

**KUVEYT TRK KATILIM BANKASI A..
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
<p><i>Impairment of loans in accordance with TFRS 9 “Financial Assets”</i></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note 1.5.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>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.</p> <p>We have assessed and analyzed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for Other accounting estimates.</p> <p>We have tested historical loss data to validate the completeness and accuracy of key parameters. We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements, underlying the estimations of impairments were reasonable.</p> <p>Our specialists are involved in all procedures regarding assumptions of models and individual assessments.</p> <p>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.</p>

Key Audit Matter	How the matter was addressed in the audit
<p><i>Information technologies audit</i></p> <p>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.</p>	<p>The procedures carried out within the scope of our information technology audit works:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 ZAHARAN
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
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KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

SECTION ONE
GENERAL INFORMATION

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

Kuveyt Türk Katılım Bankası A.Ş. (“The Bank”) was incorporated with the approval of the Central Bank of the Republic of 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 ZAHARAN	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%).

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

4. Information on qualified shareholders

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	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

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 – ASSETS (STATEMENT OF FINANCIAL POSITION)

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
			TL	FC	Total	TL	FC	Total
	ASSETS	Notes						
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 (-)	(5.1.16.)	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)		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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
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 Warranties		-	-	-	-	-	-
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 WARRANTIES		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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
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

							Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss								
	Notes	Paid-in Capital	Share Premiums	Share Cancellation profit	Other Capital Reserves		1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Loss for the Period	Total Shareholders'Equity Less Minority Shares	Minority Shares	Total Shareholders' Equity
I.	Prior Period (01/01/2023 - 31/12/2023)																	
II.	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
III.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I-II)	4,595,131	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	-	9,030	-	9,030
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	12,643,447	-	(14,043,447)	(1,400,000)	-	(1,400,000)
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	(1,400,000)	-	(1,400,000)	-	(1,400,000)
11.2	Transfers to Legal Reserves	-	-	-	-	-	-	-	-	-	-	-	12,643,447	(12,643,447)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	14,043,447	(14,043,447)	-	-	-
	Balances at end of the period (III+IV+.....+X+XI)	(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
I.	Current Period (01/01/2024 - 31/12/2024)																	
II.	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
III.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I-II)	4,595,131	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)	-	-	(1,438)	-	(1,438)
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	23,951,251	-	(26,609,371)	(2,658,120)	-	(2,658,120)
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	(2,660,937)	-	(2,660,937)	-	(2,660,937)
11.2	Transfers to Legal Reserves	-	-	-	-	-	-	-	-	-	-	-	23,951,251	(23,948,434)	-	2,817	-	2,817
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	26,609,371	(26,609,371)	-	-	-
	Balances at end of the period (III+IV+.....+X+XI)	(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 items not reclassified through other 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 items reclassified through other profit or loss.)

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CASH FLOW AS OF 31 DECEMBER 2024

(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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
AS OF 31 DECEMBER 2024

(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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
EXPLANATION 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 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

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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 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

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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

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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.

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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.

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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.

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

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

In 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.

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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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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

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ADDITIONAL TIER I CAPITAL		
Preferred stock not included in common equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	1,763,558	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	-	-

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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.

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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	Average
	Risk Amount (*)	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	Average
	Risk Amount (*)	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.

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2.2. Risk profile by sectors or counterparties

Current Period	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from Corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by Mortgages	Past due receivables	Receivables defined in high-risk category by BRSA	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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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.

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2.3. Analysis of Maturity-Bearing Exposures According to Remaining Maturities

Risk Categories (*) – Current Period	Time to Maturity				
	1 month	1–3 months	3–6 months	6–12 months	Over 1 year
Conditional and unconditional receivables from central governments or Central Banks	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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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.

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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%	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.

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		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	

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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.

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2.6. Risk amounts according to risk weights

Current Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Risk Weights												
Exposures before												
Credit Risk	264,057,047	-	23,650,756	-	34,666,544	43,716,521	80,836,540	210,811,438	2	-	1,593,685	-
Mitigation												
Exposures after												
Credit Risk	283,618,175	-	29,250,199	-	33,479,802	42,164,303	77,425,683	191,800,684	2	-	1,593,685	-
Mitigation												

Prior Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Risk Weights												
Exposures before												
Credit Risk	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
Mitigation												
Exposures after												
Credit Risk	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
Mitigation												

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.

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	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.

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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	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

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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

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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 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.

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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

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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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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.

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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)	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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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.

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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						

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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

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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	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

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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

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6. Explanations on leverage ratio

Disclosure of leverage ratio template

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

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.

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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

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

Current Period	Carrying values in financial statements prepared as per TAS	Valued amounts of items in accordance with TAS					
		Carrying values in legal consolidation prepared as per 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

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

	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1- Carrying Value of Assets in Accordance with TAS (as in template 1B)	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.

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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 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

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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 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

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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
İç Anadolu Region	1,332,635	1,270,701	146,212
Akdeniz Region	548,716	519,437	136,716
Ege Region	294,069	258,897	38,222
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
İç 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

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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 reinsurance 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

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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.

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11. Securitization Positions

None.

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

The 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

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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.

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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.

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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.

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Selected balance sheet and income statement items according to segments

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury and international Banking	Unallocated	Bank's Total operation
1 January 2024-31 December 2024					
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					
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

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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

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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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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	-

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

	Standard Loans Current Period	Loans Under Close Monitoring Current Period	Standard Loans Prior Period	Loans Under Close Monitoring Prior Period
12 Month Expected Credit Losses	2,696,490	-	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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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

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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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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

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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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
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.

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period			
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

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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.

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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 Architech 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	Architech Bilişim Sistemleri ve Pazarlama Tic A.Ş. (**)	İstanbul/Türkiye	100	100
8	Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San.ve Tic. A.Ş. (**)	İstanbul/Türkiye	99.99	99.99
9	Kuveyt Türk Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	100	100
10	Sağlam 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).

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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

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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 Tax 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.

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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.

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

2.1.2.1 Current and participation accounts attributable to real and legal entities 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.

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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

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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).

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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

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

Current Period	I. Group		II. Group	
	TL	FC	TL	FC
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

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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	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						
	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
Account name								
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						
	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
Account name								
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

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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.

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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.

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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 36,516,686 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.

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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).

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

8.1. Domestic and foreign branches and representative offices

	Number of Branches	Number of Employees			
Domestic branches (*)	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.

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SECTION SIX

OTHER EXPLANATIONS

1. **Other matters which must be explained in terms of explicitness, interpretability and understandability of the balance sheet:** None.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

1. **Explanations 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.