanations on off-balance sheet liabilities

3.1.1 Types and amounts of irrevocable commitments: Commitment for credit card limits, as of 31 December 2024 amounts to TL 76,389,710 (31 December 2023 – TL 33,913,418); payment commitments for cheque books amounts to TL 5,864,748 (31 December 2023 – TL 3,861,133).

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

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

As of 31 December 2024, the Bank has guarantees and surety ships constituting of TL 85,648,013 (31 December 2023 – TL 49,506,065) of letters of guarantee; TL 727,539 (31 December 2023 – TL 183,196) of acceptances and TL 13,581,786 (31 December 2023 – TL 8,886,327) of letters of credit. Also, bank has other guarantees and sureties amounting to TL 5,211,090 (31 December 2023 - TL 3,011,311).

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	426,120	185,547
With original maturity of 1 year or less	426,120	185,547
With original maturity of more than 1 year	-	-
Other non-cash loans	104,742,308	61,401,352
Total	**105,168,428**	**61,586,899**

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

	Current 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**	**21.23**	**12,517,611**	**35.11**
Mining and Quarrying	3,555,456	5.11	2,738,062	7.68
Production	9,661,995	13.90	9,012,523	25.28
Electricity, Gas, Water	1,537,248	2.21	767,026	2.15
Construction	**30,303,928**	**43.59**	**3,362,749**	**9.43**
Services	**19,809,690**	**28.50**	**16,798,928**	**47.12**
Wholesale and Retail Trade	12,538,847	18.04	7,059,599	19.80
Hotel, Food and Beverage Services	920,903	1.32	485,524	1.36
Transportation and Telecommunication	3,281,751	4.72	7,617,967	21.37
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	-	-	-
Educational Services	139,541	0.20	61,139	0.17
Health and Social Services	2,330,533	3.35	935,728	2.62
Other	**3,952,872**	**5.69**	**2,810,343**	**7.88**
Total	**69,514,466**	**100.00**	**35,653,962**	**100.00**

	Prior Period			
	TL	%	FC	%
Agriculture	**856,115**	**2.26**	**255,761**	**1.08**
Farming and stockbreeding	579,107	1.53	196,066	0.83
Forestry	276,797	0.73	59,695	0.25
Fishery	211	-	-	-
Manufacturing	**9,041,204**	**23.88**	**7,655,077**	**32.28**
Mining and Quarrying	1,789,977	4.73	1,845,256	7.78
Production	6,339,737	16.74	5,525,420	23.30
Electricity, Gas, Water	911,490	2.41	284,401	1.20
Construction	**14,928,512**	**39.42**	**3,082,159**	**13.00**
Services	**10,687,543**	**28.22**	**10,412,162**	**43.90**
Wholesale and Retail Trade	7,224,489	19.08	4,571,127	19.27
Hotel, Food and Beverage Services	337,519	0.89	306,312	1.29
Transportation and Telecommunication	1,440,354	3.80	4,208,936	17.75
Financial Institutions	32,887	0.09	530,360	2.24
Real Estate and Renting Services	167,434	0.44	58,567	0.25
Self-Employment Type Services	485	-	-	-
Educational Services	80,059	0.21	58,009	0.24
Health and Social Services	1,404,316	3.71	678,851	2.86
Other	**2,356,459**	**6.22**	**2,311,907**	**9.74**
Total	**37,869,833**	**100.00**	**23,717,066**	**100.00**

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

Current Period	I. Group		II. Group	
	TL	FC	TL	FC
Non-Cash Loans	**67,267,008**	**34,589,487**	**2,001,055**	**692,474**
Letters of Guarantee (*)	62,458,677	20,513,868	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	-

Prior Period	I. Group		II. Group	
	TL	FC	TL	FC
Non-Cash Loans (*)	**36,346,105**	**22,984,627**	**1,333,734**	**407,943**
Letters of Guarantee (*)	33,682,074	13,860,793	1,242,439	206,905
Bills of Exchange and Bank Acceptances	18,769	164,427	-	-
Letters of Credit	48,718	8,635,935	-	201,038
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities (*)	2,596,544	323,472	91,295	-

(*) As of 31 December 2024, the 3rd stage is Letters of Guarantee amounting to TL 245,910 (31 December 2023 – TL 513,854), in foreign currency TL 372,001 (31 December 2023 – TL 324,496), Letters of Credit in the amounting to TL 493 (31 December 2023 – TL 636). Other Guarantees and Sureties: None (31 December 2023 – None).

3.2. Financial derivative instruments

	Trading Derivatives	
	Current Period	Prior Period
Foreign currency related derivative		
Foreign Currency Related Derivative Transactions (I):	**306,803,670**	**140,030,317**
Currency Forwards-Purchases, sales	19,475,377	13,152,610
Currency Swaps-Purchases, sales	287,328,293	126,877,707
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)	**23,934,456**	**9,350,349**
A. Total trading derivatives (I+II+III)	**330,738,126**	**149,380,666**
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging derivatives	-	-
Total derivatives transactions (A+B)	**330,738,126**	**149,380,666**

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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 Bank's Rating by the International Rating Institutions

Fitch Rating's October 2024	Notes
Long-term issuer default rating	BB-
Local currency short-term issuer default rating	B
Short-term issuer default rating	B
Financial Capacity Ratio	B+
Local currency long-term issuer default rating	BB-
Support Rating	WD

4. Explanations and notes related to the statement of income

4.1 Information on profit share income

4.1.1 Information on profit share received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share on loans	**75,471,303**	**10,226,488**	**31,638,165**	**5,719,019**
Short-term loans	43,961,441	3,995,347	18,679,176	2,069,159
Medium and long-term loans	30,967,946	6,116,310	12,680,276	3,560,122
Profit share on non-performing loans	541,916	114,831	278,713	89,738
Premiums received from resource utilization support fund	-	-	-	-
Total	**75,471,303**	**10,226,488**	**31,638,165**	**5,719,019**

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	86,704	-	50,273	-
Domestic Banks	36,663	-	11,701	-
Foreign Banks	30,000	544,970	30,668	455,494
Branches and Head Office abroad	-	-	-	-
Total	**153,367**	**544,970**	**92,642**	**455,494**

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	122,715	932,403	128,618	632,724
Financial Assets at Fair Value Reflected in Other Comprehensive Income	11,071,700	1,052,341	13,815,387	1,258,864
Financial Assets Valued Over Amortized Cost	8,052,508	1,906,250	3,142,765	1,330,163
Total	**19,246,923**	**3,890,994**	**17,086,770**	**3,221,751**

4.1.4 Information on profit share income received from associates and subsidiaries

	Current Period	Prior Period
Profit share income received from associates and subsidiaries	1,853,252	16,110

4.2 Information on profit share expenses

4.2.1 Information on the profit share given to the loans used

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	**1,753,529**	**1,691,224**	**361,944**	**933,530**
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	852,977	42,844	353,888	14,500
Foreign banks	900,552	1,648,380	8,056	919,030
Branches and Head Office abroad	-	-	-	-
Other Institutions	5,299,428	3,903,037	540,833	2,288,526
Total	**7,052,957**	**5,594,261**	**902,777**	**3,222,056**

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	820,618	1,626,198

4.2.3 Information on profit share expense paid to securities issued

None (1 January-31 December 2023 - None).

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	4,123	2,053
Total	**4,123**	**2,053**

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

Current Period	Profit sharing accounts							
Account name	Up to 1 month	Up to 3 months	Up to 3 months	Up to 9 months	Up to 1 year	Above 1 year	Accumulated profit-sharing accounts	Total
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	2,840,471	619,105	-	1,831,466	120,956	-	5,975,109
Other institutions profit sharing account	98,364	569,379	27,540	-	88,773	536	-	784,592
Total	**5,501,590**	**31,744,422**	**2,641,945**	**-**	**17,506,716**	**2,444,778**	**3,487**	**59,842,938**
Foreign currency								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	121,364	114,001	12,126	-	17,413	16,304	413	281,621
Public-sector profit-sharing account	-	898	-	-	-	-	-	898
Commercial sector profit sharing account	4,372	7,139	262	-	223	86	-	12,082
Other institutions profit sharing account	1,663	3,205	26	-	-	-	-	4,894
Precious metal accounts	16,371	8,380	1,460	-	1,054	-	-	27,265
Total	**143,770**	**133,623**	**13,874**	**-**	**18,690**	**16,390**	**413**	**326,760**
Grand total	**5,645,360**	**31,878,045**	**2,655,819**	**-**	**17,525,406**	**2,461,168**	**3,900**	**60,169,698**

Prior Period	Profit Sharing Accounts							
Account name	Up to 1 month	Up to 3 months	Up to 3 months	Up to 9 months	Up to 1 year	Above 1 year	Accumulated profit-sharing accounts	Total
Turkish Lira								
Collected funds from banks through current and profit share accounts	-	6	-	-	-	-	-	6
Real person's non-trading profit sharing account	2,090,823	12,881,708	1,213,511	-	3,317,034	474,527	2,249	19,979,852
Public-sector profit-sharing account	52	898	-	-	1,996	19	-	2,965
Commercial sector profit sharing account	198,594	1,330,201	424,792	-	526,113	16,587	-	2,496,287
Other institutions profit sharing account	44,894	185,172	35,089	-	24,381	164	-	289,700
Total	**2,334,363**	**14,397,985**	**1,673,392**	**-**	**3,869,524**	**491,297**	**2,249**	**22,768,810**
Foreign currency								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	114,788	95,127	13,137	-	36,461	33,061	365	292,939
Public-sector profit-sharing account	-	696	-	-	-	-	-	696
Commercial sector profit sharing account	3,646	3,981	516	-	209	107	-	8,459
Other institutions profit sharing account	1,691	3,048	17	-	116	-	-	4,872
Precious metal accounts	10,050	5,524	854	-	730	-	-	17,158
Total	**130,175**	**108,376**	**14,524**	**-**	**37,516**	**33,168**	**365**	**324,124**
Grand total	**2,464,538**	**14,506,361**	**1,687,916**	**-**	**3,907,040**	**524,465**	**2,614**	**23,092,934**

4.5 Information on trading income/loss (net)

	Current Period	Prior Period
Trading income/loss (net)	**7,084,527**	**9,612,948**
Income	**188,527,532**	**129,882,405**
Gain on capital market transactions	5,714,376	2,590,525
Gain on derivative financial instruments	34,894,163	20,109,511
Foreign exchange profit	147,918,993	107,182,369
Losses (-)	**(181,443,005)**	**(120,269,457)**
Losses on capital market transactions	(56,549)	(44,012)
Losses on derivative financial instruments	(37,237,526)	(11,759,102)
Foreign exchange losses	(144,148,930)	(108,466,343)

4.6 Information on other operating income

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

	Current Period	Prior Period
Reversal of prior period provisions	9,341,860	2,093,821
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	86,055	1,125,141
Income from sale of assets	414,947	359,327
Income from the real estate sales' gains by rent certificates	14,201	3,190
Other Income	185,050	74,467
Total	**10,042,113**	**3,655,946**

4.7 Expected credit loss and other provision expenses

	Current Period (*)	Prior Period (*)
Expected Credit Loss	**5,562,804**	**6,836,429**
12 Month Expected Credit Loss (Stage 1)	6,432	3,542,033
Significant Increase in Credit Risk (Stage 2)	284,053	1,408,209
Non-performing Loans (Stage 3)	5,272,319	1,886,187
Marketable Securities Impairment Expense	**156,836**	**59,736**
Financial Assets at Fair Value Through Profit or Loss	156,836	59,736
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Provision for Impairment Losses from Associates, Subsidiaries and Jointly Controlled Entities	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (**)	**697,585**	**168,810**
Total	**6,417,225**	**7,064,975**

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

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4.8 Information on other operating expenses

	Current Period	Prior Period
Provision for Retirement Pay Liability	294,217	139,621
Impairment Expenses of Property, Plant and Equipment	-	-
Depreciation Expenses of Property, Plant and Equipment	943,722	547,324
Impairment Expenses of Intangible Assets	-	-
Depreciation Expenses of Intangible Assets	680,190	224,854
Depreciation Expenses of Assets Held for Sale	-	-
Other Operating Expenses	3,967,346	2,236,393
Maintenance Expenses	*752,475*	*407,022*
Communication Expenses	*435,260*	*244,026*
Advertisement Expenses	*284,987*	*135,322*
Heating, Electricity and Water Expenses	*141,556*	*134,510*
Stationery Expense	*101,908*	*51,139*
Vehicle Expenses	*89,738*	*55,297*
Cleaning Expenses	*62,690*	*32,110*
Leasing Expenses Related to TFRS 16 Exceptions	*5,067*	*1,773*
Other Expenses (*)	*2,093,665*	*1,175,194*
Losses from Sales of Assets	2,082	6,725
Deposit Insurance Fund Expenses	1,593,837	1,110,880
Other (**)	2,604,506	923,351
Total	**10,085,900**	**5,189,148**

(*) As of 31 December 2024, Other Expenses mainly includes "Promotion Application Expenses for Credit Cards" amounting to TL 787,644 (31 December 2023 - TL 460,121), "Outsourced Catering Personnel Service Expenses" amounting to TL 453,881 (31 December 2023 - TL 227,164) and "Promotion Application Expenses for Pension Payments" amounting to TL 139,924 (31 December 2023 - TL 48,712).

(**) As of 31 December 2024, other item mainly consists of Banking and Insurance Transaction Tax amounting to TL 1,023,985, Financial Activity Fees amounting to TL 547,392, Contracted Attorney and Legal Consultancy amounting to TL 294,263, Precious Metals BITT Expense amounting to TL 194,088, Trading Lease Certificate BITT Expense amounting to TL 122,571 and Banking Regulation and Supervision Agency Participation Share amounting to TL 115,623.

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 (*)	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**

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 (*)	36,909	998
Fees for tax consulting services	-	-
The cost of other assurance services	350	309
The cost of other services outside the independent audit	-	-
Total	**37,259**	**1,307**

(*) 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 2024 / 31 December 2023.

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

Income before tax amounting to TL 46,257,158 increased by 38.07% as compared to the prior period (1 January – 31 December 2023 – TL 33,503,408). Income before tax includes TL 48,434,255 (1 January – 31 December 2023 – TL 35,181,459) net profit share income and TL 9,139,091 (1 January – 31 December 2023 – TL 3,428,469) net fees and commission income. Other operating expense amount is TL 10,085,900 (1 January – 31 December 2023 – TL 5,189,148).

4.10 Information on tax provision for continued and discontinued operations

Current period tax provision for the period amounting to TL 12,287,240 (1 January - 31 December 2023 - TL 9,420,021), deferred tax expense of TL 528,499 (1 January - 31 December 2023 - TL 1,065,583) and TL 1,212,037 (1 January - 31 December 2023 - TL 3,591,567) 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 2024, net profit share income is TL 48,434,255 (1 January - 31 December 2023 – TL 35,181,459), net fees and commission income is TL 9,139,091 (1 January- 31 December 2023 – TL 3,428,469).

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 2023 – None).

4.12.3 Profit/loss attributable to minority interest

None (1 January – 31 December 2023 – None).

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 2024, other fees and commissions received is TL 17,974,846 (1 January – 31 December 2023 – TL 6,772,866), TL 7,817,397 of this amount is related with credit card fees and commissions (1 January – 31 December 2023 – TL 2,616,859) and TL 5,699,385 of this amount is related with POS machine commissions (1 January – 31 December 2023 – TL 1,721,752) and TL 4,458,064 of this amount is related with other commission fees (1 January – 31 December 2023 – TL 2,434,255).

As of 31 December 2024, other fees and commissions given is TL 9,602,530 (1 January – 31 December 2023 – TL 3,753,025), TL 7,491,763 (1 January – 31 December 2023 – TL 2,222,466) of this amount is related with POS clearing commissions and installation expenses, TL 757,083 (1 January – 31 December 2023 – TL 431,624) of this amount is related with fees and commissions paid for credit cards and TL 1,353,684 of this amount is related with other commission fees (1 January – 31 December 2023 – TL 1,098,935).

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 Bank made dividend payments amounting to TL 2,660,937 to shareholders in the current period with the decision of the General Assembly dated 29 March 2024.

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6. Explanations and notes related to 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	**71,638,422**	**45,273,124**
Cash in TL/foreign currency, others	53,525,010	26,837,537
Demand deposits at banks (Up to 3 months)	18,113,412	18,435,587
Cash Equivalents	-	-
Interbank money markets	-	-
Time deposits at banks	-	-
Marketable securities	-	-
Total cash and cash equivalent	**71,638,422**	**45,273,124**

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

	Current Period	Prior Period
Cash	**125,488,388**	**71,638,422**
Cash in TL/foreign currency, others	98,445,706	53,525,010
Demand deposits at banks (Up to 3 months)	27,042,682	18,113,412
Cash Equivalents	-	-
Interbank money markets	-	-
Time deposits at banks	-	-
Marketable securities	-	-
Total cash and cash equivalent	**125,488,388**	**71,638,422**

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

None (31 December 2023 – None).

6.3. Explanations on other items in the cash flow statement

"Other items" amounting to TL (15,624,318) (1 January – 31 December 2023 - TL (5,366,372) 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 19,150,014 (1 January – 31 December 2023 - TL 7,465,137) 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 12,054,124 (1 January – 31 December 2023 - TL 4,435,890) in "Changes in operating assets and liabilities" consist of changes in prepaid rent expense and other asset.

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 36,516,686 as of 31 December 2024 (31 December 2023 – TL 35,924,861). The effects of the change in foreign currency rates on cash and cash equivalents is 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 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 Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	736,761	73,084	29,238	82,280	2,974,543	20,322
Balance at end of period	111,135	199,233	31,373	104,629	1,117	3,505
Profit share and commission income	14,948	855	4,343	839	201	-

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

Prior period

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at Beginning of Period	471,573	52,699	26,634	45,210	2,176,543	1,849
Balance at End of Period	736,761	73,084	29,238	82,280	2,974,543	20,322
Profit share and commission income	1,507	576	4,230	631	15,396	-

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

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

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit-sharing accounts						
Balance at Beginning of Period	3,936,961	386,651	502,954	219,676	750,296	454,287
Balance at End of Period	4,048,835	3,936,961	777,817	502,954	946,678	750,296
Profit share expense	147,943	19,628	65,255	27,810	12,561	425

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

7.3 Information on forward and option agreements and other similar agreements with the risk group of the Bank

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value through Profit or Loss						
Balance at beginning of period	3,758,803	2,697,940	2,361,778	842,005	-	-
Balance at end of period	4,668,605	3,758,803	1,459,578	2,361,778	-	-
Total Profit/(Loss)	(80,368)	(3,756)	1,109	15,624	-	-
Hedging Transactions	-	-	-	-	-	-
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

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

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

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Borrowings						
Balance at Beginning of Period	26,557,884	10,068,825	9,195,276	957,272	-	-
Balance at End of Period	15,194,096	26,557,884	14,649,976	9,195,276	-	-
Profit share expense	672,675	1,606,570	541,528	343,839	-	-

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

7.5 Information on remunerations provided to top management

Subordinated additional capital (Tier-I) sukuks amounting to USD 50,000,000 (full amount) executed by the Bank on 28 September 2020 are provided by Kuwait Finance House. Kuwait Finance House owns USD 35,000,000 (full amount) of the subordinated additional capital (Tier-II) sukuk amounting to USD 350,000,000 (full amount) executed by the Bank on 16 September 2021.

7.6 Information on remunerations provided to top management

As of 1 January – 31 December 2024, the Bank has paid TL 457,943 to top management (1 January – 31 December 2023 - TL 263,879).

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 (*)	448	4,079			
			Country		
Foreign representative offices				**Total Assets (Thousands, TL)**	**Legal Capital (Full EUR)**
Foreign Bank	1	132	Germany	30,756,109	43,385,026
Off-shore Branches	1	3	Bahrain	21,862,127	
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 2024, 6 new domestic branches (2023 - 8) were opened and 2 domestic branches were closed (2023 - 7). There are no closed branches abroad (2023 – None).

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

The Board of Directors of the Bank has decided to appoint Dr. Ruşen Ahmet Albayrak, Executive Vice President in charge of Treasury and International Banking, to the position of Executive Vice President in charge of Treasury and International Banking, Aslan Demir, Executive Vice President in charge of Strategy, to the position of Executive Vice President in charge of Treasury and International Banking, and Semih Sel, Human Resources Group Manager, to the position of Executive Vice President in charge of Human Resources and Strategy, effective as of 1 January 2025, due to the retirement of Ahmet Süleyman Karakaya, Executive Vice President in charge of Corporate and Commercial Banking, as of 31.12.2024.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

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 audit report

The unconsolidated 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 14 February 2025 is presented preceding the financial statements.

2. Notes and disclosures prepared by the independent auditor: None.

KUVEYT TÜRK KATILIM BANKASI A.Ş

INDEPENDENT AUDIT REPORT,
CONSOLIDATED FINANCIAL STATEMENTS AND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2024

(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 accompanying consolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş (“the Bank”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, 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 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no. 26333 dated 1 November 2006 and communiques, circulars and pronouncements published by the Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards (TFRS) including the provisions of "Accounting and Financial Reporting Regulations BRSA" for the matters not legislated by the aforementioned regulations.

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA) and “Regulation on Independent Auditing of Banks” published by BRSA on Official Gazette dated 2 April 2015 numbered 29314. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 adressed in the audit
Impairment of loans in accordance with TFRS 9 “Financial Assets” Impairment of loans is a key area of judgment for the management. The Group has the total loans amounting to TL 457,943,647 thousands, which comprise 51% of the Group’s total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 13,135,273 thousands as at 31 December 2024. 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. 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. Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. 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. Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note 1.5.	As part of our audit work, the following procedures were performed: 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. We have assessed and analyzed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples. 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. 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. 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. Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements, underlying the estimations of impairments were reasonable. Our specialists are involved in all procedures regarding assumptions of models and individual assessments. We have reviewed disclosures made within the TFRS 9 framework in the unconsolidated financial statements of the Bank with respect to loans and receivables and related impairment provisions.

Key Audit Matter	How the matter was addressed in the audit
Information technologies audit 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 Bank 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 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.	The procedures carried out within the scope of our information technology audit works: • The Group's controls on information systems have been determined, understood and tested by us with a risk-based approach. • Information Technology Audit includes important information systems layers (applications, databases, operating systems and network levels) in terms of financial statements that play a role in the formation, transmission and storage of data. The information systems controls we tested are generally categorized in the areas listed below: • Access Security • Change Management • Data Center and Network Operations • As high-risk control areas, creating and monitoring audit trails at database and application levels and change management control activities have been determined for preventing and restraining unauthorized access to financial data. • The management of audit trails and controls for access management have been tested for all applications that have direct or indirect impact on financial data. • Automatic controls and integration controls have been tested in order to understand the basis of the financial data formation process and to detect changes and accesses. • In addition, tests have been carried out regarding the completeness and accuracy of the reports that provided input to the controls and was produced by IT components. In addition, the controls regarding the database, network and operating system levels of the applications within the scope have been tested.

4) Other Matters

The consolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş. for the year ended 31 December 2023 have been audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on 15 February 2024.

5) 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 financial statements in accordance with the BRSA Accounting and Financial Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

6) 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 the regulation on "Independent Auditing 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 the regulation on "Independent Auditing 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

6) Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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.

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, related safeguards.

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 Group's set of accounts for the period 1 January - 31 December 2024 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, 14 February 2025

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THE CONSOLIDATED FINANCIAL REPORT OF KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ FOR THE PERIOD THEN ENDED 31 DECEMBER 2024

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 Kira Sertifikaları Varlık Kiralama A.Ş.			Kuveyt Türk Portföy Birinci Katılım Serbest(TL) Fon
3.	Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.			Kuveyt Türk Portföy Birinci Katılım Serbest(Döviz-Avro) Özel Fon
4.	KT Bank AG.			Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu
5.	Kuveyt Türk Portföy Yönetimi A.Ş.			Kuveyt Türk Portföy Yönetimi A.Ş. 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 Finansal Teknolojiler 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	Shadi Ahmed Yacoub ZAHRAN Chairman of the Audit Committee	Nadir ALPASLAN Member of the Audit Committee

Mohamed Hedi MEJAI Member of the Audit Committee	Ufuk UYAN General Manager	Ahmet KARACA Deputy General Manager for Financial Affairs	Mehmed Tahir KAPLAN Budget and Reporting Group Manager

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

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

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 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 2024, 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 9.00% 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	Date of the Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Hamad A H D MARZOUQ	Head of the BOD	25/06/2014			Master	-
Shadi Ahmed YACOUB ZAHRAN	Member of BOD and chairman of the Audit Committee	25/09/2020	04/11/2020		Master	-
Nadir ALPASLAN	Vice President of BOD and member of Audit Committee	15/04/2011	24/12/2019		Bachelor	-
Salah A E ALMUDHAF	Member of BOD	07/10/2019		02/10/2024	Bachelor	-
Ahmad S A A ALKHARJI	Member of BOD	26/03/2014	24/09/2014	09/09/2020	Master	-
Mohamed Hedi MEJAI	Member of BOD and Audit Committee	25/03/2021	04/05/2021		Master	-
Gehad Mohamed ELBENDARY ANANY	Member of BOD	25/09/2020	09/09/2020	04/11/2020	Bachelor	-
Sinan AKSU	Member of BOD	08/05/2023			Bachelor	-
Ufuk UYAN	Member of BOD and General Manager	10/05/1999			Master	0.057%
Ahmet KARACA	Assistant General Manager, Financial Control	12/07/2006			Master	0.001%
Ahmet Süleyman KARAKAYA	Assistant General Manager, Corporate and Commercial Banking	14/01/2003		31/12/2024	Bachelor	-
Bilal SAYIN	Assistant General Manager, Lending	20/08/2003			Bachelor	0.004%
İrfan YILMAZ	Assistant General Manager, Banking Services	27/10/2005			Bachelor	0.019%
Dr. Ruşen Ahmet ALBAYRAK	Assistant General Manager, Treasury and International Banking.	05/05/2005			Doctorate	0.007%
Nurettin KOLAÇ	Assistant General Manager, Legal and Risk Follow Up	20/04/2010			Bachelor	0.001%
Aslan DEMİR	Assistant General Manager, Strategy	08/10/2012			Bachelor	0.006%
Mehmet ORAL	Assistant General Manager, Retail Banking	01/10/2012			Bachelor	0.005%
Abdurrahman DELİPOYRAZ	Assistant General Manager, SME Banking	09/01/2015			Bachelor	0.005%
Hüseyin Cevdet YILMAZ	Head of the Risk, Control and Compliance Group	16/12/2003			Bachelor	0.001%
Bahattin AKCA	Chairman of the Inspection Board	01/08/2007			Bachelor	0.001%

Chairman and members of the Board of Directors, members of auditing committee, general manager and assistant general managers own 0.11% of the Bank's share capital (31 December 2023 – 0.11%).

4. Information on qualified parent bank

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	2,863,098	57.81%	2,863,098	-
T.C. Vakıflar Genel Müdürlüğü	1,212,608	24.49%	1,212,608	-
Total	**4,075,706**	**82.3%**	**4,075,706**	**-**

As of 31 December 2024, the shareholding structure of Kuwait Finance House, the main shareholder of the Parent Bank, is as follows.

Name / Commercial Name	Share Amount
Kuwait Investment Authority	15.67%
The Public Institution for Social Security & Group	9.05%
The Public Authority for Minors Affairs	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 2024, the Group is operating through 453 domestic branches (31 December 2023 – 450) with 7,122 employees (31 December 2023 – 6,844). Summary of some of the Bank's operations described in the Articles of Association are as follows:

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

CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2024

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

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

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	ASSETS	**Notes**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FINANCIAL ASSETS (Net)**		**128,395,216**	**239,151,497**	**367,546,713**	**86,492,919**	**193,023,795**	**279,516,714**
1.1.	**Cash and Cash Equivalents**		**79,201,599**	**194,060,570**	**273,262,169**	**37,113,775**	**131,797,225**	**168,911,000**
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	59,543,446	167,156,918	226,700,364	29,736,696	114,450,066	144,186,762
1.1.2.	Banks	(5.1.3.)	12,418,838	26,907,745	39,326,583	7,076,730	17,349,222	24,425,952
1.1.3.	Money Markets		7,241,952	-	7,241,952	300,805	-	300,805
1.1.4.	Expected Credit Loss (-)		2,637	4,093	6,730	456	2,063	2,519
1.2.	**Financial Assets at Fair Value Through Profit or Loss**		**7,661,871**	**17,265,515**	**24,927,386**	**18,171,320**	**33,927,233**	**52,098,553**
1.2.1.	Government Debt Securities		775,372	11,956,887	12,732,259	825,151	32,033,674	32,858,825
1.2.2.	Equity Instruments		1,301,568	18,828	1,320,396	1,416,750	-	1,416,750
1.2.3.	Other Financial Assets		5,584,931	5,289,800	10,874,731	15,929,419	1,893,559	17,822,978
1.3.	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(5.1.4.)**	**40,632,058**	**27,027,260**	**67,659,318**	**29,797,862**	**26,835,736**	**56,633,598**
1.3.1.	Government Debt Securities		40,455,600	25,552,171	66,007,771	29,689,566	26,216,660	55,906,226
1.3.2.	Equity Instruments		138,727	382,853	521,580	108,296	241,172	349,468
1.3.3.	Other Financial Assets		37,731	1,092,236	1,129,967	-	377,904	377,904
1.4.	**Derivative Financial Assets**		**899,688**	**798,152**	**1,697,840**	**1,409,962**	**463,601**	**1,873,563**
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	**(5.1.2.)**	899,688	798,152	1,697,840	1,409,962	463,601	1,873,563
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	**(5.1.11.)**	-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED WITH AMORTISED COSTS (Net)**		**264,666,995**	**238,755,801**	**503,422,796**	**242,154,496**	**153,342,373**	**395,496,869**
2.1.	**Loans**	**(5.1.5.)**	**227,283,754**	**180,153,271**	**407,437,025**	**198,311,575**	**118,134,608**	**316,446,183**
2.2.	**Leasing Receivables**	**(5.1.10.)**	**15,662,731**	**34,843,891**	**50,506,622**	**17,428,625**	**19,691,158**	**37,119,783**
2.3.	**Other Financial Assets Measured at Amortized Cost**	**(5.1.6.)**	**30,961,072**	**27,653,350**	**58,614,422**	**37,465,206**	**22,461,091**	**59,926,297**
2.3.1.	Government Debt Securities		30,961,072	26,632,039	57,593,111	37,278,552	21,809,774	59,088,326
2.3.2.	Other Financial Assets		-	1,021,311	1,021,311	186,654	651,317	837,971
2.4.	**Expected Credit Loss (-)**		**9,240,562**	**3,894,711**	**13,135,273**	**11,050,910**	**6,944,484**	**17,995,394**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)**	**(5.1.16.)**	**522,743**	**-**	**522,743**	**428,585**	**-**	**428,585**
3.1.	Held For Sale		522,743	-	522,743	428,585	-	428,585
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES**		**779,060**	**-**	**779,060**	**437,664**	**-**	**437,664**
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.)**	**123,680**	**-**	**123,680**	**123,680**	**-**	**123,680**
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		123,680	-	123,680	123,680	-	123,680
4.3.	**Investment in Joint Ventures (Net)**	**(5.1.9.)**	**655,380**	**-**	**655,380**	**313,984**	**-**	**313,984**
4.3.1.	Joint Ventures Valued Based on Equity Method		655,380	-	655,380	313,984	-	313,984
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(5.1.12.)**	**5,478,616**	**125,113**	**5,603,729**	**3,456,931**	**75,311**	**3,532,242**
VI.	**INTANGIBLE ASSETS (Net)**	**(5.1.13.)**	**2,621,855**	**235,463**	**2,857,318**	**1,054,933**	**170,542**	**1,225,475**
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		2,621,855	235,463	2,857,318	1,054,933	170,542	1,225,475
VII.	**INVESTMENT PROPERTIES (Net)**	**(5.1.14.)**	**317,050**	**-**	**317,050**	**41,605**	**-**	**41,605**
VIII.	**CURRENT TAX ASSETS**		-	-	-	-	-	-
IX.	**DEFERRED TAX ASSETS**	**(5.1.15.)**	**8,169,608**	**286,970**	**8,456,578**	**5,865,421**	**185,135**	**6,050,556**
X.	**OTHER ASSETS**	**(5.1.17.)**	**12,386,654**	**956,280**	**13,342,934**	**4,406,998**	**720,729**	**5,127,727**
	TOTAL ASSETS		**423,337,797**	**479,511,124**	**902,848,921**	**344,339,552**	**347,517,885**	**691,857,437**

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

CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2024

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

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

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	LIABILITIES	**Notes**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FUNDS COLLECTED**	**(5.2.1.)**	**281,068,615**	**323,332,072**	**604,400,687**	**240,190,712**	**277,945,733**	**518,136,445**
II.	**FUNDS BORROWED**	**(5.2.3.)**	**3,549,663**	**118,992,632**	**122,542,295**	**674,934**	**63,762,439**	**64,437,373**
III.	**MONEY MARKETS**		**17,856,858**	**-**	**17,856,858**	**4,487,806**	**-**	**4,487,806**
IV.	**SECURITIES ISSUED (Net)**	**(5.2.4.)**	**1,000,923**	**-**	**1,000,923**	**3,380,842**	**-**	**3,380,842**
V.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VI.	**DERIVATIVE FINANCIAL LIABILITIES**		**1,319,486**	**1,453,023**	**2,772,509**	**97,395**	**877,794**	**975,189**
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	1,319,486	1,453,023	2,772,509	97,395	877,794	975,189
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.7.)	-	-	-	-	-	-
VII.	**LEASE PAYABLES**	**(5.2.6.)**	**1,483,109**	**98,706**	**1,581,815**	**889,259**	**51,174**	**940,433**
VIII.	**PROVISIONS**	**(5.2.8.)**	**24,810,535**	**2,230,905**	**27,041,440**	**15,089,734**	**1,698,231**	**16,787,965**
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves for Employee Benefits		3,934,704	348,830	4,283,534	2,604,726	236,120	2,840,846
8.3.	Insurance for Technical Provision (Net)		18,891,907	51,011	18,942,918	10,921,751	5,801	10,927,552
8.4.	Other Provisions		1,983,924	1,831,064	3,814,988	1,563,257	1,456,310	3,019,567
IX.	**CURRENT TAX LIABILITIES**	**(5.2.9.1.)**	**6,051,257**	**-**	**6,051,257**	**3,603,049**	**-**	**3,603,049**
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.)**	**-**	**14,186,285**	**14,186,285**	**-**	**17,967,564**	**17,967,564**
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	14,186,285	14,186,285	-	17,967,564	17,967,564
XIII.	**OTHER LIABILITIES**	**(5.2.5.)**	**12,930,852**	**2,625,176**	**15,556,028**	**5,335,596**	**2,832,095**	**8,167,691**
XIV.	**SHAREHOLDERS` EQUITY**	**(5.2.12.)**	**89,697,887**	**160,937**	**89,858,824**	**52,729,013**	**244,067**	**52,973,080**
14.1.	Paid-in Capital		4,947,336	-	4,947,336	4,595,131	-	4,595,131
14.2.	Capital Reserves		6,376,655	-	6,376,655	26,399	-	26,399
14.2.1.	Share Premiums		6,374,781	-	6,374,781	24,525	-	24,525
14.2.2.	Share Cancellation Profits		1,874	-	1,874	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		(543,859)	-	(543,859)	(513,980)	-	(513,980)
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(4,537,749)	273,187	(4,264,562)	(308,700)	233,137	(75,563)
14.5.	Profit Reserves		42,916,867	-	42,916,867	18,336,113	-	18,336,113
14.5.1.	Legal Reserves		3,029,102	-	3,029,102	1,396,225	-	1,396,225
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		39,604,749	-	39,604,749	16,674,091	-	16,674,091
14.5.4.	Other Profit Reserves		283,016	-	283,016	265,797	-	265,797
14.6.	Profit or Loss		40,453,683	(112,250)	40,341,433	30,506,928	10,930	30,517,858
14.6.1.	Prior Years' Profits or Losses		3,265,944	10,930	3,276,874	1,753,213	(62,252)	1,690,961
14.6.2.	Current Period Net Profit or Loss		37,187,739	(123,180)	37,064,559	28,753,715	73,182	28,826,897
14.7.	Minority Shares	(5.2.13.)	84,954	-	84,954	87,122	-	87,122
	TOTAL LIABILITIES AND EQUITY		**439,769,185**	**463,079,736**	**902,848,921**	**326,478,340**	**365,379,097**	**691,857,437**

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

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2024

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

2. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
		Notes	TL	FC	Total	TL	FC	Total
A.	**COMMITMENTS AND CONTINGENCIES (I+II+III)**		**258,748,910**	**305,816,835**	**564,565,745**	**167,180,742**	**145,166,467**	**312,347,209**
I.	**GUARANTEES AND WARRANTIES**	**(5.3.1.)**	**69,399,512**	**35,661,870**	**105,061,382**	**37,860,524**	**23,725,548**	**61,586,072**
1.1.	Letters of Guarantee		64,449,367	21,091,600	85,540,967	35,104,562	14,400,676	49,505,238
1.1.1.	Guarantees Subject to State Tender Law		990,082	27,987	1,018,069	732,597	24,480	757,077
1.1.2.	Guarantees Given for Foreign Trade Operations		2,948,213	166,991	3,115,204	1,774,567	86,137	1,860,704
1.1.3.	Other Letters of Guarantee		60,511,072	20,896,622	81,407,694	32,597,398	14,290,059	46,887,457
1.2.	Bank Loans		93,099	634,440	727,539	18,769	164,427	183,196
1.2.1.	Import Letter of Acceptances		93,099	634,440	727,539	18,769	164,427	183,196
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		30,972	13,550,814	13,581,786	49,354	8,836,973	8,886,327
1.3.1.	Documentary Letters of Credit		4,784	1,480,135	1,484,919	18,355	1,805,046	1,823,401
1.3.2.	Other Letters of Credit		26,188	12,070,679	12,096,867	30,999	7,031,927	7,062,926
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		4,826,074	385,016	5,211,090	2,687,839	323,472	3,011,311
1.7.	Other Warrantees		-	-	-	-	-	-
II.	**COMMITMENTS**	**(5.3.1.)**	**96,030,796**	**13,700,170**	**109,730,966**	**99,196,596**	**8,230,233**	**107,426,829**
2.1.	Irrevocable Commitments		96,030,796	13,700,170	109,730,966	43,894,580	8,230,233	52,124,813
2.1.1.	Forward Asset Purchase and Sales Commitments		7,573,069	13,614,732	21,187,801	1,955,404	7,359,385	9,314,789
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		22,500	-	22,500	67,500	-	67,500
2.1.3.	Loan Granting Commitments		5,708,160	-	5,708,160	3,871,287	-	3,871,287
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks		5,864,748	-	5,864,748	3,861,133	-	3,861,133
2.1.7.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments for Credit Card Expenditure Limits		76,389,710	85,438	76,475,148	33,913,418	136,772	34,050,190
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		472,609	-	472,609	225,838	734,076	959,914
2.2.	Revocable Commitments		-	-	-	55,302,016	-	55,302,016
2.2.1.	Revocable Loan Granting Commitments		-	-	-	55,302,016	-	55,302,016
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(5.3.2.)**	**93,318,602**	**256,454,795**	**349,773,397**	**30,123,622**	**113,210,686**	**143,334,308**
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		93,318,602	256,454,795	349,773,397	30,123,622	113,210,686	143,334,308
3.2.1	Forward Foreign Currency Buy/Sell Transactions		18,287,200	20,458,168	38,745,368	1,966,099	7,546,320	9,512,419
3.2.1.1	Forward Foreign Currency Buy Transactions		12,970,429	7,075,606	20,046,035	1,965,934	2,900,611	4,866,545
3.2.1.2	Forward Foreign Currency Sell Transactions		5,316,771	13,382,562	18,699,333	165	4,645,709	4,645,874
3.2.2	Other Forward Buy/Sell Transactions		75,031,402	235,996,627	311,028,029	28,157,523	105,664,366	133,821,889
3.3	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES SECURITIES (IV+V+VI)**		**4,152,268,333**	**5,573,608,289**	**9,725,876,622**	**2,450,729,796**	**2,900,613,677**	**5,351,343,473**
IV.	**ITEMS HELD IN CUSTODY**		**203,063,073**	**4,699,808,964**	**4,902,872,037**	**149,692,755**	**2,201,236,887**	**2,350,929,642**
4.1.	Customers' Securities Held		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		47,479,628	4,636,308,727	4,683,788,355	19,584,500	2,141,385,286	2,160,969,786
4.3.	Checks Received for Collection		79,818,813	1,735,102	81,553,915	56,183,252	1,430,053	57,613,305
4.4.	Commercial Notes Received for Collection		7,049,650	2,677,302	9,726,952	5,132,928	1,862,477	6,995,405
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		68,714,982	59,087,833	127,802,815	68,792,075	56,559,071	125,351,146
V.	**PLEDGED ITEMS**		**3,947,957,092**	**873,242,903**	**4,821,199,995**	**2,300,424,666**	**698,929,858**	**2,999,354,524**
5.1.	Marketable Securities		5,797,660	3,150,772	8,948,432	3,152,926	235,462	3,388,388
5.2.	Guarantee Notes		100,977	14,953,279	15,054,256	100,977	11,889,942	11,990,919
5.3.	Commodity		133,357,236	54,581,832	187,939,068	67,498,620	3,423,389	70,922,009
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		914,931,926	37,315,693	952,247,619	523,785,679	31,954,004	555,739,683
5.6.	Other Pledged Items		2,893,769,293	763,241,327	3,657,010,620	1,705,886,464	651,427,061	2,357,313,525
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED GUARANTEES AND WARRANTEES**		**1,248,168**	**556,422**	**1,804,590**	**612,375**	**446,932**	**1,059,307**
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		**4,411,017,243**	**5,879,425,124**	**10,290,442,367**	**2,617,910,538**	**3,045,780,144**	**5,663,690,682**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF 31 DECEMBER 2024

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

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

			Current Period Audited 01.01.2024-31.12.2024	Prior Period Audited 01.01.2023-31.12.2023
	INCOME AND EXPENSE TABLE	Notes		
I.	**PROFIT SHARE INCOME**	**(5.4.1.)**	**139,602,423**	**67,354,218**
1.1.	Profit Share on Loans		86,423,312	37,807,867
1.2.	Profit Share on Reserve Deposits		9,688,833	-
1.3.	Profit Share on Banks		6,401,623	3,240,300
1.4.	Profit Share on Money Market Placements		774,256	-
1.5.	Profit Share on Marketable Securities Portfolio		26,199,434	21,462,141
1.5.1.	Fair Value Through Profit or Loss		3,011,610	1,352,198
1.5.2.	Fair Value Through Other Comprehensive Income		12,077,246	15,073,884
1.5.3.	Measured at Amortised Cost		11,110,578	5,036,059
1.6.	Finance Lease Income		9,437,621	4,714,670
1.7.	Other Profit Share Income		677,344	129,240
II.	**PROFIT SHARE EXPENSE (-)**		**80,222,984**	**28,374,676**
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	60,265,065	23,159,791
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	7,647,681	3,587,231
2.3.	Profit Share Expense on Money Market Borrowings		7,725,835	518,030
2.4.	Expense on Securities Issued	(5.4.2.)	4,314,757	537,159
2.5.	Profit Share Expense on Lease		269,646	572,465
2.6.	Other Profit Share Expense		-	-
III.	**NET PROFIT SHARE INCOME (I - II)**		**59,379,439**	**38,979,542**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**7,705,379**	**3,050,244**
4.1.	Fees And Commissions Received		19,821,857	7,634,839
4.1.1.	Non-Cash Loans		772,906	411,273
4.1.2.	Other	(5.4.13.)	19,048,951	7,223,566
4.2.	Fees And Commissions Paid (-)		12,116,478	4,584,595
4.2.1.	Non-Cash Loans		6,131	2,645
4.2.2.	Other	(5.4.13.)	12,110,347	4,581,950
V.	**DIVIDEND INCOME**	**(5.4.3.)**	**12,078**	**5,302**
VI.	**NET TRADING INCOME / LOSS (Net)**	**(5.4.5.)**	**4,333,112**	**11,089,651**
6.1.	Capital Market Transaction Gains/Losses		931,223	1,263,741
6.2.	Gains/Losses from Derivative Financial Instruments		(1,613,999)	8,335,237
6.3.	Foreign Exchange Gains/Losses		5,015,888	1,490,673
VII.	**OTHER OPERATING INCOME**	**(5.4.6.)**	**21,698,539**	**9,888,625**
VIII.	**GROSS OPERATING PROFIT (III+IV+V+VI+VII)**		**93,128,547**	**63,013,364**
IX.	**EXPECTED LOSS PROVISIONS (-)**	**(5.4.7.)**	**5,569,660**	**6,831,733**
X.	**OTHER PROVISIONS (-)**	**(5.4.7.)**	**1,163,399**	**305,289**
XI.	**PERSONNEL EXPENSES (-)**		**13,494,101**	**6,905,472**
XII.	**OTHER OPERATING EXPENSES (-)**	**(5.4.8.)**	**23,807,060**	**12,771,282**
XIII.	**NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)**		**49,094,327**	**36,199,588**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		**-**	**-**
XV.	**INCOME / LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		**341,396**	**170,647**
XVI.	**INCOME / LOSS ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)**	**(5.4.9.)**	**49,435,723**	**36,370,235**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(5.4.10)**	**(12,342,274)**	**(7,524,365)**
18.1.	Current Tax Provision		12,551,093	9,509,390
18.2.	Deferred Tax Expense Effect (+)		1,014,863	1,709,738
18.3.	Deferred Tax Income Effect (-)		1,223,682	3,694,763
XIX.	**CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)**	**(5.4.11.)**	**37,093,449**	**28,845,870**
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.)**	**37,093,449**	**28,845,870**
25.1.	Group's Income/Loss		37,064,559	28,826,897
25.2.	Minority Interest Income/Loss (-)		28,890	18,973
	Earnings Per Share Income/Loss (Full TL)		7.8137	6.2708

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2024

(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 01.01.2024 - 31.12.2024	Audited Önceki Dönem 01.01.2023 - 31.12.2023
I.	**CURRENT PROFIT/LOSS**	**37,093,449**	**28,845,870**
II.	**OTHER COMPREHENSIVE INCOME**	**(4,218,878)**	**(5,319,819)**
2.1	**Other Comprehensive Income Not Reclassified Through Profit or Loss**	**(29,879)**	**(219,573)**
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	(42,685)	(341,715)
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	12,806	122,142
2.2	**Other Comprehensive Income Reclassified Through Profit or Loss**	**(4,188,999)**	**(5,100,246)**
2.2.1	Foreign Currency Translation Difference	695,265	2,014,433
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	(6,321,413)	(7,670,136)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	(656,106)	(2,046,325)
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	2,093,255	2,601,782
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**32,874,571**	**23,526,051**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2024

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

								Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss		Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss											
		Notes	Paid-in Capital	Share Premiums	Share cancellation profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity Loss Minority Shares	Minority Shares	Total Shareholders' Equity
	Prior Period (01/01/2023 – 31/12/2023)																	
I.	**Prior Period Ending Balance**		**4,595,131**	**24,525**	**1,874**	**-**	**-**	**(294,407)**	**-**	**1,643,243**	**4,683,273**	**(1,301,833)**	**5,674,664**	**757,179**	**14,918,773**	**30,702,422**	**67,913**	**30,770,335**
II.	**Corrections and Accounting Policy Changes Made According to TAS8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**	**-**	**-**	**(294,407)**	**-**	**1,643,243**	**4,683,273**	**(1,301,833)**	**5,674,664**	**757,179**	**14,918,773**	**30,702,422**	**67,913**	**30,770,335**
IV.	**Total Comprehensive Income**		-	-	-	-	-	**(219,573)**	-	**2,014,433**	**(5,727,982)**	**(1,386,697)**	-	-	**28,826,897**	**23,507,078**	**18,973**	**23,526,051**
V.	**Capital Increase by Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**		-	-	-	-	-	-	-	-	-	-	-	8,987	**(14,918,773)**	**76,458**	**236**	**76,694**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**67,471**	**924,795**	-	**(1,400,000)**	-	**(1,400,000)**
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	**12,593,978**	(1,400,000)	-	(1,400,000)	-	(1,400,000)
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	12,593,978	(12,593,978)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	14,916,773	(14,918,773)	-	-	-
	Balances at end of the period (III+IV+.....+XI+XII)	(5.2.12.)	**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**
	Current Period (01/01/2024 – 31/12/2024)																	
I.	**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**
II.	**Corrections and Accounting Policy Changes Made According to TAS9**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**		-	-	-	-	-	-	-	-	-	-	-	-	-	**6,702,461**	-	**6,702,461**
VI.	**Capital Increase by Internal Reserves**		**352,205**	**6,350,256**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Paid in Capital Inflation Adjustment Difference**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds to Share**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Increase / Decrease by Other Changes**		-	-	-	-	-	-	-	-	-	-	**1,379**	**(672)**	-	**707**	**(31,058)**	**(30,351)**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**24,579,375**	**1,586,585**	**(28,826,897)**	**(2,660,937)**	-	**(2,660,937)**
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	**(2,660,937)**	-	**(2,660,937)**	-	**(2,660,937)**
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	24,579,375	(24,579,375)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	28,826,897	(28,826,897)	-	-	-
	Balances at end of the period (III+IV+.....+XI+XII)	(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**	**37,064,589**	**89,773,870**	**84,954**	**89,858,824**

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.

CONSOLIDATED STATEMENT OF CASH FLOW
AS OF 31 DECEMBER 2024

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

6. CONSOLIDATED STATEMENT OF CASH FLOWS

			Audited Current Period	Audited Prior Period
		Notes	01.01.2024-31.12.2024	01.01.2023-31.12.2023
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Assets and Liabilities from Banking Operations**		**56,804,321**	**39,303,961**
1.1.1	Profit Share Income Received		133,324,189	70,352,357
1.1.2	Profit Share Expense Paid		(74,863,049)	(23,143,586)
1.1.3	Dividends Received		12,078	5,302
1.1.4	Fees And Commissions Received		19,821,857	7,634,839
1.1.5	Other Income		31,739,103	6,434,873
1.1.6	Collections From Previously Written Off Loans		1,906,843	1,145,891
1.1.7	Payments to Personnel and Service Suppliers		(12,051,415)	(5,706,920)
1.1.8	Taxes Paid		(8,860,393)	(7,016,747)
1.1.9	Others	(5.6.3)	(34,224,892)	(10,402,048)
1.2	**Changes in Assets and Liabilities from Banking Operations**		**(1,619,989)**	**1,351,213**
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		30,483,680	(26,048,110)
1.2.2	Net (Increase) Decrease in Due from Banks and Other Financial Institutions		(31,320,171)	(34,274,754)
1.2.3	Net (Increase) Decrease in Loans		(62,536,356)	(114,465,696)
1.2.4	Net (Increase) Decrease in Other Assets	(5.6.3)	(15,485,232)	1,505,132
1.2.5	Net Increase (Decrease) in Bank Deposits		211,644	(52,050)
1.2.6	Net Increase (Decrease) in Other Deposits		6,518,867	143,527,567
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed		27,519,014	20,039,740
1.2.9	Net Increase (Decrease) in Due Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(5.6.3)	42,988,565	11,119,384
I.	**Net Cash Provided From Banking Operations**		**55,184,332**	**40,655,174**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided From Investing Activities**		**(6,203,166)**	**(43,660,695)**
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(45,000)	(122,500)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3	Fixed Assets Purchases		(3,094,752)	(2,549,864)
2.4	Fixed Assets Sales		489,538	533,248
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(25,148,291)	(20,878,145)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		24,845,926	8,727,647
2.7	Cash Paid for Purchase of Investment Securities	(5.1.6.)	(2,077,703)	(28,906,133)
2.8	Cash Obtained from Sale of Investment Securities	(5.1.6.)	1,408,001	621,058
2.9	Other		(2,580,885)	(1,086,006)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided From Financing Activities**		**(18,430,413)**	**(2,111,541)**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		25,560,000	11,590,000
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(41,039,463)	(12,145,249)
3.3	Capital Increase		-	-
3.4	Dividends Paid		(2,660,937)	(1,400,000)
3.5	Payments For Finance Leases		(290,013)	(156,292)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(5.6.4)**	**36,386,313**	**35,253,835**
V.	**Net Increase in Cash and Cash Equivalents**		**66,937,066**	**30,136,773**
VI.	**Cash And Cash Equivalents at The Beginning of The Period**	**(5.6.1)**	**81,563,194**	**51,426,421**
VII.	**Cash And Cash Equivalents at The End of The Period**	**(5.6.1)**	**148,500,260**	**81,563,194**

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

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
AS OF 31 DECEMBER 2024

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

7. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION

		Current Period 01.01.2024 - 31.12.2024 (*)	Prior Period 01.01.2023 - 31.12.2023 (*)
I.	**Distribution of Current Period Profit**		
1.1.	Current Period Profit	46,257,158	33,503,408
1.2.	Taxes and Dues Payable (-)	11,603,702	6,894,037
1.2.1.	Corporate Tax (Income Tax)	12,287,240	9,420,021
1.2.2.	Income Tax Withholding	-	-
1.2.3.	Other Taxes and Dues Payable (**)	(683,538)	(2,525,984)
A.	**Net Profit for the Period (1.1-1.2)**	**34,653,456**	**26,609,371**
1.3.	Prior Year's Losses (-)	-	-
1.4.	First Legal Reserves (-)	-	1,596,562
1.5.	Other Reserves (-)	-	-
B.	**Distributable Net Period Profit [(A-(1.3+1.4+1.5)]**	**34,653,456**	**25,012,809**
1.6.	First Dividend to Shareholders (-)	-	2,660,937
1.6.1.	To Owners of Ordinary Shares	-	2,660,937
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	-	22,301,443
1.13.	Other Reserves	-	429
1.14.	Special Funds	-	50,000
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	7.30	5.78
3.2.	To Owners of Stocks (%)	729.97	578.46
3.3.	To Owners of Preferred Stocks	-	-
3.4.	To Owners of Preferred Stocks (%)	-	-
IV.	**Dividend per Share**		
4.1.	To Owners of Stocks	-	0.58
4.2.	To Owners of Stocks (%)	-	58
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.

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. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Group as of 31 December 2024.

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.

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

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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. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Group as of 31 December 2024.

1.5 TFRS 3 explanations on business combinations standard

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

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

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

- Explanations regarding the accounting policy applied for the acquisition of Neova Katılım Sigorta A.Ş.

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

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

1.6 Disclosures regarding TFRS 9 financial instruments

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

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

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

As of 31 December 2024, 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 2024. 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:

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

Stage 2: Includes financial assets having significant increase in their credit risk subsequent to the initial recognition, but not having objective evidence about impairment. It is recognized lifetime expected credit losses for such financial assets. In this context, the basic considerations that are 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 2024, the Group has usage assets amounting to TL 2,139,052 classified under tangible fixed assets and TL 2,401,632 lease obligations in the balance sheet. In year-end that ended as of the same date, a financial expense of TL 276,426 and depreciation expense of TL 475,476 occurred.

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 Turkey 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	31.12.2024	31.12.2023	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%	77.85%	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 Finansal Teknolojiler 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 NKS Katılım Serbest(TL) Özel Fon	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 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".

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.

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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 2024, 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 2024, the Group has no hedging transactions based on the benchmark interest rate.

5. Explanations on profit share income and expense

Profit share income is recognized in the income statement on an accrual basis by using the method of internal rate of return and is accounted under profit share income account in the financial statements. While applying the internal rate of return method, the Group amortizes the fees included in the account of the effective profit rate over the expected life of the financial instrument. If the financial asset is impaired and classified as a non-performing loan, profit accruals and rediscount calculations for these customers 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".

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 2024, the Group has repurchased agreement amounting to TL 17,856,858 (31 December 2023: 4,487,806).

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.

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

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.

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 obligation

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 reassure.

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.

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.

Withholding taxes is not applied to dividends distributed to companies' resident in Türkiye or companies who earn income in Turkey through their resident representatives in Turkey. With the Council of Minister's decision numbered 2009/14593 and 2009/14594 which are published in official gazette numbered 27130 and dated 3 February 2009, some deduction rates in 15th and 30th articles of the corporate tax law numbered 5520 were re-determined. In accordance with this, dividends distributed to companies other than companies' resident in Turkey or companies who earn income in Turkey through their resident representatives in Turkey are subject to 10% withholding taxes. Double tax treaty agreements are also taken into consideration during the application of withholding taxes on dividends distributed to real persons and to foreign-based taxpayers. Addition of profit to share capital is not considered as dividend distributed therefore no withholding taxes is applied.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç. Accordingly, corporate income tax has calculated with respect to revaluated real estate and depreciation units.

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.

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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.

Pillar 2 regulations agreed upon by OECD member countries entered into force in Türkiye with the Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024. Although secondary legislation on the subject has not been published, preliminary assessments based on the regulations published by the OECD indicate that these regulations will not have any material impact on the financials. However, legislative changes in Turkey and other countries where Kuveyt Türk Katılım Bankası A.Ş. operates are monitored.

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.

According to the provisional article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2024, regardless of whether the conditions for inflation adjustment are met, are included in the deferred tax calculation as of 31 December 2024.

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.

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

1. Explanations on Consolidated Equity Items

Total capital 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 2024 the Group's total capital has been calculated as TL 104,292,753 (31 December 2023: TL 71,599,378), capital adequacy ratio is 24.81% (31 December 2023: 25.36%).

With the decision dated 12 December 2023 and numbered 10747, in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks published in the Official Gazette dated 23 October 2015 and numbered 29511, it has been decided that the practice of using the foreign exchange buying rate of the Central Bank of the Republic of Türkiye for the calculation of monetary assets and non-monetary assets, except for foreign currency denominated items measured at historical cost in accordance with the Turkish Accounting Standards and the related specific provision amounts, shall be continued by using the foreign exchange buying rate of the Central Bank of the Republic of Türkiye as of 26 June 2023 to be applied as of 1 January 2025 until a BRSA decision is taken in the contrary direction in accordance with the decision dated 19.12.2024.

Furthermore, within the scope of the regulations announced by the BRSA on 21 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 2024.

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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	4,952,205	4,600,000
Share Premium	6,374,781	24,525
Reserves	42,916,867	18,336,113
Other Comprehensive Income According to TAS	1,542,767	1,355,126
Profit	40,341,433	30,517,858
Current Period Profit	37,064,559	28,826,897
Prior Period Profit	3,276,874	1,690,961
Minority Shares	84,954	87,122
Bonus Shares from Associates, Affiliates and Joint-Ventures Not Accounted in Current Period's Profit	-	-
Common Equity Tier I Capital Before Deductions	**96,213,007**	**54,920,744**
Deductions From Common Equity Tier I Capital		
Valuation Adjustments Calculated as per The Article 9. (I) of The Regulation on Bank Capital	-	-
Current and Prior Periods' Losses Not Covered By Reserves, and Losses Accounted Under Equity According to TAS	5,761,052	1,284,744
Leasehold Improvements on Operational Leases	429,260	238,694
Goodwill Netted with Deferred Tax Liabilities	-	-
Other intangible assets remaining after offsetting with the related deferred tax liability, excluding the rights to provide mortgage service	2,758,041	1,166,828
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	286,970	185,135
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	543,859	513,980
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	**9,784,051**	**3,394,250**
Total Common Equity Tier I Capital	**86,428,956**	**51,526,494**

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	7,358,175
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**1,763,557**	**7,358,175**
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other Items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	**1,763,557**	**7,358,175**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**88,192,513**	**58,884,669**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	12,344,896	10,301,445
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3,945,256	2,462,615
Tier II Capital Before Deductions	**16,290,152**	**12,764,060**
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	**16,290,152**	**12,764,060**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**104,482,665**	**71,648,729**

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EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

Total Capital (The sum of Tier I Capital and Tier II Capital)		
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	180,626	48,494
Other items to be defined by the BRSA	9,286	857
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 10% or More 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)	104,292,753	71,599,378
Total Risk Weighted Assets	420,359,547	282,386,563
CAPITAL ADEQUACY RATIOS		
CET1 Capital Ratio (%)	20.56	18.25
Tier I Capital Ratio (%)	20.98	20.85
Capital Adequacy Ratio (%)	24.81	25.36
BUFFERS		
Bank-Specific Total CET1 Capital Ratio	2.56	2.52
Capital Conservation Buffer Ratio (%)	2.50	2.50
Systemic Significant Bank Buffer Ratio (%)	0.06	0.02
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to The Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	14.98	13.75
Amounts Lower Than Excesses as Per Deduction Rules		
Remaining Total of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where The Bank Owns 10% or Less of The Issued Share Capital	-	-
Remaining Total Of Net Long Positions of The Investments In Tier I Capital of Unconsolidated Banks and Financial Institutions Where The Bank Owns More Than 10% or Less of The Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets Arising from Temporary Differences	-	-
Limits For Provisions Used in Tier II Capital Calculation		
General Loan Provisions For Exposures in Standard Approach (Before Limit of One Hundred and Twenty Five Per Ten Thousand)	4,918,196	7,948,868
General Loan Provisions For Exposures in Standard Approach Limited By 1.25% of Risk Weighted Assets	3,945,256	2,462,615
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 t o 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	-	-

Information on debt instruments to be included in equity calculation:		
Issuer	KT AT One Company Limited	KT21 T2 Company Limited
Instrument Code (CUSIP, ISIN vb.)	XS2227803819	XS2384355520
Legislation to which the Instrument is subject	BRSA regulation on Shareholders ' Equity	BRSA regulation on Shareholders ' Equity
Consideration In Equity Calculation		
Subject to consideration application reduced by 10% from 1/1/2015	Not Being Subject	Not Being Subject
Validity on a consolidated or unconsolidated basis or both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis
Instruments Type	Subordinated Sukuk (Additional Tier I Capital)	Subordinated Sukuk (Tier II Capital)
Amount taken into account in equity calculation (as of last reporting date-TL million)	1,764	12,345
Nominal value of the Instrument (TL million))	1,764	12,345
The account in which the Instrument is followed accounting	3470003	3470003
Export date of the Instrument	28/09/2020	16/09/2021
Maturity structure of the Instrument (demand/term))	Demand	10 Years and 3 Months Term
Initial maturity of the Instrument	5 Years (Due Date: 28/09/2025)	10 Years and 3 Months (Due Date:16/12/2031)
Whether the issuer has the right to refund subject to BRSA approval	Yes	Yes
Date of repayment option, contingent repayment options and amount to be paid back	28/09/2025 - Complete	16/12/2026 - Complete
Subsequent repayment option dates	28/09/2025	16/12/2026
Dividend payments		
Fixed or variable dividend payments	Fixed Dividend payments	Fixed Dividend payments
Dividend ratio and index value for dividend ratio	9.95%	6.125%
Whether there are any restrictions that stop paying dividends	None	None
The ability to be completely optional, partially optional or mandatory	Mandatory	Mandatory
Whether there is an element to encourage repayment, such as a dividend rate hike	None	None
Non-accumulative or cumulative property	Noncumulative	Noncumulative
Ability to convert to stock		
Trigger events/events that would cause conversion if converted to stock	Cannot be converted into stock	Cannot be converted into stock
Fully or partially convert property if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
If it can be converted to stock, the conversion rate	Cannot be converted into stock	Cannot be converted into stock
Forced or optional conversion property, if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
Types of convertible Instruments if convertible to stock	Cannot be converted into 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	Cannot be converted into stock
Value reduction feature		
Trigger events/events to cause reduction if value reduction is enabled	No Value Reduction	No Value Reduction
If it has a value reduction feature, it has a total or partial value reduction feature	No Value Reduction	No Value Reduction
If the value reduction property is continuous or transient	No Value Reduction	No Value Reduction
If the value can be temporarily reduced, the value increment mechanism	No Value Reduction	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))	Tier - 2	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	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	None

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

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

Internal evaluation process is established for continuously evaluating and maintaining the types, components and distribution of the adequate level of capital in order to provide for various risks exposed to or to be exposed to. The final purpose of the evaluation process of the internal capital requirement, is to define and evaluate all the risks included or not in the calculations of the legal capital requirements, within the frame of the activities of the 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.

The Parent Bank's top 100 and 200 cash loan customers represents 18% and 25% of the total cash loan portfolio, respectively.

The Parent Bank's top 100 and 200 non-cash loan customers represent 12% and 17% of the total non-cash loan portfolio, respectively.

The Parent Bank's top 100 and 200 cash and non-cash loan customers represent 14% and 20% 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	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.

Risk Classifications	Prior Period Risk Amount (*)	Average Risk Amount (**)
Conditional and unconditional receivables from central governments or Central Banks	195,884,907	174,109,889
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	630,053	638,084
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	24,885,347	29,988,657
Conditional and unconditional receivables from corporates	91,209,243	85,261,095
Conditional and unconditional receivables from retail portfolios	55,253,741	50,289,247
Conditional and unconditional receivables secured by mortgages	55,317,159	48,480,721
Past due receivables	102,532	126,248
Receivables defined under high-risk category by BRSA	25,986,396	16,492,650
Guaranteed securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	1,257,539	638,848
Other receivables	22,316,299	22,198,175
Total	**472,843,216**	**428,223,614**

(*) 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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EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

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	270,429,012	-	24,744,422	177,670,096	80,670,857	100,697,015	517,772	1,593,687	-	-	-	656,322,861
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"

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	195,884,907	398,709	7,756,058	83,020,931	51,739,494	54,694,596	102,351	25,598,233	-	-	-	419,195,279
European Union Countries	-	-	1,965,661	6,883,288	3,382,869	106,140	152	388,163	-	-	-	12,726,273
OECD Countries (**)	-	-	4,162,128	5,432	3,677	28,154	1	-	-	-	-	4,199,392
Off-Shore Regions	-	-	3,477	818,123	30,760	386,008	-	-	-	-	-	1,238,368
USA, Canada	-	-	6,662,434	2,031	5,133	8,647	-	-	-	-	-	6,678,245
Other Countries	-	231,344	4,335,589	479,438	91,808	93,614	28	-	-	-	-	5,231,821
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	1,257,539	-	1,257,539
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	22,316,299	22,316,299
Total	**195,884,907**	**630,053**	**24,885,347**	**91,209,243**	**55,253,741**	**55,317,159**	**102,532**	**25,986,396**	**-**	**1,257,539**	**22,316,299**	**472,843,216**

(*) 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".

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	Securitizatio n 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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

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	**-**	**-**	**-**	**-**	**-**	**-**	**1,376,737**	**710,141**	**1,184,375**	**552**	**526,499**	**-**	**-**	**-**	**-**	**-**	**1,500**	**2,595,172**	**1,204,632**	**3,799,804**
Farming and Stockbreeding	-	-	-	-	-	-	843,673	452,453	998,489	422	467,096	-	-	-	-	-	1,297	2,104,461	658,969	2,763,430
Forestry	-	-	-	-	-	-	532,533	238,952	180,425	91	48,850	-	-	-	-	-	203	469,495	531,559	1,001,054
Fishery	-	-	-	-	-	-	531	18,736	5,461	39	10,553	-	-	-	-	-	-	21,216	14,104	35,320
Manufacturing	**-**	**-**	**-**	**-**	**-**	**-**	36,752,473	11,951,421	14,743,324	18,298	8,496,920	**-**	**-**	**-**	**-**	**-**	51,853	37,032,819	34,981,470	72,014,289
Mining and Quarrying	-	-	-	-	-	-	8,562,212	2,185,315	2,299,157	477	1,132,336	-	-	-	-	-	3,273	6,108,694	8,074,076	14,182,770
Production	-	-	-	-	-	-	22,347,847	8,906,615	11,453,358	17,715	6,733,717	-	-	-	-	-	34,977	28,828,618	20,665,611	49,494,229
Electricity, Gas and Water	-	-	-	-	-	-	5,842,414	859,491	990,809	106	630,867	-	-	-	-	-	13,603	2,095,507	6,241,783	8,337,290
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**16,923,788**	**5,173,427**	**7,813,406**	**2,487**	**1,937,201**	**-**	**-**	**-**	**-**	**-**	**14,662**	**20,959,297**	**10,905,674**	**31,864,971**
Services	**195,884,907**	**-**	**-**	**630,053**	**-**	**24,885,347**	**22,820,740**	**16,500,270**	**16,713,851**	**62,463**	**9,818,541**	**-**	**-**	**-**	**-**	**1,205,638**	**15,965,579**	**170,438,084**	**134,049,305**	**304,487,389**
Wholesale and Retail Trade	-	-	-	-	-	-	14,360,614	10,254,195	10,746,083	27,215	6,902,889	-	-	-	-	-	72,166	30,461,794	11,901,368	42,363,162
Accommodation and Dining	-	-	-	-	-	-	291,121	420,528	800,226	27,516	253,029	-	-	-	-	-	24,276	1,494,934	321,762	1,816,696
Transportation and Telecom.	-	-	-	-	-	-	4,771,620	3,584,115	2,441,352	1,150	903,628	-	-	-	-	-	548,526	5,732,459	6,517,932	12,250,391
Financial Institutions	195,884,907	-	-	630,053	-	24,324,846	2,107	29,347	88,610	-	9,573	-	-	-	-	268,142	15,317,626	123,518,588	113,036,623	236,555,211
Real Estate and Rental Services	-	-	-	-	-	560,501	1,608,150	660,770	1,141,475	595	1,259,401	-	-	-	-	50	1,174	3,887,287	1,344,829	5,232,116
Professional Services	-	-	-	-	-	-	20,189	11,312	277	-	-	-	-	-	-	-	-	7,246	24,532	31,778
Educational Services	-	-	-	-	-	-	84,205	114,796	121,860	-	20,627	-	-	-	-	-	364	278,183	63,669	341,852
Health and Social Services	-	-	-	-	-	-	1,682,734	1,425,207	1,373,968	5,987	469,394	-	-	-	-	937,446	1,447	5,057,593	838,590	5,896,183
Others	**-**	**-**	**-**	**-**	**-**	**-**	**13,335,505**	**20,918,482**	**14,862,203**	**18,732**	**5,207,235**	**-**	**-**	**-**	**-**	**51,901**	**6,282,705**	**58,008,299**	**2,668,464**	**60,676,763**
Total	**195,884,907**	**-**	**-**	**630,053**	**-**	**24,885,347**	**91,209,243**	**55,253,741**	**55,317,159**	**102,532**	**25,986,396**	**-**	**-**	**-**	**-**	**1,257,539**	**22,316,299**	**289,033,671**	**183,809,545**	**472,843,216**

(*) 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.

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	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.

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	19,158,782	7,543,703	490,345	2,018,580	166,673,497
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	-	-	-	630,053	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	21,025,620	2,711,668	161,609	819,377	167,073
Conditional and unconditional receivables from corporates	15,995,637	8,009,598	12,210,939	18,605,550	36,387,519
Conditional and unconditional receivables from retail portfolios	17,086,263	6,820,319	6,712,164	10,024,315	14,610,680
Conditional and unconditional receivables secured by mortgages	7,762,892	5,591,727	6,436,724	12,773,199	22,752,617
Past due receivables	-	-	-	-	-
Receivables defined under high-risk category by BRSA	3,632,517	4,076,192	3,767,178	8,555,794	5,954,715
Guaranteed securities	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	1,257,539
Other Receivables	19,390,186	358	286	1,367	2,924,102
Total	**104,051,897**	**34,753,565**	**29,779,245**	**53,428,235**	**250,727,742**

(*) 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.

2.5. Credit risk using the standard approach

2.5.1. Credit risk exposed and credit risk mitigation effects

		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	
	Risk Classes	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**	

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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	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.

	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	199,618,507	-	-	-	-	-	-	-	-	199,618,507
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	630,053	-	-	-	-	-	-	-	-	630,053
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	292,755	-	18,787,367	3,521,322	-	550,155	-	-	-	23,151,599
7	Receivables from corporate	14,259,705	-	3,530,939	-	-	67,187,950	-	-	-	84,978,594
8	Retail receivables	10,577,218	-	651,302	-	43,620,959	158,901	-	-	-	55,008,380
9	Receivables secured by residential property	2,255,434	-	364,493	-	-	-	-	-	17,836,923	20,456,850
10	Receivables secured by commercial property	4,440,938	-	1,602,236	19,108,771	-	9,573,037	-	-	-	34,724,982
11	Non-performing receivables	2,249	-	214	95,659	-	1,526	-	-	-	99,648
12	Receivables in high-risk categories	-	-	-	-	-	-	4,230,635	20,862,831	892,930	25,986,396
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	-	-	-	-	-
17	Other receivables	12,835,266	-	140,532	-	-	1,257,539	-	-	-	1,257,539
18	Total	244,912,125	-	25,077,083	22,725,752	43,620,959	88,069,609	4,230,635	20,862,831	18,729,853	468,228,847

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

2.6. Risk amounts according to risk weights

Current Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
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	-

Prior Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	206,911,909	-	18,927,899	-	20,506,638	26,482,551	55,065,525	114,347,928	4,230,635	-	21,755,761	3,443,601
Exposures after Credit Risk Mitigation	244,912,125	-	25,077,083	-	17,836,923	22,725,752	43,620,959	88,069,609	4,230,635	-	21,755,761	3,443,601

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	**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	**6,727,778**	**945,478**	**1,605,101**
Total	**28,650,692**	**7,588,853**	**10,316,648**

(*) Provisions for expected credit loss include Stage II and Stage III provisions.
(**) Leasing receivables are not included.

		Loans	Provisions
		Impaired Loans	
Prior Period (**)	**Significant Increase in Credit Risk (Stage II)**	**Default (Stage III)**	**Expected Credit Loss Provisions (*)**
Agriculture	**216,175**	**21,676**	**65,399**
Farming and Stockbreeding	179,782	10,757	44,144
Forestry	36,145	10,576	20,954
Fishery	248	343	301
Manufacturing	**6,491,664**	**593,255**	**2,923,907**
Mining and Quarrying	1,171,460	25,762	676,226
Production	3,595,539	560,933	1,705,920
Electricity, Gas and Water	1,724,665	6,560	541,761
Construction	**3,401,439**	**1,742,922**	**2,215,886**
Services	**7,041,022**	**1,648,945**	**3,288,425**
Wholesale and Retail Trade	3,992,311	991,125	1,682,259
Accommodation and Dining	158,771	388,577	412,929
Transportation and Telecommunication	1,323,493	91,870	396,221
Financial Institutions	2,097	14,717	14,722
Real Estate and Rental Services.	670,032	69,910	442,230
Professional Services	-	-	3,181
Educational Services	125,811	9,718	119,019
Health and Social Services	768,507	83,028	217,864
Others	**3,235,771**	**236,459**	**939,851**
Total	**20,386,071**	**4,243,257**	**9,433,468**

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

Prior Period	**Opening Balance**	**Provisions for the period**	**Provision Reversals (***)**	**Other Adjustments (****)**	**Closing Balance**
Stage 3 Provisions (*)	3,114,791	1,890,140	(966,282)	(589,586)	3,449,063
Stage 1&2 Provisions (**)	10,730,333	4,941,593	(1,173,901)	-	14,498,025

(*) 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	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

Prior Period

Country	**RWAs of Banking Book for Private Sector Lending**	**RWA of calculated within Trading Accounts**	**Total**
Türkiye	167,973,591	-	167,973,591
Germany	9,908,211	-	9,908,211
Marshall Islands	819,259	-	819,259
Libaria	301,967	-	301,967
Malta	121,849	-	121,849
Albania	98,022	-	98,022
Other	81,766	-	81,766
Italy	50,121	-	50,121
England	20,923	-	20,923
Saudi Arabia	14,885	-	14,885
Qatar	10,234	-	10,234

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 2024, the classes of performing loans are given in the table below:

Current 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%

Prior Period	**Cash Loans**	**Non-Cash Loans**	**Total**
High Quality	50.18%	69.37%	53.17%
Medium Quality	34.23%	23.32%	32.53%
Average	13.84%	6.31%	12.67%
Below Average	1.75%	1.00%	1.63%

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 2024, the Group has a net foreign currency closed position of TL 18,183,343 (31 December 2023 – TL 15,759,776 open) comprising of TL 22,788,455 off balance sheet open position (31 December 2023 - TL 19,129,433 closed) and TL 4,605,112 open position (31 December 2023 – TL 3,369,657 closed).

The announced current foreign exchange buying rates of the Parent Bank as of December 31, 2024 and the previous five working days are as follows (full TL):

	24/12/2024	25/12/2024	26/12/2024	27/12/2024	30/12/2024	Balance Sheet Valuation Rate
USD	35.16422	35.15816	35.1925	35.10954	35.24444	35.27113
EUR	36.55872	36.57875	36.59531	36.58938	36.76091	36.69538
GBP	44.10212	44.11332	44.09091	44.01202	44.34389	44.2348
CHF	39.07334	39.06251	39.09842	38.99287	39.04783	38.9975
JPY	0.22385	0.22365	0.22342	0.22253	0.22337	0.22519

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	34.92111
EUR	36.58147
GBP	44.13756
CHF	39.17885
JPY	0.22689

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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 (***)	25,355,202	56,265,849	85,532,619	167,153,670
Banks (*****)	1,126,429	12,781,411	12,999,060	26,906,900
Financial assets at fair value through profit and loss	77,547	14,685,385	2,502,583	17,265,515
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	8,713	27,018,547	-	27,027,260
Loans and finance lease receivables (*)	95,943,073	116,093,358	34,578	212,071,009
Subsidiaries, associates and joint ventures	-	-	-	-
Financial assets at amortized cost	369,337	27,254,858	-	27,624,195
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	120,261	4,852	-	125,113
Intangible assets	235,216	247	-	235,463
Other assets	386,492	844,426	8,949	1,239,867
Total Assets	**123,622,270**	**254,948,933**	**101,077,789**	**479,648,992**
Liabilities				
Current account and funds collected from Banks via participation accounts	1,443,872	332,241	1,147,302	2,923,415
Current and profit-sharing accounts FC	64,490,562	116,730,517	139,187,578	320,408,657
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	14,205,205	109,954,026	9,019,686	133,178,917
Marketable securities issued	-	-	-	-
Miscellaneous payables	523,866	1,234,964	15,697	1,774,527
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (****)	1,295,604	1,783,028	101,501	3,180,133
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
Prior Period				
Total assets	107,682,486	172,131,621	68,704,925	348,519,032
Total liabilities	70,413,539	198,020,566	95,844,703	364,278,808
Net balance sheet position	37,268,947	(25,888,945)	(27,139,778)	(15,759,776)
Net off-balance sheet position	(34,434,643)	25,833,594	27,730,482	19,129,433
Financial derivative assets	1,929,224	34,408,913	33,511,615	69,849,752
Financial derivative liabilities	36,363,867	8,575,319	5,781,133	50,720,319
Non-cash loans (**)	7,025,257	15,086,815	1,613,476	23,725,548

(*) Includes foreign currency indexed loans amounting to TL 939,403 (31 December 2023 – TL 1,467,641) followed as TL on the balance sheet and expected credit loss amounting to TL 3,865,556.
(**) 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 1,453,023 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 12,693.
(*****) Includes provisions for expected losses amounting to TL 4,093 were deducted from the cash values and the relevant lines from the Central Bank and Banks accounts.

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 798,152 (31 December 2023 – TL 463,601)
- Prepaid expenses: TL 3,383 (31 December 2023 – 2,893 TL)
- Derivative financial liabilities held for trading: TL 1,453,023 (31 December 2023 – TL 877,794)
- Marketable securities of FC revaluation reverse: TL (301,804) (31 December 2023 – TL (240,265))
- Derivative financial liabilities held for hedging: None (31 December 2023 - None)

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 6,970,583 (31 December 2023 – TL 3,172,720)
- Forward foreign currency sale transactions: TL 6,644,149 (31 December 2023 – TL 4,186,665)
- Precious metal purchase transactions: TL 72,552,364 (31 December 2023 – TL 29,870,800)
- Precious metal sale transactions: TL 26,609,412 (31 December 2023 – TL 4,593,906)

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%	(366,092)	(5,535)	(552,671)	241,173
EURO	10%	(177,509)	283,430	14,817	294,800
Gold	10%	972,593	456,113	972,593	456,113

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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	**521,580**	**-**	**521,580**
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	**123,680**	**-**	**-**
Quoted Securities	-	-	-
Other	**655,380**	-	-
Quoted Securities	-	-	-

Prior Period		Comparison	
Equity Securities Investments	Carrying Value	Fair Value	Market Value
Securities at Fair Value Through Other Comprehensive Income	**349,468**	**-**	**349,468**
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	**123,680**	**-**	**-**
Quoted Securities	-	-	-
Other	**313,984**	-	-
Quoted Securities	-	-	-

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

None.

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.

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 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	2,296,129	(864,552)	1,581,815
Securities issued	601,712	-	481,775	-	-	1,083,487	(82,564)	1,000,923
Funds from repo transaction	18,197,426	-	-	-	-	18,197,426	(340,568)	17,856,858
Total	**608,840,475**	**71,837,540**	**58,464,460**	**16,268,211**	**12,662,347**	**767,922,795**	**(6,504,170)**	**761,568,863**
31 December 2023								
Funds Collected	391,030,236	65,344,365	57,988,555	3,744,264	29,025	518,136,445	-	518,136,445
Other Fundings	47,969,268	2,301,308	19,332,178	7,230,117	10,616,927	87,449,798	(5,044,861)	82,404,937
Debts from lease transaction	40,660	66,812	252,229	802,172	235,766	1,397,639	(457,206)	940,433
Securities issued	757,164	4,817,616	4,177,123	-	-	9,751,903	(6,371,061)	3,380,842
Funds from repo transaction	4,300,897	300,819	-	-	-	4,601,716	(113,910)	4,487,806
Total	**444,098,225**	**72,830,920**	**81,750,085**	**11,776,553**	**10,881,718**	**621,337,501**	**(11,987,038)**	**609,350,463**

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 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
Pre-financings given as guarantee	-	-	-	-	-	-	-	-
Total	**42,456,394**	**5,957,783**	**9,612,687**	**31,708,070**	**14,774,541**	**551,907**	**-**	**105,061,382**
31 December 2023								
Letters of Guarantee	21,240,335	1,154,690	3,974,554	14,748,850	8,001,014	385,795	-	49,505,238
Bills of Exchange and Bank Acceptances	39,386	73,470	40,982	29,358	-	-	-	183,196
Letters of Credit	4,332,973	833,645	1,661,196	2,037,804	20,709	-	-	8,886,327
Other guarantees	268,773	695,364	1,180,269	860,784	5,887	234	-	3,011,311
Pre-financings given as guarantee	-	-	-	-	-	-	-	-
Total	**25,881,467**	**2,757,169**	**6,857,001**	**17,676,796**	**8,027,610**	**386,029**	**-**	**61,586,072**

Contractual maturity analysis of derivative instruments

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:						
Entry	101,302,932	55,603,633	13,305,891	2,998,717	-	173,211,173
Exit	101,576,368	57,104,673	13,029,038	4,852,145	-	176,562,224
Hedging purposes financial assets						
Foreign exchange derivatives:						
Entry	-	-	-	-	-	-
Exit	-	-	-	-	-	-
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**

31 December 2023	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:						
Entry	37,490,461	28,816,817	5,711,313	12,119	-	72,030,710
Exit	37,604,322	28,981,290	4,705,608	12,378	-	71,303,598
Hedging purposes financial assets						
Foreign exchange derivatives:						
Entry	-	-	-	-	-	-
Exit	-	-	-	-	-	-
Total Cash Inflow	**37,490,461**	**28,816,817**	**5,711,313**	**12,119**	**-**	**72,030,710**
Total Cash Outflow	**37,604,322**	**28,981,290**	**4,705,608**	**12,378**	**-**	**71,303,598**

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)	208,431,959	133,757,112	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	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	Outflows related to derivative exposures and other collateral requirements	97,120,404	87,722,709	97,120,404	87,722,709
12	Outflows related to restructured financial Instruments	79,220,280	78,860,841	79,220,280	78,860,841
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
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 the last 3 months of 2024.

	Highest	Date	Lowest	Date	Average
TL+FC	273.31	11/2024	196.70	21/12/2024	238.59
FC	205.15	10/2024	122.13	21/12/2024	160.78

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)	154,368,027	110,509,134	153,027,195	109,146,094
CASH OUTFLOWS		-	-	-	-
2	Retail deposits and deposits from small business customers, of which:	139,366,189	21,003,266	12,192,601	2,100,327
3	Stable deposits	34,880,322	-	1,744,016	-
4	Less stable deposits	104,485,867	21,003,266	10,448,585	2,100,327
5	Unsecured wholesale funding, of which:	95,701,227	56,724,437	60,189,846	36,392,543
6	Operational deposits	-	-	-	-
7	Non-operational deposits	67,218,161	38,038,515	30,338,374	16,338,197
8	Unsecured funding	28,483,066	18,685,922	29,851,472	20,054,346
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	99,798,253	91,047,078	99,589,734	90,899,892
11	Outflows related to derivative exposures and other collateral requirements	48,185,020	39,495,501	48,037,834	39,348,315
12	Outflows related to restructured financial Instruments	51,613,233	51,551,577	51,551,900	51,551,577
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	95,282,378	22,714,240	8,915,834	1,613,340
16	**TOTAL CASH OUTFLOWS**	-	-	**180,888,015**	**131,006,102**
CASH INFLOWS		-	-	-	-
17	Secured receivables	-	-	-	-
18	Unsecured receivables	83,284,420	49,344,926	60,971,658	36,893,673
19	Other cash inflows	51,126,025	47,528,635	51,533,120	47,477,238
20	**TOTAL CASH INFLOWS**	**134,410,445**	**96,873,561**	**112,504,778**	**84,370,911**
				Upper Limit Applied Value	
21	**TOTAL HQLA**			**153,027,195**	**109,146,094**
22	**TOTAL NET CASH OUTFLOWS**			**68,383,237**	**46,635,191**
23	**LIQUIDITY COVERAGE RATIO (%)**			**223.78**	**234.04**

(*) 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 the last 3 months of 2023.

Prior Period

	Highest	Date	Lowest	Date	Average
TL+FC	278.67	10/2023	182.23	12/2023	228.66
FC	276.22	12/2023	204.37	11/2023	237.73

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.

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 (*)	139,375,635	87,324,729	-	-	-	-	(5,870)	226,694,494
Banks (*)	36,090,104	3,933	3,155,611	76,935	-	-	(860)	39,325,723
Financial assets at fair value through profit and loss	-	52,888	938,257	6,499,625	8,846,883	3,108,008	5,481,725	24,927,386
Money market placements	-	7,241,952	-	-	-	-	-	7,241,952
Financial assets at fair value through other comprehensive income	33,140	5,781,119	814,489	4,334,682	40,921,938	15,285,509	488,441	67,659,318
Loans (**)	-	108,907,616	76,637,341	158,992,359	94,289,212	12,013,424	(5,968,554)	444,871,398
Financial assets measured at amortised cost	-	7,456,463	-	7,270,085	36,104,938	7,782,936	(63,024)	58,551,398
Other assets (***)	1,458,174	8,316,412	54,749	-	8,456,578	-	15,291,339	33,577,252
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**
Liabilities								
Current account and funds collected from banks via participation accounts	3,193,062	44	-	-	-	-	-	3,193,106
Current and profit sharing accounts	328,058,772	179,253,607	56,386,635	33,144,897	4,342,427	21,243	-	601,207,581
Funds provided from other financial institutions	-	79,012,078	16,631,215	22,395,357	6,312,254	12,377,676	-	136,728,580
Money market borrowings	-	17,719,258	137,600	-	-	-	-	17,856,858
Marketable securities issued	-	597,674	-	403,249	-	-	-	1,000,923
Miscellaneous payables	3,239,740	1,748,603	-	-	-	-	-	4,988,343
Other Liabilities (****)	-	11,832,814	7,391,396	475,915	1,071,535	71,703	117,030,167	137,873,530
Total Liabilities	**334,491,574**	**290,164,078**	**80,546,846**	**56,419,418**	**11,726,216**	**12,470,622**	**117,030,167**	**902,848,921**
Net liquidity gap	(157,534,521)	(65,078,966)	1,053,601	120,754,268	176,893,333	25,719,255	(101,806,970)	-
Prior period								
Total assets	93,087,045	144,825,242	94,467,252	156,155,456	157,682,928	37,002,802	8,636,712	691,857,437
Total liabilities	253,096,084	193,515,576	76,965,526	79,700,784	8,335,282	10,415,784	69,828,401	691,857,437
Net liquidity gap	(160,009,039)	(48,690,334)	17,501,726	76,454,672	149,347,646	26,587,019	(61,191,690)	-

(*) 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 last three months including December 2024 was 129.7% (31 December 2023 - 162.91%). As of 31 December 2024, the current stable fund amount in our bank's consolidated Net Stable Funding Table is TL 679,430,879 (31 December 2023 - TL 538,051,113), while the required stable fund amount is TL 523,838,172 (31 December 2023 - TL 330,282,137) and our Net Stable Funding Rate is 129.7% (31 December 2023 - 162.91%).

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	111,718,872	-	-	-	111,718,872
2	Tier 1 and Tier 2 capital	111,718,872	-	-	-	111,718,872
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	314,284,622	235,645,818	30,508,850	1,429,593	548,859,257
5	Stable deposit/participation fund	275,185,648	216,996,863	10,449,551	913,166	478,367,967
6	Low stable deposit/participation fund	39,098,974	18,648,955	20,059,299	516,427	70,491,290
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	7,658,322	132,600,458	21,746,207	-	10,873,106
12	Derivative liabilities				358,223	
13	Other equity items and liabilities not included above	80,497,844	-	-	7,979,645	7,979,644
14	**Available Stable Fund**					**679,430,879**
Required Stable Funding						

15	High-quality liquid assets					2,809,546
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	35,106,981	85,408,888	99,589,976	261,009,643	336,271,295
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	8,783	7,729,522	-	-	1,160,746
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	18,934,262	77,668,378	99,357,858	241,844,076	308,796,649
21	*Receivables subject to risk weighting of 35% or less*	-	-	-	18,758,203	12,192,832
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	*Receivables subject to risk weighting of 35% or less*	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	16,163,936	10,988	232,118	407,364	14,121,068
25	Assets equivalent to interconnected liabilities					
26	Other assets	150,132,280	31,706,727	-	31,802,594	179,800,501
27	Commodities with physical delivery including gold	13,590,045				11,551,538
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,548,612	1,548,612
30	Derivative liabilities before deduction of variation margin				30,158,115	30,158,115
31	Other assets not included above	136,542,235	-	-	31,802,594	136,542,235
32	Off-balance sheet payables		99,136,640	-	-	4,956,832
33	**Required Stable Funding**					523,838,172
34	**Net Stable Funding Ratio (%)**					129.70

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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	70,359,467	-	-	-	70,359,467
2	Tier 1 and Tier 2 capital	70,359,467	-	-	-	70,359,467
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	234,445,513	223,580,309	24,844,324	1,932,098	456,873,680
5	Stable deposit/participation fund	200,187,497	201,019,767	8,506,473	1,319,468	390,481,545
6	Low stable deposit/participation fund	34,258,016	22,560,542	16,337,851	612,630	66,392,135
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	11,034,067	68,341,712	13,999,162	-	6,999,581
12	Derivative liabilities					
13	Other equity items and liabilities not included above	66,867,838	-	-	3,818,384	3,818,385
14	**Available Stable Fund**					**538,051,113**
Required Stable Funding						
15	High-quality liquid assets					1,364,521
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	17,076,061	115,018,436	87,924,802	151,700,386	244,394,846
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	6,532	5,083,046	-	-	763,437
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	4,627,759	108,748,823	86,497,760	138,349,188	222,121,873

21	*Receivables subject to risk weighting of 35% or less*	-	-	-	12,622,757	8,204,792
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	*Receivables subject to risk weighting of 35% or less*	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	12,441,770	1,186,567	1,427,042	728,441	13,304,744
25	Assets equivalent to interconnected liabilities					
26	Other assets	66,354,390	43,173,831	565,542	53,922,088	81,643,882
27	Commodities with physical delivery including gold	9,843,761				8,367,197
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,435,807	1,435,807
30	Derivative liabilities before deduction of variation margin				15,330,249	15,330,249
31	Other assets not included above	56,510,629	26,407,775	565,542	53,922,088	56,510,629
32	Off-balance sheet payables		57,577,781	-	-	2,878,888
33	**Required Stable Funding**					**330,282,137**
34	**Net Stable Funding Ratio (%)**					**162.91**

6. Explanations on leverage ratio

6.1 Disclosure of leverage ratio template

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

	On-balance sheet assets (*)	Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	893,103,141	674,692,435
2	(Assets deducted in determining Tier I Capital)	(10,991,117)	(3,008,630)
3	Total on-balance sheet risks (sum of lines 1 and 2)	882,112,024	671,683,805
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative instruments and credit derivatives	1,673,693	1,349,129
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	1,271,782	766,290
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	2,945,475	2,115,419
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (excluding on-balance sheet)	(2,341,046)	19,249,850
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	(2,341,046)	19,249,850
	Other off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	377,308,698	160,898,517
11	(Adjustments for conversion to credit equivalent amounts)	(153,868,221)	(49,665,843)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	223,440,477	111,232,674
	Capital and total risks		
13	Tier I Capital	85,072,097	55,252,431
14	Total risks (sum of lines 3, 6, 9 and 12)	1,106,156,930	804,281,748
	Leverage ratio		
15	Leverage ratio	7.68	6.87

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

As of the Group's consolidated balance sheet date, the leverage ratio calculated based on the arithmetic average of the values found at the end of the month in the previous three months was 7.68% (31 December 2023 - 6.87%). 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 54% from profit for the period, while on-balance sheet risk increased by 31%, off-balance sheet items increased by 101%. Accordingly, there is an increase of 81 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
Fair Value				
Banks	39,326,583	24,425,952	39,326,583	24,425,952
Financial Assets at Fair Value Through Other Comprehensive Income	67,659,318	56,633,598	67,659,318	56,633,598
Financial Assets Valued at Amortized Cost	58,614,422	59,926,297	53,811,274	54,394,312
Loans and Lease Receivables	450,354,794	349,322,709	453,700,836	343,873,702
Financial liabilities				
Current account and funds collected from banks via participation accounts.	3,193,106	2,544,620	3,193,106	2,544,620
Other current and profit-sharing accounts	601,207,581	515,591,825	601,207,581	515,591,825
Money market borrowings	17,856,858	4,487,806	17,379,250	4,393,719
Funds provided from other financial institutions	136,728,580	82,404,937	137,305,735	82,639,559
Issued securities	1,000,923	3,380,842	881,002	3,640,589
Other Liabilities	15,556,028	8,167,691	15,556,028	8,167,691
Leasing payables	1,581,815	940,433	1,581,815	940,433

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 2023 – 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 appetize 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 are 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.

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 31/12/2024	Prior Period 31/12/2023	Current Period 31/12/2024
1	Credit risk (excluding counterparty credit risk)	314,015,642	195,942,806	25,121,251
2	Standardised approach	314,015,642	195,942,806	25,121,251
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1,604,870	1,066,362	128,390
5	Standardised approach for counterparty credit risk	1,604,870	1,066,362	128,390
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	37,557,629	49,645,053	3,004,610
17	Standardised approach	37,557,629	49,645,053	3,004,610
18	Internal model approaches	-	-	-
19	Operational risk	67,181,406	35,732,342	5,374,512
20	Basic indicator approach	67,181,406	35,732,342	5,374,512
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)**	**420,359,547**	**282,386,563**	**33,628,763**

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

			Carrying values of items in accordance with Turkish Accounting Standards				
Current Period	Carrying values in financial statements prepared as per TAS	Carrying values in legal consolidation prepared as per TAS	Credit Risk	Counterparty Credit Risk	Securitization Positions	Market Risk	No subject to capital requirements or subject to dedication from capital
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)	1,000,923	1,000,923	-	-	-	-	1,000,923
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 Tae Liabilities	-	-	-	-	-	-	-
Subordinated Debt Instruments	14,186,285	14,186,285	-	-	-	-	14,186,285
Other Liabilities	15,556,028	15,556,028	-	-	-	-	15,556,028
Equity	89,858,824	89,858,824	-	-	-	-	89,858,824
Total Liabilities	**902,848,921**	**902,848,921**	**-**	**17,856,858**	**-**	**-**	**884,992,063**

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)	902,848,921	885,738,814	-	1,697,840	24,927,386
2- Carrying Value of Liabilities in Accordance with TAS (as in template 1B)	-	-	-	17,856,858	-
3- Total net amount	902,848,921	885,738,814	-	19,554,698	24,927,386
4- Off-balance sheet amounts	564,565,745	55,223,253	-	-	349,773,397
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	-	(240,321,511)	-	-	-
9-Risk Amounts	**1,467,414,666**	**700,640,556**	**-**	**19,554,698**	**374,700,783**

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.

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	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.

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	4,243,257	350,712,100	3,449,063	351,506,293
2	Debt securities	-	119,692,745	3,132,851	116,559,895
3	Off-balance sheet exposures (*)	576,685	107,556,134	569,527	107,563,293
4	**Total**	**4,819,942**	**577,960,979**	**7,151,441**	**575,629,481**

(*) 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	4,243,257	3,272,778
2	Loans and debt securities that have been defaulted since the last reporting period	6,657,512	2,705,957
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	1,395,403	589,586
5	Other changes	(1,916,513)	(1,145,892)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**7,588,853**	**4,243,257**

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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 2023.

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.

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	48,210,259	37,917,166
Construction - Commitment	42,795,785	34,978,495
Food and Beverage	38,976,900	28,572,325
Individual Loans	39,215,594	28,121,592
Metal Industry	30,617,054	22,487,382
Automotive	25,702,469	20,319,985
Construction (Build-and-sell)	15,991,791	15,321,711
Energy	16,061,842	15,848,202
Chemistry	24,417,060	15,236,492
Transportation & Warehouse	24,794,858	15,175,155
Machinery Equipment	17,605,375	13,312,913
Construction Equipment	18,980,578	12,836,928
Manufacturing	16,292,590	13,190,883
Wholesale and Retail Trade	17,417,505	12,491,649
Services	9,834,337	8,440,834
Technology-Electronics	11,024,231	9,062,988
Car Rental	11,669,430	8,859,582
Financial Services	15,175,980	13,397,229
Agriculture and Livestock	8,035,681	5,852,347
Tourism	4,456,736	3,204,606
Health	8,799,267	6,767,178
Public	130,777	1,996,798
Furniture	4,174,169	3,579,372
Real Estate and Brokerage	3,724,817	3,020,876
Mining	3,242,883	3,005,075
Education	690,679	568,203
Total	**458,038,647**	**353,565,966**

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

Region	Current Period – Cash Loan Amount	Prior Period – Cash Loan Amount
Akdeniz Region	33,373,142	21,510,728
Dogu Anadolu Region	7,320,533	4,970,350
Ege Region	27,951,165	22,582,026
Güneydogu Anadolu Region	33,937,185	24,818,375
Iç Anadolu Region	68,731,353	57,662,751
Karadeniz Region	15,167,777	10,841,446
Marmara Region	244,795,016	185,451,538
Foreign	26,762,476	25,728,752
Total	**458,038,647**	**353,565,966**

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	262,954,783	222,427,963
1-3 years	126,248,129	74,998,893
3-5 years	34,551,374	26,210,120
5 years and more	25,813,493	26,023,702
Delayed	8,470,868	3,905,288
Total	**458,038,647**	**353,565,966**

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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	**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**

Prior Period - Sector	Non-Performing Loans	Provisions	Write-Offs
Agriculture	**21,676**	**20,819**	**781**
Farming and Stockbreeding	10,757	10,149	644
Forestry	10,576	10,400	137
Fishery	343	270	-
Manufacturing	**593,255**	**545,908**	**105,939**
Mining and Quarrying	25,762	24,198	37,669
Production	560,933	515,338	68,246
Electricity, Gas and Water	6,560	6,372	24
Construction	**1,742,922**	**1,118,832**	**82,957**
Services	**1,648,945**	**1,558,829**	**337,673**
Wholesale and Retail Trade	991,125	944,281	321,525
Accommodation and Dining	388,577	358,318	187
Transportation and Telecommunication	91,870	90,548	12,977
Financial Institutions	14,717	13,984	-
Real Estate and Rental Services	69,910	68,909	1,104
Professional Services	-	-	-
Educational Services	9,718	9,718	274
Health and Social Services	83,028	73,071	1,606
Other	**236,459**	**204,675**	**62,236**
Total	**4,243,257**	**3,449,063**	**589,586**

Current Period - Geographic Region	Non-performing loans	Provisions	Write-Offs
Marmara Region	4,037,752	3,212,153	922,529
Güneydogu Anadolu Region	457,459	418,342	88,807
Iç 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
Dogu Anadolu Region	152,381	125,264	45,621
Karadeniz Region	215,550	173,150	13,857
Abroad	550,291	80,158	3439
Total	**7,588,853**	**6,058,102**	**1,395,403**

Prior Period - Geographic Region	Non-performing loans	Provisions	Write-Offs
Marmara Region	1,915,725	1,813,553	278,162
Güneydogu Anadolu Region	196,326	189,841	168,541
Iç Anadolu Region	871,453	864,051	12,342
Akdeniz Region	241,592	235,721	3,133
Ege Region	145,664	139,460	48,869
Dogu Anadolu Region	198,314	169,492	1,550
Karadeniz Region	33,442	30,554	214
Abroad	640,741	6,391	76,775
Total	**4,243,257**	**3,449,063**	**589,586**

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	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**

Prior Period	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and Over
Corporate and Commercial Loans	236,699	1,068,904	581,935	1,930,478	209,118
Retail Loans	10,449	46,084	8,081	5,359	33,916
Credit cards	36,654	37,417	31,776	4,798	1,589
Other	-	-	-	-	-
Total	**283,802**	**1,152,405**	**621,792**	**1,940,635**	**244,623**

10.6.8. Breakdown of Restructured receivables according to their provisions

Restriction Status	Current Period - Risk	Prior Period - Risk
Performing	5,362,768	3,830,770
Non-Performing	2,463	1,364,395
Total	**5,365,231**	**5,195,165**

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	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	-	-

	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	188,938,284	150,199,791	39,456,429	12,368,218	10,115,540	-	-
2	Debt securities	116,559,895	-	-	-	-	-	-
3	**Total**	**305,498,179**	**150,199,791**	**39,456,429**	**12,368,218**	**10,115,540**	**-**	**-**
4	Overdue	699,670	86,305	2,545	8,218	3,684	-	-

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.

10.8.6. Counterparty credit risk (CCR) approach analysis

	Current Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives) (*)	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**

	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) (*)	1,163,179	707,853		1.4	2,619,445	947,393
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**						**947,393**

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	2,941,922	70,187	2,619,445	118,968
4	**Total subject to the CVA capital obligation**	2,941,922	70,187	**2,619,445**	**118,968**

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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	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	-	-	-	-	18,220	626,130	-	-	-	626,130
8	Retail receivables	-	-	-	-	-	-	-	-	-	13,665
9	Other receivables	-	-	-	-	-	1,013,721	-	-	-	-
10	**Total**	**23,364,069**	**-**	**1,345,550**	**476,374**	**18,220**					**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

	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	2,731,072	-	-	-	-	-	-	-	-	-
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	-	-	772,214	621,607	-	339,927	-	-	-	805,173
7	Receivables from corporate	-	-	-	-	29,315	120,234	-	-	-	120,234
8	Retail receivables	-	-	-	-	-	-	-	-	-	21,986
9	Other receivables	-	-	-	-	-	460,161	-	-	-	-
10	**Total**	**2,731,072**	**-**	**772,214**	**621,607**	**29,315**					**947,393**

(*) 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

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 12.1.

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 2024 and 31 December 2023 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:

13.4. Market risk under standardised approach

		Risk Weighted Amounts	
		Current Period	Prior Period
	Outright products	**37,557,629**	**49,645,053**
1	Profit share risk (general and specific)	19,121,086	39,246,237
2	Equity risk (general and specific)	2,716,848	3,006,225
3	Foreign exchange risk	5,570,747	2,044,812
4	Commodity risk	10,148,948	5,347,779
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	**Securitization**	-	-
9	**Total**	**37,557,629**	**49,645,053**

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 2023, 2022 and 2021 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 8,636,058 corresponding to the 8% of TL 107,950,729 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 8,636,058 also defines the minimum capital sum which is required in order to eliminate the mentioned risk.

Current 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

Prior Period	**31/12/2020 Amount**	**31/12/2021 Amount**	**31/12/2022 Amount**	**Total/ No. of Years of Positive Gross**	**Rate (%)**	**Total**
Gross Income	8,744,165	13,151,292	35,276,289	19,057,249	15	2,858,587
Value at Operational Risk (Total*12.5)						35,732,342

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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

Current Period

	Currency	Applied Shock (+/- x basis points)	Gains/Losses	Gains/Shareholder's Equity-Losses/shareholder's Equity
1	TL	(+) 500bp	(3,811,556)	(%3.92)
2	TL	(-) 400bp	3,619,170	(%3.72)
3	USD	(+) 200bp	(1,365,794)	(%1.40)
4	USD	(-) 200bp	1,510,809	%1.55
5	EURO	(+) 200bp	908,840	%0.93
6	EURO	(-) 200bp	(908,915)	(%0.93)
	Total (For Negative Shocks)		**4,221,064**	**%4.34**
	Total (For Positive Shocks)		**(4,268,510)**	**(%4.39)**

Prior Period

	Currency	Applied Shock (+/- x basis points)	Gains/Losses	Gains/Shareholder's Equity-Losses/shareholder's Equity
1	TL	(+) 500bp	(2,707,727)	(%4.05)
2	TL	(-) 400bp	2,749,679	%4.11
3	USD	(+) 200bp	(526,431)	(%0.79)
4	USD	(-) 200bp	639,214	%0.96
5	EURO	(+) 200bp	394,784	%0.59
6	EURO	(-) 200bp	(347,568)	(%0.52)
	Total (For Negative Shocks)		**3,041,325**	**%4.55**
	Total (For Positive Shocks)		**(2,839,374)**	**(%4.25)**

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 RMS. 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 2024 and 31 December 2023 are given in the table below:

Current 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	-	-	-	-

Prior Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	44,121,499	9,850,617	-	53,972,116
Forward transactions	-	109,723	-	109,723
Swap transactions	-	1,763,840	-	1,763,840
Government debt securities	32,858,825	-	-	32,858,825
Other marketable securities	11,262,674	7,977,054	-	19,239,728
Financial assets at fair value through other comprehensive income	56,255,694	377,904	-	56,633,598
Equity securities	349,468	-	-	349,468
Government debt securities	55,906,226	-	-	55,906,226
Other marketable securities	-	377,904	-	377,904
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	975,189	-	975,189
Forward transactions	-	84,667	-	84,667
Swap transactions	-	890,522	-	890,522
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.

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

Selected balance sheet and income statement items according to segments

Current Period 1 January 2024-31 December 2024	Retail Banking	Corporate and Commercial Banking	Treasury and international Banking	Unallocated	Group's total operation
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 income for the period	**94,446,893**	**22,502,183**	**(32,147,425)**	**(47,708,202)**	**37,093,449**
Current 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**
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**

Prior Period 1 January 2023-31 December 2023	Retail Banking	Corporate and Commercial Banking	Treasury and international Banking	Unallocated	Group's total operation
Operating income	32,137,906	54,164,241	9,365,199	-	95,667,346
Operating expenses (-)	30,351,042	9,049,556	1,501,286	18,565,874	59,467,758
Transfers between segments	18,901,296	(12,543,958)	(6,357,338)	-	-
Net operating income / loss	**20,688,160**	**32,570,727**	**1,506,575**	**(18,565,874)**	**36,199,588**
Income from associates using equity method	-	-	-	170,647	170,647
Profit before tax	**20,688,160**	**32,570,727**	**1,506,575**	**(18,395,227)**	**36,370,235**
Provision for taxation (-)	-	-	-	7,524,365	7,524,365
Net profit for the period	**20,688,160**	**32,570,727**	**1,506,575**	**(25,919,592)**	**28,845,870**
Prior Period 31 December 2023					
Segment assets	115,123,175	201,740,942	358,578,051	-	675,442,168
Associates, subsidiaries and joint ventures	-	-	-	437,664	437,664
Undistributed assets	-	-	-	15,977,605	15,977,605
Total assets	**115,123,175**	**201,740,942**	**358,578,051**	**16,415,269**	**691,857,437**
Prior Period 31 December 2023					
Segment liabilities	404,578,910	121,945,506	83,801,236	-	610,325,652
Undistributed liabilities	-	-	-	28,558,705	28,558,705
Shareholders' equity	-	-	-	52,973,080	52,973,080
Total liabilities	**404,578,910**	**121,945,506**	**83,801,236**	**81,531,785**	**691,857,437**

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	3,622,738	13,170,854	2,085,927	16,625,994
The Central Bank of Republic of Türkiye	55,920,535	141,876,397	27,619,499	91,480,001
Other (*)	173	12,109,667	31,270	6,344,071
Total	**59,543,446**	**167,156,918**	**29,736,696**	**114,450,066**

(*) As of 31 December 2024, precious metal account amounting to TL 12,109,667 (31 December 2023 - TL 6,141,897) and money in transit amounting to TL 173 (31 December 2023 – TL 233,444) 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	30,806,892	54,551,669	21,567,615	16,522,557
Restricted time deposit	-	-	-	-
Unrestricted time deposit	25,113,643	87,324,728	6,051,884	74,957,444
Total	**55,920,535**	**141,876,397**	**27,619,499**	**91,480,001**

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 2024, the Bank maintains reserve requirements for Turkish Lira participation funds and other liabilities at 3% to 17% (22% to 33% for accounts with currency hedging support), for foreign currency participation funds and other liabilities at 5% to 30%, and for precious metal deposit accounts at 22% to 26% 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 4%.

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

As of 31 December 2024, financial assets at fair value through profit or loss are not subject to repurchase agreements (31 December 2023 - None), given as collateral or blocked amounting to TL 5,172,111 (31 December 2023 - TL 16,953,796).

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	164,392	103,355	66,811	42,912
Swap transactions	735,296	694,797	1,343,151	420,689
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**899,688**	**798,152**	**1,409,962**	**463,601**

1.3 Information on Banks

1.3.1. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	**12,418,838**	**26,907,745**	**7,076,730**	**17,349,222**
Domestic	12,418,838	685,247	7,076,730	501,313
Foreign	-	26,222,498	-	16,847,909
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	**12,418,838**	**26,907,745**	**7,076,730**	**17,349,222**

1.3.2. Information on foreign banks account

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	10,132,752	2,394,601	-	-
USA and Canada	11,007,771	10,592,249	-	-
OECD Countries (*)	177,585	193,049	-	-
Off-shore Banking Regions	2,468	4,635	-	-
Other	4,901,922	3,663,375	-	-
Total	**26,222,498**	**16,847,909**	**-**	**-**

(*) 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	**73,981,413**	**59,608,971**
Quoted on stock exchange	64,232,745	59,608,971
Not quoted on stock exchange	9,748,668	-
Share certificates/Investment Funds	**205,936**	**157,478**
Quoted on stock exchange	90,899	47,709
Not quoted on stock exchange	115,037	109,769
Impairment provision (-)	**6,528,031**	**3,132,851**
Total	**67,659,318**	**56,633,598**

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 22,504,948 (31 December 2023: TL 35,980,395) 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 5,781,119 (31 December 2023 – TL 4,087,162) 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	**31,373**	**104,629**	**29,238**	**82,280**
Corporate Shareholders	2,080	104,169	2,156	82,059
Real Person Shareholders	29,293	460	27,082	221
Indirect Loans Granted to Shareholders	**1,117**	**3,505**	**2,974,543**	**20,322**
Loans Granted to Employees	**331,765**	**5,782**	**252,314**	**3,139**
Total	**364,255**	**113,916**	**3,256,095**	**105,741**

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	**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**	**-**

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
Loans	**291,816,016**	**16,546,794**	**3,830,770**	**-**
Export Loans	34,576,357	935,578	-	-
Import Loans	11,094,258	417,052	-	-
Corporation Loans	156,928,551	11,566,810	3,316,711	-
Consumer Loans	23,311,975	558,973	2,513	-
Credit Cards	23,103,028	2,110,968	22,366	-
Loans given to financial sector	5,701,447	-	-	-
Other	37,100,400	957,413	489,180	-
Other Receivables	**839**	**8,507**	**-**	**-**
Total	**291,816,855**	**16,555,301**	**3,830,770**	**-**

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	2,755,603	-	8,513,621	-
Expected Loss Provision for Other Financial Assets Measured at Amortized Cost	63,024	-	48,306	-
Significant Increase in Credit Risk	-	4,258,544	-	5,984,404
Total	**2,818,627**	**4,258,544**	**8,561,927**	**5,984,404**

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

		Loans Under Close Monitoring	
Current Period	**Standard Loans**	**Not Subject to Restructuring**	**Restructured**
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**

		Loans Under Close Monitoring	
Prior Period	**Standard Loans**	**Not Subject to Restructuring**	**Restructured**
Short Term Loans	142,336,842	8,399,950	454,262
Medium- and Long-Term Loans	149,480,013	8,155,351	3,376,508
Total	**291,816,855**	**16,555,301**	**3,830,770**

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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	**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**

Prior Period	Short term	Medium and long term	Total
Consumer Loans-TL	**669,451**	**17,710,802**	**18,380,253**
Housing Loans	17,660	10,071,872	**10,089,532**
Vehicle Loans	333,734	5,720,411	**6,054,145**
Consumer Loans	249,854	931,118	**1,180,972**
Other	68,203	987,401	**1,055,604**
Consumer Loans-FC Indexed	**-**	**-**	**-**
Housing Loans	-	-	**-**
Vehicle Loans	-	-	**-**
Consumer Loans	-	-	**-**
Other	-	-	**-**
Consumer Loans-FC	**21,116**	**5,312,504**	**5,333,620**
Housing Loans	10,655	4,733,512	**4,744,167**
Vehicle Loans	9,590	547,888	**557,478**
Consumer Loans	871	31,104	**31,975**
Other	-	-	**-**
Retail Credit Cards-TL	**7,873,652**	**24**	**7,873,676**
With Installment	2,429,914	24	**2,429,938**
Without Installment	5,443,738	-	**5,443,738**
Retail Credit Cards-FC	**4,724**	**13,339**	**18,063**
With Installment	-	13,339	**13,339**
Without Installment	4,724	-	**4,724**
Personnel Loans-TL	**21,406**	**138,182**	**159,588**
Housing Loans	172	9,686	**9,858**
Vehicle Loans	5,821	40,181	**46,002**
Consumer Loans	15,413	88,315	**103,728**
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	**113,146**	**2**	**113,148**
With Installment	54,858	2	**54,860**
Without Installment	58,288	-	**58,288**
Personnel Credit Cards-FC	-	-	**-**
With Installment	-	-	**-**
Without-installment	-	-	**-**
Overdraft Account-TL (Real Person)	-	-	**-**
Overdraft Account-FC (Real Person)	-	-	**-**
Total	**8,703,495**	**23,174,853**	**31,878,348**

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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	**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**

Prior Period	Short term	Medium and long term	Total
Commercial Installment Loans-TL	**5,777,427**	**23,559,600**	**29,337,027**
Business Loans	116,664	1,784,000	1,900,664
Vehicle Loans	4,729,616	17,921,768	22,651,384
Consumer Loans	931,147	3,853,832	4,784,979
Other	-	-	-
Commercial Installment Loans-FC Indexed	**11,945**	**382,169**	**394,114**
Business Loans	11,945	-	11,945
Vehicle Loans	-	-	-
Consumer Loans	-	382,169	382,169
Other	-	-	-
Commercial Installment Loans-FC	**6,877,531**	**10,668,801**	**17,546,332**
Business Loans	946,141	1,000,253	1,946,394
Vehicle Loans	10,293	3,168,476	3,178,769
Consumer Loans	-	-	-
Other	5,921,097	6,500,072	12,421,169
Corporate Credit Cards-TL	**17,192,639**	**-**	**17,192,639**
With Installment	8,974,843	-	8,974,843
Without Installment	8,217,796	-	8,217,796
Corporate Credit Cards-FC	**3,932**	**34,904**	**38,836**
With Installment	-	-	-
Without Installment	3,932	34,904	38,836
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	**29,863,474**	**34,645,474**	**64,508,948**

1.5.6. Allocation of loans by customers

	Current period	Prior period
Public	886,721	898,560
Private	398,961,451	311,304,366
Total	**399,848,172**	**312,202,926**

1.5.7 Breakdown of domestic and foreign loans

	Current period	Prior period
Domestic loans	369,357,118	285,085,242
Foreign loans	30,491,054	27,117,684
Total	**399,848,172**	**312,202,926**

1.5.8 Loans granted to subsidiaries and associates

	Current period	Prior period
Loans granted directly to subsidiaries and associates	535	365
Loans granted indirectly to subsidiaries and associates	-	-
Total	**535**	**365**

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

	Current period	Prior period
Loans and receivables with limited collectability	1,226,617	171,505
Loans and receivables with doubtful collectability	1,389,668	373,506
Uncollectible loans and receivables	3,441,817	2,904,052
Total	**6,058,102**	**3,449,063**

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

	III. Group Loans and Receivables with Limited Collectability	IV. Group Loans and Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Receivables
Current Period			
Gross Amount Before Specific Provisions	-	-	2,463
Restructured Loans	-	-	2,463
Prior Period			
Gross Amount Before Specific Provisions	-	619,804	744,591
Restructured Loans	-	619,804	744,591

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

Current Period	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Ending balance of prior period 31.12.2023	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
Specific 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 deleted 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.

Prior Period	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Ending balance of prior period 31.12.2022	**148,232**	**304,294**	**2,820,252**
Additions in the current period (+)	772,410	720,433	1,213,113
Transfers from other categories of non-performing loans (+)	-	635,878	498,827
Transfers to other categories of non-performing loans (-)	635,878	498,827	-
Collections in the current period (-)	28,411	115,010	1,002,470
Write offs (-) (*)	-	-	589,586
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	**256,353**	**1,046,768**	**2,940,136**
Specific provisions (-)	171,505	373,506	2,904,052
Net balance at the balance sheet	**84,848**	**673,262**	**36,084**

1.5.10.3 Information on non-performing loans granted as foreign currency

	Group III	Group IV	Group V
Current Period			
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**
Prior Period			
Ending balance of the current period	34,445	696,115	883,669
Provision amount (-)	19,148	61,913	874,815
Net balance at the balance sheet	**15,297**	**634,202**	**8,854**

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)	**501,077**	**295,587**	**734,087**
Loans granted 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)	-	-	-
Prior period (net)	**84,848**	**673,262**	**36,083**
Loans to real persons and legal entities (Gross)	256,353	1,046,768	2,940,136
Specific provision (-)	171,505	373,506	2,904,053
Loans to real persons and legal entities (Net)	**84,848**	**673,262**	**36,083**
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	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**

Prior Period	Less than 30 days	31-60 days	More than 61 days	Total
Loans and Receivables				
Corporate Loans	15,238,725	1,216,042	325,902	16,780,669
Retail Loans	456,961	64,665	22,015	543,641
Credit Cards	1,967,205	107,521	35,898	2,110,624
Total	**17,662,891**	**1,388,228**	**383,815**	**19,434,934**

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

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

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

The Parent Bank	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current 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

The Parent Bank	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Prior Period (Net)	**1,890**	**2,924**	**2,171**
Profit share accruals, rediscount and valuation differences	6,698	17,502	324,809
Provision (-)	4,808	14,578	322,638

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. Within 2023, non-performing loans amounting to TL 1,395,403 have been written-off (31 December 2023 – TL 589,586).

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 Information on 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	**58,614,422**	**59,926,297**
Quoted on a Stock Exchange	58,128,941	59,412,995
Not Quoted	485,481	513,302
Total	**58,614,422**	**59,926,297**

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

	Current Period	Prior Period
Opening Balance	**59,926,297**	**22,678,201**
Foreign Exchange Gain/Loss	4,330,509	8,963,021
Purchases During the Year	2,077,703	28,906,133
Disposals Through Sales and Redemptions	1,408,001	621,058
Transfers	(6,325,000)	-
Income Accruals and Rediscounts	12,914	-
Total	**58,614,422**	**59,926,297**

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 2023 – TL 4,897), ownership of the shares of Katılım Finans Kefalet A.Ş amounting to TL 67,500, which corresponds to 15% in (31 December 2023 – TL 22,500), Swift shares amounting to TL 8,713 (31 December 2023 – TL 7,732) and 0.0035% ownership of the shares traded in Borsa Istanbul A.Ş amounting to TL 15 (31 December 2023 – TL 15), 2.86% ownership of the shares of JCR Avrasya Derecelendirme A.Ş. amounting to TL 2,755 (31 December 2023 – TL 2,755), the 0.82% ownership of the shares of İhracatı Geliştirme A.Ş. amounting to TL 30,420 (31 December 2023 – TL 30,420), VISA shares amounting to TL 374,140 (31 December 2023 – TL 266,071) 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 2023 – None).

1.7.3 Information related to consolidated associates: None (31 December 2023 – None).

1.8 Information on subsidiaries (Net)

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

1.8.2 Information on subsidiaries

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

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(*)	30,756,109	5,828,991	355,477	1,039,902	92,684	(123,180)	73,182	-
2 (***)	26,129,379	4,316,913	583,414	4,925,719	3,673,241	1,107,496	432,619	-
3	598,785	1,014	-	-	-	394	111	-
4	404,425	1,187	-	-	-	312	130	-
5	1,036,549	870,913	30,404	-	-	589,960	167,591	-
6	521,718	339,816	10,574	32,426	17,643	115,561	194,030	-
7(**)	1,056,713	835,248	91,030	61,190	60,837,329	319,563	143,266	-
8(**)	295,865	214,065	617	-	-	35,270	47,490	-
9	744,945	402,785	24,042	83,757	-	(54,863)	6,103	-
10	200,000	200,000	-	-	-	-	-	

(*) 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 2024, 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 on 31 December 2024, the capital deficit was TL 738,368 (31 December 2023: Capital deficiency was TL 251,493). The shareholder of Neova Katılım Sigorta A.Ş. has the financial power and management understanding to eliminate all kinds of risks that may arise financially.

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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 2024

	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	918
2	Kuveyt Türk Portföy Birinci Katılım Serbest (TL) Fon	100	100	12,743,479
3	Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon	100	100	3,015
4	Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu	100	100	452,349
5	Kuveyt Türk Portföy Yönetimi A.Ş. Lonca Girişim Sermayesi Yatırım Fonu	100	100	294,981
6	Kuveyt Türk Portföy Neova Katılım Serbest Özel (TL) Fon	100	100	296,758
7	Kuveyt Türk Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu	-	100	10,508
8	Kuveyt Türk Portföy NKS Katılım Serbest(TL) Özel Fon	-	100	2,558,890
9	Kuveyt Türk Portföy Birinci Katılım Serbest(Döviz-Abd Doları) Özel Fon	-	100	1,265
10	Kuveyt Türk Portföy NKV Kısa Vadeli Katılım Serbest Özel Fon	-	100	4,121,659

Movement regarding the subsidiaries

	Current Period	Prior Period
Balance at the beginning of the year	**123,680**	**23,680**
Movements during the year	**-**	**100,000**
Purchases (*)	-	100,000
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	**123,680**	**123,680**
Capital commitments	22,500	67,500
Share percentage at the end of the year (%)	-	-

(*) On 21 November 2024, the Parent Bank established the subsidiary Sağlam Finansal Teknolojiler A.Ş. with a capital of TL 200,000,000 (full amount).

Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	1,592,030	1,592,030
Insurance Companies	1,651,796	1,151,796
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	754,706	325,419
Total	**3,998,532**	**3,069,245**

Subsidiaries that are quoted on the stock exchange

	Current Period	Prior Period
Quoted in Domestic Stock Exchange	52,706	53,418
Quoted in Foreign Stock Exchange	-	-
Total	**52,706**	**53,418**

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 2024, is EUR 159,110,961 (Full EUR amount) and the capital adequacy ratio is 25.8%.

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%	36,535,954	1,277,663	132,284	686,249	341,295

(*) 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	34,908,399	27,101,903	25,525,713	19,042,090
1 to 4 years	24,424,789	22,145,023	20,095,599	17,156,342
More than 4 years	1,270,489	1,259,696	951,303	921,351
Total	**60,603,677**	**50,506,622**	**46,572,615**	**37,119,783**

1.10.2 Net investments in finance leases

	Current Period	Prior Period
Gross Receivable from Finance Leases	60,603,677	46,572,615
Unearned Finance Lease Income (-)	10,097,055	9,452,832
Unearned Finance Lease Income (-)	-	-
Net Leasing Investment	**50,506,622**	**37,119,783**

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 652,739 are included in the non-performing loans in the balance sheet (31 December 2023 – TL 131,812).

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2023 – 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 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**

Prior Period	Buildings	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Cost					
Opening balance, 1 January 2023	265,994	1,054,392	370,773	787,151	2,478,310
Additions	673,502	808,984	523,419	490,002	2,495,907
Disposals	-	(138,280)	(51,392)	(28,974)	(218,646)
Transfers	-	-	-	-	-
Exchange rate differences	-	10,468	574	10,139	21,181
Impairment / cancellation	-	-	-	-	-
Ending balance, 31 December 2023	939,496	1,735,564	843,374	1,258,318	4,776,752
Accumulated Depreciation (-)					
Opening balance, 1 January 2023	54,096	393,767	101,801	277,192	826,856
Amortization cost	8,525	335,059	102,870	168,761	615,215
Disposals	-	(130,206)	(32,308)	(25,256)	(187,770)
Exchange rate differences	-	(8,964)	546	(2,809)	(11,227)
Transfers	1,436	-	-	-	1,436
Ending balance, 31 December 2023	64,057	589,656	172,909	417,888	1,244,510
Cost at the end of period	**939,496**	**1,735,564**	**843,374**	**1,258,318**	**4,776,752**
Accumulated depreciation at the end of period (-)	**64,057**	**589,656**	**172,909**	**417,888**	**1,244,510**
Closing net book value	**875,439**	**1,145,908**	**670,465**	**840,430**	**3,532,242**

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	4,405,770	1,672,151
Accumulated Amortization	(1,548,452)	(446,676)
Total (net)	**2,857,318**	**1,225,475**

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

	Current Period	Prior Period
Opening balance	1,225,475	535,400
Additions	2,391,732	901,340
Disposals (-), net	-	1,240
Depreciation amount (-)	783,232	279,922
Exchange rate differences	23,343	69,897
Closing Net Book Value	**2,857,318**	**1,225,475**

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	41,605	165,730
Additions	275,445	-
Disposals (-), Net	-	124,125
Amortization Cost (-)	-	-
Closing Net Book Value	**317,050**	**41,605**

1.15 Information on deferred tax asset

As of 31 December 2024, deferred tax is offset as TL 8,456,578 in the balance sheet. The deferred tax asset is TL 9,701,442 (31 December 2023 – TL 7,202,315) and the deferred tax liability is TL 1,244,864 (31 December 2023 – TL 1,151,759 TL).

	Current Period	Prior Period
TFRS 9 Provisions	1,794,065	2,612,011
Property, Plant and Equipment Valuation Differences	1,991,042	1,604,051
Employee Rights Liability	822,729	510,520
Deferred Income	693,761	434,090
Employment Termination Benefit Liability	439,878	333,235
Derivative Financial Instruments Rediscounts	(198,863)	-
Precious metal valuation differences	(447,756)	148,145
Securities Valuation Difference	2,303,149	45,342
Transferred Financial Losses (*)	286,970	185,135
Other	771,603	178,027
Net Deferred Tax Asset	**8,456,578**	**6,050,556**

(*) The Group has recognised deferred tax assets amounting to TL 286,970 (31 December 2023: TL 185,135) 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,	6,050,556	1,258,112
Deferred tax (expense)/income	208,819	1,985,025
Deferred tax accounted under equity	2,106,061	2,807,419
Other	91,142	-
Deferred tax asset	**8,456,578**	**6,050,556**

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1.16. Explanations on assets held for sale and discontinued operations

	Current Period	Prior Period
Opening Balance	428,585	117,719
Additions	212,519	350,438
Transfers from Tangible Asset	-	-
Disposals (-), Net	118,361	39,572
Transfer to Tangible Assets	-	-
Amortization Cost (-)	-	-
Provision for Impairment (-)	-	-
Closing Net Book Value	**522,743**	**428,585**

1.17 Information on other assets

As of balance sheet date, the Group's other assets amount to TL 13,342,934 (31 December 2023 – TL 5,127,727). Other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

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	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.

(**) As of 31 December 2024, the Bank has TL 62,001,875 (31 December 2023: TL 85,258,512) opened within the scope of the "Communiqué on Supporting Conversion to Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696 and TL 4,810 (31 December 2023: TL 116,495,635) opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021; TL 4,810 (31 December 2023: TL 31,237,123) and TL 4,810 (31 December 2023: TL 31,237,123) opened within the scope of the announcement of the Turkish Ministry of Treasury and Finance ("Treasury") dated 24 December 2021 and TL 62,006,685 (31 December 2023: TL 116,495,635) in total) foreign exchange valuation differences amounting to TL 632,624 (31 December 2023: TL 19,428,176) calculated as of the balance sheet date are included in other assets in assets and other liabilities in liabilities.

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Prior Period	Demand	Up to 1 month	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	**28,237,630**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,237,630**
II. Real persons profit sharing accounts-TL	**-**	**11,540,673**	**71,351,967**	**5,388,093**	**-**	**12,050,702**	**3,090,927**	**14,651**	**103,437,013**
III. Other current accounts-TL	**23,438,448**	-	-	-	-	-	-	-	**23,438,448**
Public sector	597,601	-	-	-	-	-	-	-	597,601
Commercial sector	22,367,807	-	-	-	-	-	-	-	22,367,807
Other institutions	320,272	-	-	-	-	-	-	-	320,272
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	**152,768**	-	-	-	-	-	-	-	**152,768**
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	24	-	-	-	-	-	-	-	24
Foreign banks	152,728	-	-	-	-	-	-	-	152,728
Participation banks	13	-	-	-	-	-	-	-	13
Other	3	-	-	-	-	-	-	-	3
IV. Profit sharing accounts-TL	**-**	**10,264,985**	**8,585,515**	**1,884,335**	**-**	**5,794,661**	**81,730**	**74**	**26,611,300**
Public sector	-	224	5,188	-	-	273,294	284	-	278,990
Commercial sector	-	10,011,600	7,379,274	1,752,982	-	5,316,871	80,864	74	24,541,665
Other institutions	-	246,208	799,173	28,027	-	82,063	582	-	1,156,053
Commercial and other institutions	-	6,953	401,848	103,326	-	122,433	-	-	634,560
Banks and participation banks	-	-	32	-	-	-	-	-	32
V. Real persons current accounts-FC	**92,949,912**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92,949,912**
VI. Real persons profit sharing accounts-FC	**-**	**15,879,845**	**13,768,663**	**2,155,996**	**-**	**6,298,537**	**3,540,114**	**19,860**	**41,663,015**
VII. Other current accounts-FC	**34,629,255**	-	-	-	-	-	-	-	**34,629,255**
Commercial residents in Türkiye	25,374,191	-	-	-	-	-	-	-	25,374,191
Commercial residents in Abroad	7,835,905	-	-	-	-	-	-	-	7,835,905
Banks and participation banks	**1,419,159**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,419,159**
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	629	-	-	-	-	-	-	-	629
Foreign banks	1,411,891	-	-	-	-	-	-	-	1,411,891
Participation banks	6,639	-	-	-	-	-	-	-	6,639
Other	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	**-**	**18,835,640**	**1,839,048**	**531,476**	**-**	**722,549**	**160,911**	**138**	**22,089,762**
Public sector	-	30	94,311	-	-	-	-	-	94,341
Commercial sector	-	12,213,658	898,196	46,620	-	104,752	13,720	138	13,277,084
Other institutions	-	6,517,503	461,624	484,812	-	617,797	147,191	-	8,228,927
Commercial and other institutions	-	104,449	384,917	44	-	-	-	-	489,410
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	**70,915,059**	**9,454,219**	**4,872,520**	**777,226**	**-**	**558,685**	**36,080**	**-**	**86,613,789**
X. Profit sharing accounts special funds - TL	**-**	**-**	**1,563,263**	**4,050,088**	**-**	**49,028,063**	**3,824,907**	**-**	**58,466,321**
Residents in Türkiye	-	-	1,563,263	4,050,088	-	48,266,714	3,309,678	-	57,189,743
Residents Abroad	-	-	-	-	-	761,349	515,229	-	1,276,578
XI. Profit sharing accounts special funds - FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	**250,170,304**	**65,975,362**	**101,980,976**	**14,787,214**	**-**	**74,453,197**	**10,734,669**	**34,723**	**518,136,445**

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

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	96,653,891	69,519,844	185,753,070	176,376,582
FC accounts	130,301,005	95,973,791	170,350,795	164,268,235
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 400 (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	57,044	15,167
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

Derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	134,084	51,249	67,013	17,654
Swap transactions	1,185,402	1,401,774	30,382	860,140
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**1,319,486**	**1,453,023**	**97,395**	**877,794**

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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	2,949,663	85,667,578	621,563	44,343,337
From Foreign Banks, Institutions and Funds	600,000	33,325,054	53,371	19,419,102
Total	**3,549,663**	**118,992,632**	**674,934**	**63,762,439**

2.3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	3,471,640	112,758,401	674,934	61,176,643
Medium and Long-Term	78,023	6,234,231	-	2,585,796
Total	**3,549,663**	**118,992,632**	**674,934**	**63,762,439**

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 44.38% for Turkish Lira. The maturity date of the Turkish Lira denominated sukuk is January 2025.

Current Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	900,230	-	-	-
Remaining income distribution	101,712	-	931,599	2,646,437
Book Value	1,000,923	-	-	-

Prior Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	8,300,000	-	-	-
Remaining income distribution	1,451,904	-	-	-
Book Value	3,380,842	-	-	-

2.5. Information on other liabilities and miscellaneous payables

As of 31 December 2024, other liabilities amount to TL 10,567,685 (31 December 2023 – TL 4,397,397), sundry creditors amount to TL 4,988,343 (31 December 2023 - TL 3,770,294), both of them do not exceed 10% of the balance sheet total.

2.6. Information on finance lease payables (net)

	Current Period		Prior Period	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	71,183	68,626	49,234	58,226
1 to 4 years	162,582	152,404	64,197	55,037
More than 4 years	2,170,589	1,360,785	1,325,234	827,170
Total	**2,404,354**	**1,581,815**	**1,438,665**	**940,433**

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 2023 – None).

2.6.1.1. Explanations on financial leasing obligations

None (31 December 2023 – 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 2023 - None).

2.8 Information on provisions

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

None.

2.8.2 Information on other provisions

	Current Period	Prior Period
Specific provisions for non-cash loans that are not indemnified converted into cash	863,935	569,527
General Provisions for non-cash loans	483,337	964,137
Provision for profits will be allocated to participation accounts	1,526,885	887,567
Credit cards of banking services applications	5,478	8,905
Other (*)	935,353	589,431
Total	**3,814,988**	**3,019,567**

(*) The other item mainly consists of litigation provision amounting to TL 509,045 (31 December 2023 - TL 393,760), expense provision amounting to TL 13,058 (31 December 2023 - TL 12,009) and other provisions amounting to TL 107,311 (31 December 2023 - TL 59,455).

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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 1,466,260 (31 December 2023 – TL 1,110,786), vacation pay liability amounting to TL 37,073 (31 December 2023 – TL 17,055), performance premium amounting to TL 1,724,585 (31 December 2023 – TL 1,134,875), retirement bonuses on payment of TL 808,924 (31 December 2023 – TL 426,049), committee fee amounting to TL 129,992 (31 December 2023 – TL 94,335) and other fees amounting to TL 116,700 (31 December 2023 – TL 57,747).

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 41,828.42 (full TL amount) (1 July 2024 - 31 December 2024) 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 (%)	26.67	28.03
Inflation rate (%)	23.49	24.35
Salary increases rate (%)	23.99	24.85

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

	Current Period	Prior Period
Balance at the beginning of the period	1,110,785	631,314
Provisions recognized during the period	510,445	187,506
Paid during the period	(197,655)	(49,750)
Actuarial loss	42,685	341,715
Balances at the end of the period	**1,466,260**	**1,110,785**

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 13,144,108 (31 December 2023: TL 9,673,024) and prepaid tax amounting to TL 7,092,851 (31 December 2023: TL 6,069,975). 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	755,307	97,908
Taxation of immovable property	9,532	5,524
Banking Insurance Transaction Tax (BITT)	510,165	244,771
Foreign Exchange Transaction Tax	27,737	24,591
Value Added Tax Payable	42,622	30,802
Income tax deducted from wages	194,158	100,916
Income tax payable	-	126,672
Other	12,334	6,248
Total	**1,551,855**	**637,432**

2.9.1.3 Information on premiums (*)

	Current Period	Prior Period
Social Insurance Premiums-Employee	83,993	89,048
Social Insurance Premiums-Employer	94,214	98,276
Unemployment insurance-Employee	5,998	6,358
Unemployment insurance-Employer	12,544	13,390
Other	-	9
Total	**196,749**	**207,081**

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

2.9.1.4 Information on deferred tax liability

Within the scope of the relevant regulations, as of 31 December 2024, the deferred tax was netted as TL 8,456,578 in the balance sheet. The deferred tax asset was calculated as TL 9,701,442 (31 December 2023 – TL 7,202,315) and the deferred tax liability as TL 1,244,864 (31 December 2023 – TL 1,151,759).

2.10 Information on payables related to assets held for sale

None (31 December 2023 – 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	-	14,186,285	-	17,967,564
Total	**-**	**14,186,285**	**-**	**17,967,564**

2.12 Information on shareholders' equity

2.12.1 Presentation of paid-in capital

	Current Period	Prior Period
Common shares	4,952,205	4,600,000
Preference shares	-	-
Repurchased shares amount (*)	(4,869)	(4,869)
Total	**4,947,336**	**4,595,131**

(*) 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 2023 – None).

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

None (31 December 2023 – 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 2023- 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 (*)	(5,682,248)	301,804	(1,263,418)	240,265
Foreign Exchange Difference	-	-	-	-
Total	**(5,682,248)**	**301,804**	**(1,263,418)**	**240,265**

(*) 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 2024 – TL 84,954 (31 December 2023 – TL 87,122).

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 2024 amounts to TL 76,475,148 (31 December 2023 – TL 34,050,190); payment commitments for cheque books amounts to TL 5,864,748 (31 December 2023 – TL 3,861,133).

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 2024, the Bank has guarantees and surety ships constituting of TL 85,540,967 (31 December 2023 – TL 49,505,238) of letters of guarantee; TL 727,539 (31 December 2023 – TL 183,196) of acceptances and TL 13,581,786 (31 December 2023 – TL 8,886,327) of letters of credit. Also, bank has other guarantees and sureties amounting to TL 5,211,090 TL (31 December 2023 - TL 3,011,311).

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	426,120	185,547
With original maturity of 1 year or less	426,120	185,547
With original maturity of more than 1 year	-	-
Other non-cash loans	104,635,262	61,400,525
Total	**105,061,382**	**61,586,072**

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

Current 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**

Prior Period				
	TL	%	FC	%
Agriculture	**856,115**	**2.26**	**255,761**	**1.08**
Farming and stockbreeding	579,107	1.53	196,066	0.83
Forestry	276,797	0.73	59,695	0.25
Fishery	211	0.00	-	-
Manufacturing	**9,041,204**	**23.88**	**7,655,077**	**32.27**
Mining and Quarrying	1,789,977	4.73	1,845,256	7.78
Production	6,339,737	16.74	5,525,420	23.29
Electricity, Gas, Water	911,490	2.41	284,401	1.20
Construction	**14,928,512**	**39.44**	**3,082,159**	**12.99**
Services	**10,687,543**	**28.22**	**10,412,162**	**43.88**
Wholesale and Retail Trade	7,224,489	19.08	4,571,127	19.26
Hotel, Food and Beverage Services	337,519	0.89	306,312	1.29
Transportation and Telecommunication	1,440,354	3.80	4,208,936	17.74
Financial Institutions	32,887	0.09	530,360	2.24
Real Estate and Renting Services	167,434	0.44	58,567	0.25
Self-Employment Type Services	485	0.00	-	-
Educational Services	80,059	0.21	58,009	0.24
Health and Social Services	1,404,316	3.71	678,851	2.86
Other	**2,347,150**	**6.20**	**2,320,389**	**9.78**
Total	**37,860,524**	**100.00**	**23,725,548**	**100.00**

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 (*)	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**

Prior Period	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee (*)	33,672,765	13,869,275	1,242,439	206,905
Bills of Exchange and Bank Acceptances	18,769	164,427	-	-
Letters of Credit	48,718	8,635,935	-	201,038
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities (*)	2,596,544	323,472	91,295	-
Total	**36,336,796**	**22,993,109**	**1,333,734**	**407,943**

(*) As of 31 December 2024, the 3rd stage is Letters of Guarantee amounting to TL 245,910 (31 December 2023 – TL 513,854), in foreign currency TL 372,001 (31 December 2023 – TL 324,496), Letters of Credit in the amounting to TL 493 (31 December 2023 – TL 636). Other Guarantees and Sureties: None (31 December 2023 – None).

3.2. Financial derivative instruments

	Trading Derivatives	
	Current Period	Prior Period
Foreign currency related derivative		
Foreign currency related derivative transactions (I):	**326,073,661**	**136,390,126**
Currency Forwards-Purchases, sales	38,745,368	9,512,419
Currency Swaps-Purchases, sales	287,328,293	126,877,707
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)	**23,699,736**	**6,944,182**
A. Total trading derivatives (I+II+III)	**349,773,397**	**143,334,308**
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging derivatives	-	-
Total derivatives transactions (A+B)	**349,773,397**	**143,334,308**

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 2024	Notes
Long-term issuer default rating	BB-
Short-term issuer default rating	B
Local currency long-term issuer default rating	BB-
Local currency short-term issuer default rating	B
Financial Capacity Ratio	B+
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	**75,471,303**	**10,952,009**	**31,638,165**	**6,169,702**
Short term loans	43,961,441	4,720,868	18,679,176	2,519,842
Medium- and long-term loans	30,967,946	6,116,310	12,680,276	3,560,122
Profit share on non-performing loans	541,916	114,831	278,713	89,738
Premiums received from resource utilization support fund	-	-	-	-
Total	**75,471,303**	**10,952,009**	**31,638,165**	**6,169,702**

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	86,704	-	50,273	-
Domestic Banks	5,563,324	-	2,590,551	-
Foreign Banks	30,000	721,595	30,668	568,808
Branches and head office abroad	-	-	-	-
Total	**5,680,028**	**721,595**	**2,671,492**	**568,808**

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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	2,079,207	932,403	1,085,292	266,906
Financial Assets at Fair Value Through Other Comprehensive Income	11,024,905	1,052,341	13,815,019	1,258,865
Financial Assets valued at Amortized Cost	9,111,644	1,998,934	3,693,314	1,342,745
Total	**22,215,756**	**3,983,678**	**18,593,625**	**2,868,516**

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	519	800

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	**1,753,529**	**1,700,997**	**361,944**	**936,978**
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	852,977	42,844	353,888	14,500
Foreign banks	900,552	1,658,153	8,056	922,478
Branches and Head Office abroad	-	-	-	-
Other Institutions	290,118	3,903,037	-	2,288,309
Total	**2,043,647**	**5,604,034**	**361,944**	**3,225,287**

4.2.2 Profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Dividends paid to associates and subsidiaries	47,269	13,103

4.2.3 Profit share expense paid to securities issued

31 December 2024 – TL 4,314,757 (1 January-31 December 2023– TL 537,159).

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	12,078	5,302
Total	**12,078**	**5,302**

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

Current period	Profit Sharing Accounts							
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**	**Accumulated profit-sharing accounts**	**Total**
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**

Prior Period	Profit Sharing Accounts							
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**	**Accumulated profit-sharing accounts**	**Total**
Turkish Lira								
Collected funds from banks through current and profit share accounts	-	6	-	-	-	-	-	6
Real person's non-trading profit sharing account	2,090,823	12,881,708	1,213,511	-	3,317,036	474,527	2,249	19,979,854
Public-sector profit-sharing account	52	898	-	-	1,996	19	-	2,965
Commercial sector profit sharing account	198,594	1,322,878	424,792	-	526,113	16,587	-	2,488,964
Other institutions profit sharing account	22,429	185,172	35,089	-	24,381	164	-	267,235
Total	**2,311,898**	**14,390,662**	**1,673,392**	**-**	**3,869,526**	**491,297**	**2,249**	**22,739,024**
Foreign currency								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing account	114,824	103,148	22,743	-	78,660	47,434	365	367,174
Public-sector profit-sharing account	-	696	-	-	-	-	-	696
Commercial sector profit sharing account	3,651	5,841	3,572	-	3,477	2,332	-	18,873
Other institutions profit sharing account	1,691	5,145	6,603	-	3,324	103	-	16,866
Precious metal accounts	10,050	5,524	854	-	730	-	-	17,158
Total	**130,216**	**120,354**	**33,772**	**-**	**86,191**	**49,869**	**365**	**420,767**
Grand total	**2,442,114**	**14,511,016**	**1,707,164**	**-**	**3,955,717**	**541,166**	**2,614**	**23,159,791**

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4.5 Information on trading income/loss (Net)

	Current period	Prior period
Trading profit / loss (net)	**4,333,112**	**11,089,651**
Profit	**185,056,043**	**131,398,425**
Gain on capital market transactions	987,772	1,307,753
Gain on derivative financial instruments	34,898,225	20,128,005
Foreign exchange profit	149,170,046	109,962,667
Losses (-)	**(180,722,931)**	**(120,308,774)**
Losses on capital market transactions	(56,549)	(44,012)
Losses on derivative financial instruments	(36,512,224)	(11,792,768)
Foreign exchange losses	(144,154,158)	(108,471,994)

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	11,460,685	6,116,713
Reversal of prior period provisions	9,345,503	2,097,464
Income from sales of assets	414,947	359,327
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	86,055	1,125,141
Rental income	14,201	3,190
Other Income	377,148	186,790
Total	**21,698,539**	**9,888,625**

4.7 Provisions for loan losses and other receivables of the Bank

	Current Period (*)	Prior Period (*)
Expected Credit Loss	**5,569,660**	**6,831,733**
12 month expected credit loss (Stage 1)	14,557	3,533,057
Significant increase in credit risk (Stage 2)	286,509	1,408,536
Non-performing loans (Stage 3)	5,268,594	1,890,140
Marketable Securities Impairment Expense	**156,836**	**59,736**
Financial Assets at Fair Value through Profit or Loss	156,836	59,736
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 (**)	**1,006,563**	**245,553**
Total	**6,733,059**	**7,137,022**

(*) 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.

4.8 Information on other operating expenses

	Current Period	Prior Period
Provision for Retirement Pay Liability	312,790	137,757
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	1,055,275	615,215
Impairment Expenses of Intangible Fixed Assets	-	-
Depreciation Expenses of Intangible Assets	783,232	279,922
Depreciation Expenses of Assets Held for Sale	-	-
Other Operating Expenses	4,869,472	2,644,729
Maintenance Expenses	*754,908*	*407,943*
Advertisement Expenses	*389,381*	*191,524*
Communication Expenses	*449,418*	*252,756*
Stationery Expenses	*374,487*	*161,736*
Heating, Electricity and Water Expenses	*145,738*	*137,087*
Vehicle Expenses	*105,631*	*64,275*
Cleaning Expenses	*72,072*	*34,643*
Lease Expenses Regarding TFRS 16 Exemptions	*27,429*	*15,912*
Other Expenses(*)	*2,550,409*	*1,378,853*
Losses on Sales of Assets	2,082	6,725
Deposit Insurance Fund expenses	1,593,837	1,110,880
Other(**)	15,190,372	7,976,054
Total	**23,807,060**	**12,771,282**

(*) As of 31 December 2024, Other Expenses mainly includes "Promotion Application Expenses for Credit Cards" amounting to TL 787,644 (31 December 2023 - TL 460,121), "Outsourced Catering Personnel Service Expenses" amounting to TL 453,881 (31 December 2023 - TL 227,164) and "Promotion Application Expenses for Pension Payments" amounting to TL 139,924 (31 December 2023 - TL 48,712).

(**) As of 31 December 2024, other item mainly consists of Banking and Insurance Transaction Tax amounting to TL 1,023,985, Financial Activity Fees amounting to TL 547,392, Contracted Attorney and Legal Consultancy amounting to TL 294,263, Precious Metals BITT Expense amounting to TL 194,088, Trading Lease Certificate BITT Expense amounting to TL 122,571 and Banking Regulation and Supervision Agency Participation Share amounting to TL 115,623. In addition, Neova Katılım Sigorta A.Ş. includes Gross Severance Payments amounting to TL 8,546,073 (31 December 2023 - TL 6,356,145).

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 (*)	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**

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 (*)	36,909	998
Fees for tax consulting services	-	-
The cost of other assurance services	350	309
The cost of other services outside the independent audit	-	-
Total	**37,259**	**1,307**

(*) 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 2024 / 31 December 2023.

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

Income before tax amounting to TL 49,435,723 increased by 35.92% as compared to the prior period (1 January – 31 December 2023 – TL 36,370,235). Income before tax includes TL 59,379,439 (1 January – 31 December 2023 – TL 38,979,542) net profit share income and TL 7,705,379 (1 January – 31 December 2023 – TL 3,050,244) net fees and commission income. Other operating expense amount is TL 23,807,060 (1 January – 31 December 2023 – TL 12,771,282).

4.10 Information on tax provision for continued and discontinued operations

Current period tax provision for the period amounting to TL 12,551,093 (1 January - 31 December 2023 - TL 9,509,390), deferred tax income of TL 1,014,863 (1 January - 31 December 2023 - TL 1,709,738) and TL 1,223,682 (1 January - 31 December 2023 - TL 3,694,763) 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 2024, net profit share income is TL 59,379,439 (1 January - 31 December 2023 – TL 38,979,542), net fees and commission income is TL 7,705,379 (1 January- 31 December 2023 – TL 3,050,244).

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 2023 – None).

4.12.3 Profit/loss attributable to minority interest

	Current Period	Prior Period
Profit/(Loss) Attributable to Minority Interests	28,890	18,973

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 2024, other fees and commissions received is TL 19,048,951 (1 January – 31 December 2023 – TL 7,223,566), TL 7,817,397 of this amount is related with credit card fees and commissions (1 January – 31 December 2023 – TL 2,616,859) and TL 5,699,385 of this amount is related with POS machine commissions (1 January – 31 December 2023 – TL 1,721,752) and TL 5,532,169 of this amount is related with other commission fees (1 January – 31 December 2023 – TL 2,884,955).

As of 31 December 2024, other fees and commissions given is TL 12,110,347 (1 January – 31 December 2023 – TL 4,581,950), TL 7,491,763 (1 January – 31 December 2023 – TL 2,222,466) of this amount is related with POS clearing commissions and installation expenses, TL 757,083 (1 January – 31 December 2023 – TL 431,624) of this amount is related with fees and commissions paid for credit cards and TL 3,861,501 of this amount is related with other commission fees (1 January – 31 December 2023 – TL 1,927,860).

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 Bank made dividend payments amounting to TL 2,660,937 to shareholders in the current period with the decision of the General Assembly dated 29 March 2024.

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	**81,563,194**	**51,426,421**
Cash in TL/foreign currency, others	57,137,242	29,924,316
Demand deposits at banks (Up to 3 months)	24,425,952	21,502,105
Cash Equivalents	-	-
Interbank money markets	-	-
Time deposits at banks	-	-
Marketable securities	-	-
Total cash and cash equivalent	**81,563,194**	**51,426,421**

6.1.1.2. Cash and cash equivalents at the end 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**

6.2. 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 2023 – None).

6.3. Explanations on other items in the cash flow statement

"Other items" amounting to TL (34,224,892) (1 January – 31 December 2023 - TL (10,402,048)) 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 42,988,565 (1 January – 31 December 2023 - TL 11,119,384) 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 15,485,232 (1 January – 31 December 2023 - TL 1,505,132) 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 36,386,313 as of 31 December 2024 (31 December 2023 – TL 35,253,835). The effects of the change in foreign currency rates on cash and cash equivalents is 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	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.

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	127	39,978	26,634	45,210	2,176,542	1,849
Balance at end of period	365	63,775	29,238	82,280	2,974,543	20,322
Profit share and commission income	358	442	4,230	631	15,396	-

(*) 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	Current period	Current period	Current Period	Current period	Current period
Current and profit-sharing accounts						
Balance at beginning of period	771,905	115,505	502,954	219,676	750,296	454,287
Balance at end of period	470,920	771,905	777,817	502,954	946,678	750,296
Profit share expense	47,269	13,103	65,255	27,810	12,561	246

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

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	3,758,803	2,697,940	2,361,778	842,005	-	-
Balance at end of period	1,366,458	3,758,803	2,702,149	2,361,778	-	-
Total Profit/(Loss)	(717)	(3,756)	22,188	15,624	-	-
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 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
Borrowings						
Balance at beginning of period	-	-	9,195,276	270,055	-	-
Balance at end of period	-	-	14,649,976	9,195,276	-	-
Profit share expense	-	-	541,528	343,839	-	-

(*) 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

Subordinated additional capital (Tier-I) sukuks amounting to USD 50,000,000 (full amount) executed by the Parent Bank and USD 50,000,000 (full amount) executed by the Parent Bank on 28 September 2020 are provided by Kuwait Finance House. Kuwait Finance House owns USD 35,000,000 (full amount) of the subordinated additional capital (Tier-II) sukuk amounting to USD 350,000,000 (full amount) executed by the Parent Bank on 16 September 2021.

7.2 Information on remunerations provided to top management

As of 1 January - 31 December 2024, the Group has paid TL 660,628 to top management (1 January – 31 December 2023 TL 365,082).

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

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 (*)	448	4,079			
			Country		
Foreign representative offices				Total Assets (Thousands, TL)	Legal Capital (Full EUR)
Foreign Bank	1	132	Germany	30,756,109	43,385,026
Off-shore Branches	1	3	Bahrain	21,862,127	
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 2024, 6 new domestic branches (2023 - 8) were opened and 2 domestic branches were closed (2023 - 7). There are no closed branches abroad (2023 – None).

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

The Board of Directors of the Bank has decided to appoint Dr. Ruşen Ahmet Albayrak, Executive Vice President in charge of Treasury and International Banking, to the position of Executive Vice President in charge of Treasury and International Banking, Aslan Demir, Executive Vice President in charge of Strategy, to the position of Executive Vice President in charge of Treasury and International Banking, and Semih Sel, Human Resources Group Manager, to the position of Executive Vice President in charge of Human Resources and Strategy, effective as of 1 January 2025, due to the retirement of Ahmet Süleyman Karakaya, Executive Vice President in charge of Corporate and Commercial Banking, as of 31.12.2024.

EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

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 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 14 February 2025 is presented preceding the consolidated financial statements.

2. Notes and disclosures prepared by the independent auditor: None.

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Mersis No: 0600002681400074
Swift Code: KTEFTRIS
Call Center: 444 0 123 / 0850 251 0 123

LOCAL BRANCH DIRECTORY
Kuveyt Türk's branch network is composed of 449 branches in total, 448 branches in Türkiye, and one in Bahrain.

Detailed information about the local branches can be found by clicking on the following link to the Bank's website.

https://www.kuveytturk.com.tr/en/branches-and-atms

OVERSEAS SERVICE POINTS

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