

**KUVEYT TRK KATILIM BANKASI A..  
INDEPENDENT AUDIT REPORT,  
CONSOLIDATED FINANCIAL STATEMENTS AND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 31 DECEMBER 2024**

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

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

**INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL INFORMATION**

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

**A) Audit on the Consolidated Financial Statements**

**1) Opinion**

We have audited the accompanying consolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş. (“the Bank”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no. 26333 dated 1 November 2006 and communiques, circulars and pronouncements published by the Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards (TFRS) including the provisions of "Accounting and Financial Reporting Regulations BRSA" for the matters not legislated by the aforementioned regulations.

**2) Basis for Opinion**

We conducted our audit in accordance with the Standards on Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA) and “Regulation on Independent Auditing of Banks” published by BRSA on Official Gazette dated 2 April 2015 numbered 29314. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3) Key Audit Matters**

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

Key Audit Matter	How the matter was addressed in the audit
<p><b><i>Impairment of loans in accordance with TFRS 9 “Financial Assets”</i></b></p> <p>Impairment of loans is a key area of judgment for the management. The Group has the total loans amounting to TL 457,943,647 thousands, which comprise 51% of the Group’s total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 13,135,273 thousands as at 31 December 2024.</p> <p>As of 1 January 2018, the Parent Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750. The accounting policies applied are explained in detail in Note 1.6 of Section Three. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans.</p> <p>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 Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>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><b><i>Information technologies audit</i></b></p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology enabled business services is rapidly growing in the Bank and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>	<p>The procedures carried out within the scope of our information technology audit works:</p> <ul style="list-style-type: none"> <li>• The Group's controls on information systems have been determined, understood and tested by us with a risk-based approach.</li> <li>• 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"> <li>• Access Security</li> <li>• Change Management</li> <li>• Data Center and Network Operations</li> </ul> </li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>In addition, the controls regarding the database, network and operating system levels of the applications within the scope have been tested.</p>

#### 4) Other Matters

The consolidated financial statements of Kuveyt Türk Katılım Bankası A.Ş. for the year ended 31 December 2023 have been audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on 15 February 2024.

## **5) Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

## **6) Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **6) Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

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

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

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

## **B) Report on Other Legal and Regulatory Requirements**

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Group's set of accounts for the period 1 January - 31 December 2024 does not comply with TCC and the provisions of the Bank's articles of association in relation to financial reporting.

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

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

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

Sunay Anıktar  
Partner

İstanbul, 14 February 2025

**Section one**  
**General information**

I.	History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status	1
II.	Shareholding structure, shareholders jointly or individually having direct or indirect control over the management and supervision of the Parent Bank and the disclosures on any related changes in the current period, if any, and information about the group that the Parent Bank belongs to	1
III.	Explanations regarding the chairman and the members of board of directors, audit committee members, general manager and assistant general managers and their shares in the Parent Bank	1
IV.	Information on qualified shareholders	2
V.	Explanations of the Parent Bank's services and field of operations	2
VI.	Current or likely actual legal barriers to immediate transfer of equity or repayment of debts between Parent Bank and its subsidiaries	2

**Section two**  
**Consolidated financial statements**

I.	Consolidated balance sheet - assets (statement of financial position)	3
II.	Consolidated statement of off-balance sheet items	5
III.	Consolidated statement of profit or loss (income statement)	6
IV.	Consolidated statement of profit or loss and other comprehensive income	7
V.	Consolidated statement of changes in shareholders' equity	8
VI.	Consolidated statement of cash flows	9
VII.	Profit distribution table of the parent bank	10

**Section three**  
**Explanations on accounting policies**

I.	Explanations on basis of presentation	11
II.	Explanations on strategy of using financial instruments and foreign currency transactions	15
III.	Investments in associates and subsidiaries	15
IV.	Explanations on forward transactions and option contracts and derivative instruments	16
V.	Explanations on profit share income and expense	17
VI.	Explanations on fees and commission income and expenses	17
VII.	Explanations on financial assets	17
VIII.	Explanations on offsetting of financial assets and liabilities	19
IX.	Explanations on sale and repurchase agreements and lending of securities	19
X.	Explanations on assets held for sale and discontinued operations and related liabilities	19
XI.	Explanations on goodwill and other intangible assets	20
XII.	Explanations on tangible assets	20
XIII.	Explanations on leasing transactions	20
XIV.	Explanations related to insurance technical provisions	21
XV.	Explanations related to insurance technical income and expenses	22
XVI.	Explanations on provisions and contingent liabilities	22
XVII.	Explanations on liabilities relating to employee benefits	22
XVIII.	Explanations on taxation	23
XIX.	Explanations on additional disclosures on borrowings	24
XX.	Explanations on share certificates issued	24
XXI.	Explanations on acceptances and availed drafts	24
XXII.	Explanations on government grants	24
XXIII.	Explanations on segment reporting	24
XXIV.	Explanations on other matters	24

**Section four**  
**Information Related to Financial Position and Risk Management of the Group**

I.	Explanations on consolidated equity items	25
II.	Explanations on consolidated credit risk	30
III.	Explanations on consolidated currency risk	43
IV.	Explanations on stock position risk arising from banking accounts	46
V.	Consolidated liquidity risk management and liquidity coverage ratio	47
VI.	Explanations on consolidated leverage ratio	58
VII.	Explanations on fair value of consolidated financial assets and liabilities	59
VIII.	Explanations on the activities carried out on behalf and account of other persons, fiduciary-based transactions	59
IX.	Explanations on consolidated hedge accounting practices	59
X.	Explanations on consolidated risk management	59
XI.	Securitization positions	73
XII.	Explanations on the activities carried out on behalf and account of other persons, fiduciary-based transactions	73
XIII.	Qualitative explanations on market risk	73
XIV.	Disclosures regarding the consolidated operating segments	78

**Section five**  
**Explanations and notes on the consolidated financial statements**

I.	Explanations and notes related to consolidated assets	80
II.	Explanations and notes related to consolidated liabilities	97
III.	Explanations and notes related to consolidated off-balance sheet contingencies and commitments	104
IV.	Explanations and notes related to the consolidated statement of income	107
V.	Explanations and notes related to the consolidated statement of shareholders' equity	112
VI.	Explanations and notes related to consolidated statement of cash flows	113
VII.	Explanations and notes related to risk group of the group	114
VIII.	Information about the branches of the group in domestic, foreign and coastal banking regions and their representative offices abroad	116
IX.	Significant events and matters arising subsequent to balance sheet date	116

**Section six**  
**Other explanations**

I.	Other matters which must be explained in terms of explicitness, interpretability and understandability of the balance sheet	117
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**Section seven**  
**Independent audit report**

I.	Explanations on the audit report	117
II.	Notes and disclosures prepared by the independent auditor	117

**THE CONSOLIDATED FINANCIAL REPORT OF KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ  
FOR THE PERIOD THEN ENDED 31 DECEMBER 2024**

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

The year-end consolidated financial report prepared in accordance with the Communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections.

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

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

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

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

Hamad Abdulmohsen AL-MARZOUQ  
Chairman of the Board of Directors

Shadi Ahmed Yacoub 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  
Deputy General  
Manager for Financial  
Affairs

Mehmed Tahir KAPLAN  
Budget and Reporting Group  
Manager

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

Name-Surname/Position : Samet ÖZCAN / Associate Consolidation Manager  
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**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED 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 Parent Bank including its incorporation date, initial legal status and amendments to legal status**

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

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

As of 31 December 2024, 57.81% of the Parent Bank’s shares are owned by Kuwait Finance House located in Kuwait, 24.49% by T.C Vakıflar Genel Müdürlüğü, 8.36% by Wafra International Investment Company in Kuwait and 9.00% by Islamic Development Bank whereas the remaining 0.98% of the shares are owned by other real persons and legal entities.

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

Name	Title	Date of the Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Hamad A H D MARZOUQ	Head of the BOD	25/06/2014			Master	-
Shadi Ahmed YACOUB 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	Chairman of the Inspection Board	01/08/2007			Bachelor	0.001%

Chairman and members of the Board of Directors, members of auditing committee, general manager and assistant general managers own 0.11% of the Bank’s share capital (31 December 2023 – 0.11%).

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED 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 parent bank**

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	2,863,098	57.81%	2,863,098	-
T.C. Vakıflar Genel Müdürlüğü	1,212,608	24.49%	1,212,608	-
<b>Total</b>	<b>4,075,706</b>	<b>82.3%</b>	<b>4,075,706</b>	<b>-</b>

As of 31 December 2024, the shareholding structure of Kuwait Finance House, the main shareholder of the Parent Bank, is as follows.

Name / Commercial Name	Share Amount
Kuwait Investment Authority	15.67%
The Public Institution for Social Security & Group	9.05%
The Public Authority for Minors Affairs	6.82%
Public Shares	68.46%
<b>Total</b>	<b>100.00%</b>

**5. Explanations of the Parent Bank's services and field of operations**

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

As of 31 December 2024, the Group is operating through 453 domestic branches (31 December 2023 – 450) with 7,122 employees (31 December 2023 – 6,844). Summary of some of the Bank's operations described in the Articles of Association are as follows:

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

The Parent Bank's activities are not limited to the list above. If another transaction is decided to be beneficial to the Parent Bank, the transaction must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities after whom it also needs to be approved by the Ministry of Trade since it constitutes an amendment of the Article of Association. Decisions that have been approved through all these channels will be included to the Article of Association. Disclosures on the differences between the Communiqué on the Preparation of Consolidated Financial Statements of Banks and the consolidation transactions made in accordance with the Turkish Accounting Standards and the entities subject to full or proportionate consolidation, deducted from equity or not included in these three methods: According to the Communiqué on the Preparation of the Consolidated Financial Statements of Banks, only While financial partnerships are included in the scope of consolidation, all financial and non-financial partnerships should be included in the scope of consolidation in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards.

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

None.

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2024**

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

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

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
			TL	FC	Total	TL	FC	Total
	<b>ASSETS</b>	<b>Notes</b>						
<b>I.</b>	<b>FINANCIAL ASSETS (Net)</b>		<b>128,395,216</b>	<b>239,151,497</b>	<b>367,546,713</b>	<b>86,492,919</b>	<b>193,023,795</b>	<b>279,516,714</b>
<b>1.1.</b>	<b>Cash and Cash Equivalents</b>		<b>79,201,599</b>	<b>194,060,570</b>	<b>273,262,169</b>	<b>37,113,775</b>	<b>131,797,225</b>	<b>168,911,000</b>
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	59,543,446	167,156,918	226,700,364	29,736,696	114,450,066	144,186,762
1.1.2.	Banks	(5.1.3.)	12,418,838	26,907,745	39,326,583	7,076,730	17,349,222	24,425,952
1.1.3.	Money Markets		7,241,952	-	7,241,952	300,805	-	300,805
1.1.4.	Expected Credit Loss (-)		2,637	4,093	6,730	456	2,063	2,519
<b>1.2.</b>	<b>Financial Assets at Fair Value Through Profit or Loss</b>		<b>7,661,871</b>	<b>17,265,515</b>	<b>24,927,386</b>	<b>18,171,320</b>	<b>33,927,233</b>	<b>52,098,553</b>
1.2.1.	Government Debt Securities		775,372	11,956,887	12,732,259	825,151	32,033,674	32,858,825
1.2.2.	Equity Instruments		1,301,568	18,828	1,320,396	1,416,750	-	1,416,750
1.2.3.	Other Financial Assets		5,584,931	5,289,800	10,874,731	15,929,419	1,893,559	17,822,978
<b>1.3.</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(5.1.4.)</b>	<b>40,632,058</b>	<b>27,027,260</b>	<b>67,659,318</b>	<b>29,797,862</b>	<b>26,835,736</b>	<b>56,633,598</b>
1.3.1.	Government Debt Securities		40,455,600	25,552,171	66,007,771	29,689,566	26,216,660	55,906,226
1.3.2.	Equity Instruments		138,727	382,853	521,580	108,296	241,172	349,468
1.3.3.	Other Financial Assets		37,731	1,092,236	1,129,967	-	377,904	377,904
<b>1.4.</b>	<b>Derivative Financial Assets</b>		<b>899,688</b>	<b>798,152</b>	<b>1,697,840</b>	<b>1,409,962</b>	<b>463,601</b>	<b>1,873,563</b>
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	899,688	798,152	1,697,840	1,409,962	463,601	1,873,563
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.11.)	-	-	-	-	-	-
<b>II.</b>	<b>FINANCIAL ASSETS MEASURED WITH AMORTISED COSTS (Net)</b>		<b>264,666,995</b>	<b>238,755,801</b>	<b>503,422,796</b>	<b>242,154,496</b>	<b>153,342,373</b>	<b>395,496,869</b>
<b>2.1.</b>	<b>Loans</b>	<b>(5.1.5.)</b>	<b>227,283,754</b>	<b>180,153,271</b>	<b>407,437,025</b>	<b>198,311,575</b>	<b>118,134,608</b>	<b>316,446,183</b>
<b>2.2.</b>	<b>Leasing Receivables</b>	<b>(5.1.10.)</b>	<b>15,662,731</b>	<b>34,843,891</b>	<b>50,506,622</b>	<b>17,428,625</b>	<b>19,691,158</b>	<b>37,119,783</b>
<b>2.3.</b>	<b>Other Financial Assets Measured at Amortized Cost</b>	<b>(5.1.6.)</b>	<b>30,961,072</b>	<b>27,653,350</b>	<b>58,614,422</b>	<b>37,465,206</b>	<b>22,461,091</b>	<b>59,926,297</b>
2.3.1.	Government Debt Securities		30,961,072	26,632,039	57,593,111	37,278,552	21,809,774	59,088,326
2.3.2.	Other Financial Assets		-	1,021,311	1,021,311	186,654	651,317	837,971
<b>2.4.</b>	<b>Expected Credit Loss (-)</b>		<b>9,240,562</b>	<b>3,894,711</b>	<b>13,135,273</b>	<b>11,050,910</b>	<b>6,944,484</b>	<b>17,995,394</b>
<b>III.</b>	<b>PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)</b>	<b>(5.1.16.)</b>	<b>522,743</b>	<b>-</b>	<b>522,743</b>	<b>428,585</b>	<b>-</b>	<b>428,585</b>
3.1.	Held For Sale		522,743	-	522,743	428,585	-	428,585
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
<b>IV.</b>	<b>INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>779,060</b>	<b>-</b>	<b>779,060</b>	<b>437,664</b>	<b>-</b>	<b>437,664</b>
<b>4.1.</b>	<b>Investments in Associates (Net)</b>	<b>(5.1.7.)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
<b>4.2.</b>	<b>Investment in Subsidiaries (Net)</b>	<b>(5.1.8.)</b>	<b>123,680</b>	<b>-</b>	<b>123,680</b>	<b>123,680</b>	<b>-</b>	<b>123,680</b>
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		123,680	-	123,680	123,680	-	123,680
<b>4.3.</b>	<b>Investment in Joint Ventures (Net)</b>	<b>(5.1.9.)</b>	<b>655,380</b>	<b>-</b>	<b>655,380</b>	<b>313,984</b>	<b>-</b>	<b>313,984</b>
4.3.1.	Joint Ventures Valued Based on Equity Method		655,380	-	655,380	313,984	-	313,984
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V.</b>	<b>TANGIBLE ASSETS (Net)</b>	<b>(5.1.12.)</b>	<b>5,478,616</b>	<b>125,113</b>	<b>5,603,729</b>	<b>3,456,931</b>	<b>75,311</b>	<b>3,532,242</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS (Net)</b>	<b>(5.1.13.)</b>	<b>2,621,855</b>	<b>235,463</b>	<b>2,857,318</b>	<b>1,054,933</b>	<b>170,542</b>	<b>1,225,475</b>
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		2,621,855	235,463	2,857,318	1,054,933	170,542	1,225,475
<b>VII.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	<b>(5.1.14.)</b>	<b>317,050</b>	<b>-</b>	<b>317,050</b>	<b>41,605</b>	<b>-</b>	<b>41,605</b>
<b>VIII.</b>	<b>CURRENT TAX ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>DEFERRED TAX ASSETS</b>	<b>(5.1.15.)</b>	<b>8,169,608</b>	<b>286,970</b>	<b>8,456,578</b>	<b>5,865,421</b>	<b>185,135</b>	<b>6,050,556</b>
<b>X.</b>	<b>OTHER ASSETS</b>	<b>(5.1.17.)</b>	<b>12,386,654</b>	<b>956,280</b>	<b>13,342,934</b>	<b>4,406,998</b>	<b>720,729</b>	<b>5,127,727</b>
	<b>TOTAL ASSETS</b>		<b>423,337,797</b>	<b>479,511,124</b>	<b>902,848,921</b>	<b>344,339,552</b>	<b>347,517,885</b>	<b>691,857,437</b>

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2024**

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

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

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
	LIABILITIES	Notes	TL	FC	Total	TL	FC	Total
I.	FUNDS COLLECTED	(5.2.1.)	281,068,615	323,332,072	604,400,687	240,190,712	277,945,733	518,136,445
II.	FUNDS BORROWED	(5.2.3.)	3,549,663	118,992,632	122,542,295	674,934	63,762,439	64,437,373
III.	MONEY MARKETS		17,856,858	-	17,856,858	4,487,806	-	4,487,806
IV.	SECURITIES ISSUED (Net)	(5.2.4.)	1,000,923	-	1,000,923	3,380,842	-	3,380,842
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES		1,319,486	1,453,023	2,772,509	97,395	877,794	975,189
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	1,319,486	1,453,023	2,772,509	97,395	877,794	975,189
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.7.)	-	-	-	-	-	-
VII.	LEASE PAYABLES	(5.2.6.)	1,483,109	98,706	1,581,815	889,259	51,174	940,433
VIII.	PROVISIONS	(5.2.8.)	24,810,535	2,230,905	27,041,440	15,089,734	1,698,231	16,787,965
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves for Employee Benefits		3,934,704	348,830	4,283,534	2,604,726	236,120	2,840,846
8.3.	Insurance for Technical Provision (Net)		18,891,907	51,011	18,942,918	10,921,751	5,801	10,927,552
8.4.	Other Provisions		1,983,924	1,831,064	3,814,988	1,563,257	1,456,310	3,019,567
IX.	CURRENT TAX LIABILITIES	(5.2.9.1.)	6,051,257	-	6,051,257	3,603,049	-	3,603,049
X.	DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(5.2.10.)	-	-	-	-	-	-
11.1.	Held for Sale		-	-	-	-	-	-
11.2.	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(5.2.11.)	-	14,186,285	14,186,285	-	17,967,564	17,967,564
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	14,186,285	14,186,285	-	17,967,564	17,967,564
XIII.	OTHER LIABILITIES	(5.2.5.)	12,930,852	2,625,176	15,556,028	5,335,596	2,832,095	8,167,691
XIV.	SHAREHOLDERS' EQUITY	(5.2.12.)	89,697,887	160,937	89,858,824	52,729,013	244,067	52,973,080
14.1.	Paid-in Capital		4,947,336	-	4,947,336	4,595,131	-	4,595,131
14.2.	Capital Reserves		6,376,655	-	6,376,655	26,399	-	26,399
14.2.1.	Share Premiums		6,374,781	-	6,374,781	24,525	-	24,525
14.2.2.	Share Cancellation Profits		1,874	-	1,874	1,874	-	1,874
14.2.3.	Other Capital Reserves		-	-	-	-	-	-
14.3.	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(543,859)	-	(543,859)	(513,980)	-	(513,980)
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(4,537,749)	273,187	(4,264,562)	(308,700)	233,137	(75,563)
14.5.	Profit Reserves		42,916,867	-	42,916,867	18,336,113	-	18,336,113
14.5.1.	Legal Reserves		3,029,102	-	3,029,102	1,396,225	-	1,396,225
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		39,604,749	-	39,604,749	16,674,091	-	16,674,091
14.5.4.	Other Profit Reserves		283,016	-	283,016	265,797	-	265,797
14.6.	Profit or Loss		40,453,683	(112,250)	40,341,433	30,506,928	10,930	30,517,858
14.6.1.	Prior Years' Profits or Losses		3,265,944	10,930	3,276,874	1,753,213	(62,252)	1,690,961
14.6.2.	Current Period Net Profit or Loss		37,187,739	(123,180)	37,064,559	28,753,715	73,182	28,826,897
14.7.	Minority Shares	(5.2.13.)	84,954	-	84,954	87,122	-	87,122
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>439,769,185</b>	<b>463,079,736</b>	<b>902,848,921</b>	<b>326,478,340</b>	<b>365,379,097</b>	<b>691,857,437</b>

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 31 DECEMBER 2024**

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

**2. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**

			Audited Current Period 31.12.2024			Audited Prior Period 31.12.2023		
		Notes	TL	FC	Total	TL	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)		258,748,910	305,816,835	564,565,745	167,180,742	145,166,467	312,347,209
I.	GUARANTEES AND WARRANTIES	(5.3.1.)	69,399,512	35,661,870	105,061,382	37,860,524	23,725,548	61,586,072
1.1.	Letters of Guarantee		64,449,367	21,091,600	85,540,967	35,104,562	14,400,676	49,505,238
1.1.1.	Guarantees Subject to State Tender Law		990,082	27,987	1,018,069	732,597	24,480	757,077
1.1.2.	Guarantees Given for Foreign Trade Operations		2,948,213	166,991	3,115,204	1,774,567	86,137	1,860,704
1.1.3.	Other Letters of Guarantee		60,511,072	20,896,622	81,407,694	32,597,398	14,290,059	46,887,457
1.2.	Bank Loans		93,099	634,440	727,539	18,769	164,427	183,196
1.2.1.	Import Letter of Acceptances		93,099	634,440	727,539	18,769	164,427	183,196
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		30,972	13,550,814	13,581,786	49,354	8,836,973	8,886,327
1.3.1.	Documentary Letters of Credit		4,784	1,480,135	1,484,919	18,355	1,805,046	1,823,401
1.3.2.	Other Letters of Credit		26,188	12,070,679	12,096,867	30,999	7,031,927	7,062,926
1.4.	Guaranteed Refinancing		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		4,826,074	385,016	5,211,090	2,687,839	323,472	3,011,311
1.7.	Other Warranties		-	-	-	-	-	-
II.	COMMITMENTS	(5.3.1.)	96,030,796	13,700,170	109,730,966	99,196,596	8,230,233	107,426,829
2.1.	Irrevocable Commitments		96,030,796	13,700,170	109,730,966	43,894,580	8,230,233	52,124,813
2.1.1.	Forward Asset Purchase and Sales Commitments		7,573,069	13,614,732	21,187,801	1,955,404	7,359,385	9,314,789
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		22,500	-	22,500	67,500	-	67,500
2.1.3.	Loan Granting Commitments		5,708,160	-	5,708,160	3,871,287	-	3,871,287
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks		5,864,748	-	5,864,748	3,861,133	-	3,861,133
2.1.7.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments for Credit Card Expenditure Limits		76,389,710	85,438	76,475,148	33,913,418	136,772	34,050,190
2.1.9.	Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.10.	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.11.	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		472,609	-	472,609	225,838	734,076	959,914
2.2.	Revocable Commitments		-	-	-	55,302,016	-	55,302,016
2.2.1.	Revocable Loan Granting Commitments		-	-	-	55,302,016	-	55,302,016
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2.)	93,318,602	256,454,795	349,773,397	30,123,622	113,210,686	143,334,308
3.1	Derivative Financial Instruments Held for Risk Management		-	-	-	-	-	-
3.1.1	Fair Value Hedges		-	-	-	-	-	-
3.1.2	Cash Flow Hedges		-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Held For Trading Transactions		93,318,602	256,454,795	349,773,397	30,123,622	113,210,686	143,334,308
3.2.1	Forward Foreign Currency Buy/Sell Transactions		18,287,200	20,458,168	38,745,368	1,966,099	7,546,320	9,512,419
3.2.1.1	Forward Foreign Currency Buy Transactions		12,970,429	7,075,606	20,046,035	1,965,934	2,900,611	4,866,545
3.2.1.2	Forward Foreign Currency Sell Transactions		5,316,771	13,382,562	18,699,333	165	4,645,709	4,645,874
3.2.2	Other Forward Buy/Sell Transactions		75,031,402	235,996,627	311,028,029	28,157,523	105,664,366	133,821,889
3.3	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		4,152,268,333	5,573,608,289	9,725,876,622	2,450,729,796	2,900,613,677	5,351,343,473
IV.	ITEMS HELD IN CUSTODY		203,063,073	4,699,808,964	4,902,872,037	149,692,755	2,201,236,887	2,350,929,642
4.1.	Customers' Securities Held		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		47,479,628	4,636,308,727	4,683,788,355	19,584,500	2,141,385,286	2,160,969,786
4.3.	Checks Received for Collection		79,818,813	1,735,102	81,553,915	56,183,252	1,430,053	57,613,305
4.4.	Commercial Notes Received for Collection		7,049,650	2,677,302	9,726,952	5,132,928	1,862,477	6,995,405
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		68,714,982	59,087,833	127,802,815	68,792,075	56,559,071	125,351,146
V.	PLEDGED ITEMS		3,947,957,092	873,242,903	4,821,199,995	2,300,424,666	698,929,858	2,999,354,524
5.1.	Marketable Securities		5,797,660	3,150,772	8,948,432	3,152,926	235,462	3,388,388
5.2.	Guarantee Notes		100,977	14,953,279	15,054,256	100,977	11,889,942	11,990,919
5.3.	Commodity		133,357,236	54,581,832	187,939,068	67,498,620	3,423,389	70,922,009
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		914,931,926	37,315,693	952,247,619	523,785,679	31,954,004	555,739,683
5.6.	Other Pledged Items		2,893,769,293	763,241,327	3,657,010,620	1,705,886,464	651,427,061	2,357,313,525
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED GUARANTEES AND WARRANTIES		1,248,168	556,422	1,804,590	612,375	446,932	1,059,307
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		4,411,017,243	5,879,425,124	10,290,442,367	2,617,910,538	3,045,780,144	5,663,690,682

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AS OF 31 DECEMBER 2024**

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

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

			Current Period Audited 01.01.2024-31.12.2024	Prior Period Audited 01.01.2023-31.12.2023
	INCOME AND EXPENSE TABLE	Notes		
<b>I.</b>	<b>PROFIT SHARE INCOME</b>	<b>(5.4.1.)</b>	<b>139,602,423</b>	<b>67,354,218</b>
1.1.	Profit Share on Loans		86,423,312	37,807,867
1.2.	Profit Share on Reserve Deposits		9,688,833	-
1.3.	Profit Share on Banks		6,401,623	3,240,300
1.4.	Profit Share on Money Market Placements		774,256	-
1.5.	Profit Share on Marketable Securities Portfolio		26,199,434	21,462,141
1.5.1.	Fair Value Through Profit or Loss		3,011,610	1,352,198
1.5.2.	Fair Value Through Other Comprehensive Income		12,077,246	15,073,884
1.5.3.	Measured at Amortised Cost		11,110,578	5,036,059
1.6.	Finance Lease Income		9,437,621	4,714,670
1.7.	Other Profit Share Income		677,344	129,240
<b>II.</b>	<b>PROFIT SHARE EXPENSE (-)</b>		<b>80,222,984</b>	<b>28,374,676</b>
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	60,265,065	23,159,791
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	7,647,681	3,587,231
2.3.	Profit Share Expense on Money Market Borrowings		7,725,835	518,030
2.4.	Expense on Securities Issued	(5.4.2.)	4,314,757	537,159
2.5.	Profit Share Expense on Lease		269,646	572,465
2.6.	Other Profit Share Expense		-	-
<b>III.</b>	<b>NET PROFIT SHARE INCOME (I - II)</b>		<b>59,379,439</b>	<b>38,979,542</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>7,705,379</b>	<b>3,050,244</b>
4.1.	Fees And Commissions Received		19,821,857	7,634,839
4.1.1.	Non-Cash Loans		772,906	411,273
4.1.2.	Other	(5.4.13.)	19,048,951	7,223,566
4.2.	Fees And Commissions Paid (-)		12,116,478	4,584,595
4.2.1.	Non-Cash Loans		6,131	2,645
4.2.2.	Other	(5.4.13.)	12,110,347	4,581,950
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(5.4.3.)</b>	<b>12,078</b>	<b>5,302</b>
<b>VI.</b>	<b>NET TRADING INCOME / LOSS (Net)</b>	<b>(5.4.5.)</b>	<b>4,333,112</b>	<b>11,089,651</b>
6.1.	Capital Market Transaction Gains/Losses		931,223	1,263,741
6.2.	Gains/Losses from Derivative Financial Instruments		(1,613,999)	8,335,237
6.3.	Foreign Exchange Gains/Losses		5,015,888	1,490,673
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5.4.6.)</b>	<b>21,698,539</b>	<b>9,888,625</b>
<b>VIII.</b>	<b>GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>93,128,547</b>	<b>63,013,364</b>
<b>IX.</b>	<b>EXPECTED LOSS PROVISIONS (-)</b>	<b>(5.4.7.)</b>	<b>5,569,660</b>	<b>6,831,733</b>
<b>X.</b>	<b>OTHER PROVISIONS (-)</b>	<b>(5.4.7.)</b>	<b>1,163,399</b>	<b>305,289</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>13,494,101</b>	<b>6,905,472</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(5.4.8.)</b>	<b>23,807,060</b>	<b>12,771,282</b>
<b>XIII.</b>	<b>NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)</b>		<b>49,094,327</b>	<b>36,199,588</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME / LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>341,396</b>	<b>170,647</b>
<b>XVI.</b>	<b>INCOME / LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)</b>	<b>(5.4.9.)</b>	<b>49,435,723</b>	<b>36,370,235</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(5.4.10)</b>	<b>(12,342,274)</b>	<b>(7,524,365)</b>
18.1.	Current Tax Provision		12,551,093	9,509,390
18.2.	Deferred Tax Expense Effect (+)		1,014,863	1,709,738
18.3.	Deferred Tax Income Effect (-)		1,223,682	3,694,763
<b>XIX.</b>	<b>CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(5.4.11.)</b>	<b>37,093,449</b>	<b>28,845,870</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1.	Current Tax Provision		-	-
23.2.	Deferred Tax Expense Effect (+)		-	-
23.3.	Deferred Tax Income Effect (-)		-	-
<b>XXIV.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT/LOSS (XIX+XXIV)</b>	<b>(5.4.12.)</b>	<b>37,093,449</b>	<b>28,845,870</b>
25.1.	Group's Income/Loss		37,064,559	28,826,897
25.2.	Minority Interest Income/Loss (-)		28,890	18,973
	Earnings Per Share Income/Loss (Full TL)		7.8137	6.2708

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED 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. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>Audited Current Period 01.01.2024 - 31.12.2024</b>	<b>Audited Önceki Dönem 01.01.2023 - 31.12.2023</b>
<b>I.</b>	<b>CURRENT PROFIT/LOSS</b>	<b>37,093,449</b>	<b>28,845,870</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>(4,218,878)</b>	<b>(5,319,819)</b>
2.1	<b>Other Comprehensive Income Not Reclassified Through Profit or Loss</b>	<b>(29,879)</b>	<b>(219,573)</b>
2.1.1	Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(42,685)	(341,715)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Taxes Related to Other Comprehensive Income Items Not Reclassified Through Profit or Loss	12,806	122,142
2.2	<b>Other Comprehensive Income Reclassified Through Profit or Loss</b>	<b>(4,188,999)</b>	<b>(5,100,246)</b>
2.2.1	Foreign Currency Translation Difference	695,265	2,014,433
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	(6,321,413)	(7,670,136)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	(656,106)	(2,046,325)
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Taxes Related Other Comprehensive Income Items Reclassified Through Profit or Loss	2,093,255	2,601,782
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>32,874,571</b>	<b>23,526,051</b>

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2024**

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

**5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

							Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss								
		Notes	Paid-in Capital	Share Premiums	Share cancellation profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity 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	24,525	1,874	-	-	(294,407)	-	1,643,243	4,683,273	(1,301,833)	5,674,664	757,179	14,918,773	30,702,422	67,913	30,770,335
	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I-II)		4,595,131	24,525	1,874	-	-	(294,407)	-	1,643,243	4,683,273	(1,301,833)	5,674,664	757,179	14,918,773	30,702,422	67,913	30,770,335
IV.	Total Comprehensive Income		-	-	-	-	-	(219,573)	-	2,014,433	(5,727,982)	(1,386,697)	-	-	28,826,897	23,507,078	18,973	23,526,051
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase / Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	67,471	8,987	-	76,458	236	76,694
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	12,593,978	924,795	(14,918,773)	(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		-	-	-	-	-	-	-	-	-	-	12,593,978	(12,593,978)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	14,918,773	(14,918,773)	-	-	-
	<b>Balances at end of the period (III+IV+.....+X+XI)</b>	<b>(5.2.12.)</b>	<b>4,595,131</b>	<b>24,525</b>	<b>1,874</b>	<b>-</b>	<b>-</b>	<b>(513,980)</b>	<b>-</b>	<b>3,657,676</b>	<b>(1,044,709)</b>	<b>(2,688,530)</b>	<b>18,336,113</b>	<b>1,690,961</b>	<b>28,826,897</b>	<b>52,885,958</b>	<b>87,122</b>	<b>52,973,080</b>
I.	Current Period (01/01/2024 - 31/12/2024)																	
II.	Prior Period Ending Balance		4,595,131	24,525	1,874	-	-	(513,980)	-	3,657,676	(1,044,709)	(2,688,530)	18,336,113	1,690,961	28,826,897	52,885,958	87,122	52,973,080
	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I-II)		4,595,131	24,525	1,874	-	-	(513,980)	-	3,657,676	(1,044,709)	(2,688,530)	18,336,113	1,690,961	28,826,897	52,885,958	87,122	52,973,080
IV.	Total Comprehensive Income		-	-	-	-	-	(29,879)	-	695,265	(4,424,989)	(459,275)	-	-	37,064,559	32,845,681	28,890	32,874,571
V.	Capital Increase by Cash		352,205	6,350,256	-	-	-	-	-	-	-	-	-	-	-	6,702,461	-	6,702,461
VI.	Capital Increase by Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase / Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	1,379	(672)	-	707	(31,058)	(30,351)
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	24,579,375	1,586,585	(28,826,897)	(2,660,937)	-	(2,660,937)
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(2,660,937)	-	(2,660,937)	-	(2,660,937)
11.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	24,579,375	(24,579,375)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	28,826,897	(28,826,897)	-	-	-
	<b>Balances at end of the period (III+IV+.....+X+XI)</b>	<b>(5.2.12.)</b>	<b>4,947,336</b>	<b>6,374,781</b>	<b>1,874</b>	<b>-</b>	<b>-</b>	<b>(543,859)</b>	<b>-</b>	<b>4,352,941</b>	<b>(5,469,698)</b>	<b>(3,147,805)</b>	<b>42,916,867</b>	<b>3,276,874</b>	<b>37,064,559</b>	<b>89,773,870</b>	<b>84,954</b>	<b>89,858,824</b>

1. Accumulated revaluation increases/decreases of fixed assets,
2. Accumulated remeasurement gains/losses of defined benefit plans,
3. Other (accumulated amounts of other comprehensive income items that will not be reclassified to profit or loss and other comprehensive income from equity method investments)
4. Currency translation differences,
5. Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income,
6. Other (Cash flow hedge gains/losses represent the share of other comprehensive income from equity method investments to be reclassified to profit/loss and the accumulated amounts of other comprehensive income items to be reclassified as other profit or loss.)

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

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

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

**6. CONSOLIDATED STATEMENT OF CASH FLOWS**

			Audited Current Period	Audited Prior Period
		Notes	01.01.2024-31.12.2024	01.01.2023-31.12.2023
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes in Assets and Liabilities from Banking Operations</b>		<b>56,804,321</b>	<b>39,303,961</b>
1.1.1	Profit Share Income Received		133,324,189	70,352,357
1.1.2	Profit Share Expense Paid		(74,863,049)	(23,143,586)
1.1.3	Dividends Received		12,078	5,302
1.1.4	Fees And Commissions Received		19,821,857	7,634,839
1.1.5	Other Income		31,739,103	6,434,873
1.1.6	Collections From Previously Written Off Loans		1,906,843	1,145,891
1.1.7	Payments to Personnel and Service Suppliers		(12,051,415)	(5,706,920)
1.1.8	Taxes Paid		(8,860,393)	(7,016,747)
1.1.9	Others	(5.6.3)	(34,224,892)	(10,402,048)
<b>1.2</b>	<b>Changes in Assets and Liabilities from Banking Operations</b>		<b>(1,619,989)</b>	<b>1,351,213</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		30,483,680	(26,048,110)
1.2.2	Net (Increase) Decrease in Due from Banks and Other Financial Institutions		(31,320,171)	(34,274,754)
1.2.3	Net (Increase) Decrease in Loans		(62,536,356)	(114,465,696)
1.2.4	Net (Increase) Decrease in Other Assets	(5.6.3)	(15,485,232)	1,505,132
1.2.5	Net Increase (Decrease) in Bank Deposits		211,644	(52,050)
1.2.6	Net Increase (Decrease) in Other Deposits		6,518,867	143,527,567
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed		27,519,014	20,039,740
1.2.9	Net Increase (Decrease) in Due Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(5.6.3)	42,988,565	11,119,384
<b>I.</b>	<b>Net Cash Provided From Banking Operations</b>		<b>55,184,332</b>	<b>40,655,174</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided From Investing Activities</b>		<b>(6,203,166)</b>	<b>(43,660,695)</b>
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(45,000)	(122,500)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3	Fixed Assets Purchases		(3,094,752)	(2,549,864)
2.4	Fixed Assets Sales		489,538	533,248
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(25,148,291)	(20,878,145)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		24,845,926	8,727,647
2.7	Cash Paid for Purchase of Investment Securities	(5.1.6.)	(2,077,703)	(28,906,133)
2.8	Cash Obtained from Sale of Investment Securities	(5.1.6.)	1,408,001	621,058
2.9	Other		(2,580,885)	(1,086,006)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided From Financing Activities</b>		<b>(18,430,413)</b>	<b>(2,111,541)</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		25,560,000	11,590,000
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(41,039,463)	(12,145,249)
3.3	Capital Increase		-	-
3.4	Dividends Paid		(2,660,937)	(1,400,000)
3.5	Payments For Finance Leases		(290,013)	(156,292)
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	(5.6.4)	<b>36,386,313</b>	<b>35,253,835</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents</b>		<b>66,937,066</b>	<b>30,136,773</b>
<b>VI.</b>	<b>Cash And Cash Equivalents at The Beginning of The Period</b>	(5.6.1)	<b>81,563,194</b>	<b>51,426,421</b>
<b>VII.</b>	<b>Cash And Cash Equivalents at The End of The Period</b>	(5.6.1)	<b>148,500,260</b>	<b>81,563,194</b>

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

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

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

**7. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**

		Current Period 01.01.2024 - 31.12.2024 (*)	Prior Period 01.01.2023 - 31.12.2023 (*)
<b>I.</b>	<b>Distribution of Current Period Profit</b>		
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)
<b>A.</b>	<b>Net Profit for the Period (1.1-1.2)</b>	<b>34,653,456</b>	<b>26,609,371</b>
1.3.	Prior Year's Losses (-)	-	-
1.4.	First Legal Reserves (-)	-	1,596,562
1.5.	Other Reserves (-)	-	-
<b>B.</b>	<b>Distributable Net Period Profit [(A-(1.3+1.4+1.5)]</b>	<b>34,653,456</b>	<b>25,012,809</b>
1.6.	First Dividend to Shareholders (-)	-	2,660,937
1.6.1.	To Owners of Ordinary Shares	-	2,660,937
1.6.2.	To Owners of Preferred Stocks	-	-
1.6.3.	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.6.4.	To Profit Sharing Bonds	-	-
1.6.5.	To Owners of the profit and loss Sharing Certificates	-	-
1.7.	Dividend to Personnel (-)	-	-
1.8.	Dividend to Board of Directors (-)	-	-
1.9.	Second Dividend to Shareholders (-)	-	-
1.9.1.	To Owners of Ordinary Shares	-	-
1.9.2.	To Owners of Preferred Stocks	-	-
1.9.3.	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.9.4.	To Profit Sharing Bonds	-	-
1.9.5.	To Owners of the profit/loss Sharing Certificates	-	-
1.10.	Second legal reserves (-)	-	-
1.11.	Statutory Reserves (-)	-	-
1.12.	Extraordinary Reserves	-	22,301,443
1.13.	Other Reserves	-	429
1.14.	Special Funds	-	50,000
<b>II.</b>	<b>Distribution from Reserves</b>		
2.1.	Distributed Reserves	-	-
2.2.	Second Legal Reserves (-)	-	-
2.3.	Dividends to Shareholders (-)	-	-
2.3.1.	The Owners of Ordinary Shares	-	-
2.3.2.	The Owners of Preferred Stocks	-	-
2.3.3.	The Owners of Preferred Stocks (Preemptive Rights)	-	-
2.3.4.	The Profit-Sharing Bonds	-	-
2.3.5.	The Owners of the profit/loss Sharing Certificates	-	-
2.4.	Share to Personnel (-)	-	-
2.5.	Share to Board of Directors (-)	-	-
<b>III.</b>	<b>Earnings per Share</b>		
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 (%)	-	-
<b>IV.</b>	<b>Dividend per Share</b>		
4.1.	To Owners of Stocks	-	0.58
4.2.	To Owners of Stocks (%)	-	58
4.3.	To Owners of Preferred Stocks	-	-
4.4.	To Owners of Preferred Stocks (%)	-	-

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

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

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

## **SECTION THREE**

### **EXPLANATIONS ON ACCOUNTING POLICIES IN THE RELATED PERIOD**

#### **1. Explanations on Basis of Presentation**

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

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

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

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

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

POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation”, adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA decision dated 11 January 2024 and numbered 10825, banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation accounting as of 1 January 2025 and it was later announced that the BRSA decided not to apply inflation accounting in 2025 in accordance with its decision dated 5 December 2024 and numbered 11021. Accordingly, “TAS 29 Financial Reporting Standard in High Inflation Economies” is not applied in the financial statements of the Group as of 31 December 2024.

##### **1.3 Changes in accounting estimates, errors and classifications**

If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated. There were no significant changes in the accounting estimates of the Group in the current year.

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

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

The financial statements of the Group have been subject to inflation adjustment in accordance with TAS 29 “Turkish Accounting Standard for Financial Reporting in Hyperinflationary Economies” until 31 December 2004. POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation”, adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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implementation of the provisions in TAS 29. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA decision dated 11 January 2024 and numbered 10825, banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation accounting as of 1 January 2025 and it was later announced that the BRSA decided not to apply inflation accounting in 2025 in accordance with its decision dated 5 December 2024 and numbered 11021. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Group as of 31 December 2024.

**1.5 TFRS 3 explanations on business combinations standard**

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

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

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

- Explanations regarding the accounting policy applied for the acquisition of Neova Katılım Sigorta A.Ş.

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

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

**1.6 Disclosures regarding TFRS 9 financial instruments**

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

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

**Classification and measurement of financial instruments**

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

Upon initial recognition each financial asset shall be classified as either fair value through profit or loss (“FVTPL”) amortized cost or fair value through other comprehensive income (“FVTOCI”). As for the classification and measurement of financial liabilities, the application of the existing terms of TAS 39 remain largely unchanged under TFRS 9.

**Explanations on expected credit loss**

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

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

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

As of 31 December 2024, the Group has been exposed to recession, geopolitical risks, inflation, unemployment, exchange rate risk, etc. with the effect of current internal and external conditions. In order to reflect the macroeconomic outlook and the upward risks that factors may pose on the bank's loan portfolio, it has revised its macroeconomic expectations and its calculations made considering the change in PD along with the update in the EDF model have been reflected in the financial statements. By its nature, the model effects are reflected in the financial statements with a delay due to the occurrence of the events and their effects at different times. For this reason, the Group is establishing additional provisions for the Wholesale and Retail Trade, Build, Construction, Contracting and Tourism sectors, whose PD is more sensitive to the current macroeconomic and geopolitical conjuncture among the sectors that are declining. The Parent Bank maintains this approach as of 31 December 2024. When deemed necessary, the future will review these assumptions according to the course of economic and geopolitical risks. The forecast of expected credit losses is unbiased, probabilistic-weighted and includes supportable information about past events, current conditions, and predictions of future economic conditions.

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

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

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

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

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

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

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

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

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

**1.8 Explanations on TFRS 16 leases standard**

The leasing transactions are shown by the tenants as liabilities in assets and leasing transactions as assets (use right). TFRS 16 Standard eliminates the dual accounting model for leasing of financial leasing transactions and the presentation of operating leases directly on the balance sheet.

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

As of 31 December 2024, the Group has usage assets amounting to TL 2,139,052 classified under tangible fixed assets and TL 2,401,632 lease obligations in the balance sheet. In year-end that ended as of the same date, a financial expense of TL 276,426 and depreciation expense of TL 475,476 occurred.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

**3. Investments in associates and subsidiaries**

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

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

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

Title	Address (City/Country)	Operation	31.12.2024	31.12.2023	Consolidation method
KT Bank AG	Frankfurt/Germany	Banking	100.00%	100.00%	Full consolidation
Neova Katılım Sigorta A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
KT Kira Sertifikaları Varlık Kiralama A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
KT Sukuk Varlık Kiralama A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	Financial Institution	74.00%	77.85%	Full consolidation
Katılım Emeklilik ve Hayat A.Ş.	İstanbul/Türkiye	Financial Institution	50.00%	50.00%	Accounted with equity pick-up
Kuveyt Türk Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Sağlam Finansal Teknolojiler A.Ş.	İstanbul/Türkiye	Financial Institution	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Kuveyt Türk Yabancı Katılım Serbest Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Birinci Katılım Serbest (TL) Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Lonca Girişim Sermayesi Yatırım Fonu	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Neova Katılım Serbest Özel (TL) Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy NKS Katılım Serbest(TL) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy Birinci Katılım Serbest(Döviz-Abd Doları) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation
Kuveyt Türk Portföy NKV Katılım Serbest (TL) Özel Fon	İstanbul/Türkiye	Investment Fund	100.00%	100.00%	Full consolidation

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

**Consolidation basis of subsidiaries**

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

The payables and receivables arising from derivative transactions are recorded in off-balance sheet accounts at their notional amounts. Fair values of foreign currency forward transactions and swaps are calculated by using the discounted cash flow model. Differences resulting from the changes in the fair values of derivatives held for trading are accounted under 'Trading Income/Loss' line in the income statement.

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

As of 31 December 2024, The Group's has no cash flow hedging transaction.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from 1 January 2021. Loans given from items indexed to benchmark interest rates in the Parent Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance. As of 31 December 2024, the Group has no hedging transactions based on the benchmark interest rate.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**5. Explanations on profit share income and expense**

Profit share income is recognized in the income statement on an accrual basis by using the method of internal rate of return and is accounted under profit share income account in the financial statements. While applying the internal rate of return method, the Group amortizes the fees included in the account of the effective profit rate over the expected life of the financial instrument. If the financial asset is impaired and classified as a non-performing loan, profit accruals and rediscount calculations for these customers are continued within the scope of TFRS 9 Financial Instruments Standard.

The Group calculates expense accrual in accordance with the unit value calculation method on profit/loss sharing accounts and reflects these amounts in “Funds Collected” account on the balance sheet.

**6. Explanations on fees and commission income and expenses**

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

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

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

**7. Explanations on financial assets**

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

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

**7.1 Financial assets at fair value through profit or loss**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

**7.2 Financial assets at fair value through other comprehensive income**

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

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

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

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

**7.3 Financial assets measured at amortized cost**

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

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

**7.4 Derivative financial assets**

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

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

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

**7.5 Loans**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

**8. Explanations on offsetting of financial assets and liabilities**

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

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

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

As of 31 December 2024, the Group has repurchased agreement amounting to TL 17,856,858 (31 December 2023: 4,487,806).

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

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

Assets that meet the criteria for classification as assets held for sale are measured at the lower of the carrying amount of assets and fair value less any costs to be incurred for disposal. Assets held for sale are not amortized and presented in the financial statements separately. In order to classify an asset as held for sale, the sale should be highly probable, and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset (or the disposal group) together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset (or the disposal group) should be actively in the market at a price consistent with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan. Various events and conditions may extend the completion period of the disposal over one year. If such delay arises from any events and conditions beyond the control of the entity and there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or disposal group) can remain to be classified as assets (or disposal group) held for sale. Extension of the period necessary to complete the sale, does not avoid the classification of the related asset (or disposal group) to be classified as asset held for sale.

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**11. Explanations on goodwill and other intangible assets**

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

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

There is no goodwill related to associates and subsidiaries.

**12. Explanations on tangible assets**

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

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

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

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

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

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

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

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

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

**13. Explanations on leasing transactions**

For contracts concluded prior to 1 January 2019, the Group assesses whether the contract has a lease qualification or include a lease transaction.

(a) The right to obtain almost all of the economic benefits from the use of the leased asset and,

(b) Whether the leased asset which has the right to manage its use is evaluated

As of 1 January 2019, that is the first application date of TFRS 16, the bank started to apply TFRS 16- Leases standard. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments are discounted by using the Bank's alternative borrowing dividend. The Group has recognized the right to lease assets equal to the lease obligation by restating the previously paid or accrued lease payments.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**The right of the use asset**

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

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

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

When the Group applying cost method, the existence of the right of use:

- (a) Accumulated depreciation and accumulated impairment losses are deducted and
- (b) Measures the restatement of the lease obligation over the adjusted cost.

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

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

**Lease obligation**

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

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

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

**14. Explanations on insurance technical provisions**

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

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

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

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

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

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

**15. Insurance technical income and expense**

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

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

**16. Explanations on provisions and contingent liabilities**

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

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

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

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

**17. Explanations on liabilities relating to employee benefits**

**17.1 Defined benefit plans**

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

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

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

**17.2 Defined contribution plans**

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

**17.3 Short term benefits to employees**

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**18. Explanations on Taxation**

***Current tax***

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

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

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

Withholding taxes is not applied to dividends distributed to companies' resident in Türkiye or companies who earn income in Turkey through their resident representatives in Turkey. With the Council of Minister's decision numbered 2009/14593 and 2009/14594 which are published in official gazette numbered 27130 and dated 3 February 2009, some deduction rates in 15th and 30th articles of the corporate tax law numbered 5520 were re-determined. In accordance with this, dividends distributed to companies other than companies' resident in Turkey or companies who earn income in Turkey through their resident representatives in Turkey are subject to 10% withholding taxes. Double tax treaty agreements are also taken into consideration during the application of withholding taxes on dividends distributed to real persons and to foreign-based taxpayers. Addition of profit to share capital is not considered as dividend distributed therefore no withholding taxes is applied.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç. Accordingly, corporate income tax has calculated with respect to revaluated real estate and depreciation units.

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

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

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

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

Pillar 2 regulations agreed upon by OECD member countries entered into force in Türkiye with the Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024. Although secondary legislation on the subject has not been published, preliminary assessments based on the regulations published by the OECD indicate that these regulations will not have any material impact on the financials. However, legislative changes in Turkey and other countries where Kuveyt Türk Katılım Bankası A.Ş. operates are monitored.

**Deferred tax**

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

According to the provisional article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2024, regardless of whether the conditions for inflation adjustment are met, are included in the deferred tax calculation as of 31 December 2024.

**19. Explanations on additional disclosures on borrowings**

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

The Bank has not issued convertible bonds.

**20. Explanations on share certificates issued**

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

**21. Explanations on acceptances and availed drafts**

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

**22. Explanations on government grants**

There are no government grants received by the Group.

**23. Explanations on segment reporting**

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

Segment reporting is disclosed in Section Four, Note 14.

**24. Explanations on other matters**

The Group has no disclosures on other matters.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**SECTION FOUR**  
**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT**  
**OF THE GROUP**

**1. Explanations on Consolidated Equity Items**

Total capital and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 31 December 2024 the Group’s total capital has been calculated as TL 104,292,753 (31 December 2022: TL 71,599,378), capital adequacy ratio is 24.81% (31 December 2023: 25.36%).

With the decision dated 12 December 2023 and numbered 10747, in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks published in the Official Gazette dated 23 October 2015 and numbered 29511, it has been decided that the practice of using the foreign exchange buying rate of the Central Bank of the Republic of Türkiye for the calculation of monetary assets and non-monetary assets, except for foreign currency denominated items measured at historical cost in accordance with the Turkish Accounting Standards and the related specific provision amounts, shall be continued by using the foreign exchange buying rate of the Central Bank of the Republic of Türkiye as of 26 June 2023 to be applied as of 1 January 2025 until a BRSA decision is taken in the contrary direction in accordance with the decision dated 19.12.2024.

Furthermore, within the scope of the regulations announced by the BRSA on 21 December 2021, if the net valuation differences of the securities in the portfolio of marketable securities accounted for in other comprehensive income are negative, the possibility has been granted to not take into account these differences in the equity amount to be used for the capital adequacy ratio. The Group’s legal capital adequacy ratio calculation has been made by taking into account the regulation changes mentioned above as of 31 December 2024.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.1 Explanations on the components of shareholder's equity**

	Current Period Amount	Prior Period Amount
<b>COMMON EQUITY TIER I CAPITAL</b>		
Paid-in Capital to be Entitled for Compensation After All Creditors	4,952,205	4,600,000
Share Premium	6,374,781	24,525
Reserves	42,916,867	18,336,113
Other Comprehensive Income According to TAS	1,542,767	1,355,126
Profit	40,341,433	30,517,858
Current Period Profit	37,064,559	28,826,897
Prior Period Profit	3,276,874	1,690,961
Minority Shares	84,954	87,122
Bonus Shares from Associates, Affiliates and Joint-Ventures Not Accounted in Current Period's Profit	-	-
<b>Common Equity Tier I Capital Before Deductions</b>	<b>96,213,007</b>	<b>54,920,744</b>
<b>Deductions From Common Equity Tier I Capital</b>		
Valuation Adjustments Calculated as per The Article 9. (I) of The Regulation on Bank Capital	-	-
Current and Prior Periods' Losses Not Covered By Reserves, and Losses Accounted Under Equity According to TAS	5,761,052	1,284,744
Leasehold Improvements on Operational Leases	429,260	238,694
Goodwill Netted with Deferred Tax Liabilities	-	-
Other intangible assets remaining after offsetting with the related deferred tax liability, excluding the rights to provide mortgage service	2,758,041	1,166,828
The remaining part of the deferred tax asset based on taxable income to be obtained in future periods, excluding the deferred tax assets based on temporary differences, after deducting with the related deferred tax liability	286,970	185,135
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	543,859	513,980
Direct and indirect investments of the Bank in its own Common Equity	4,869	4,869
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>9,784,051</b>	<b>3,394,250</b>
<b>Total Common Equity Tier I Capital</b>	<b>86,428,956</b>	<b>51,526,494</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in common equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	1,763,557	7,358,175
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>1,763,557</b>	<b>7,358,175</b>
<b>Deductions from Additional Tier I Capital</b>	-	-
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	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	<b>1,763,557</b>	<b>7,358,175</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>88,192,513</b>	<b>58,884,669</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	12,344,896	10,301,445
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3,945,256	2,462,615
<b>Tier II Capital Before Deductions</b>	<b>16,290,152</b>	<b>12,764,060</b>
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 (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>16,290,152</b>	<b>12,764,060</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>104,482,665</b>	<b>71,648,729</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>		
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
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Portion of Total of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where The Bank Owns 10% or Less of The Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per The Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Total of Net Long Positions of The Investments In Equity Items of Unconsolidated Banks and Financial Institutions Where The Bank Owns More Than 10% of The Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted From Additional Tier I Capital or Tier II Capital as per The Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where The Bank Owns 10% or More of The Issued Share Capital, of The Net Deferred Tax Assets Arising From Temporary Differences and of The Mortgage Servicing Rights Not Deducted from Tier I Capital as per The Temporary Article 2, Clause 2, Paragraph (1) And (2) and Temporary Article 2, Clause 1 of The Regulation (-)	-	-
<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	104,292,753	71,599,378
Total Risk Weighted Assets	420,359,547	282,386,563
<b>CAPITAL ADEQUACY RATIOS</b>		
CET1 Capital Ratio (%)	20.56	18.25
Tier I Capital Ratio (%)	20.98	20.85
Capital Adequacy Ratio (%)	24.81	25.36
<b>BUFFERS</b>		
Bank-Specific Total CET1 Capital Ratio	2.56	2.52
Capital Conservation Buffer Ratio (%)	2.50	2.50
Systemic Significant Bank Buffer Ratio (%)	0.06	0.02
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to The Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	14.98	13.75
<b>Amounts Lower Than Excesses as Per Deduction Rules</b>		
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	-	-
<b>Limits For Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions For Exposures in Standard Approach (Before Limit of One Hundred and Twenty Five Per Ten Thousand)	4,918,196	7,948,868
General Loan Provisions For Exposures in Standard Approach Limited By 1.25% of Risk Weighted Assets	3,945,256	2,462,615
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk By Internal Ratings Based Approach, Limited By 0.6% Risk Weighted Assets	-	-
<b>Debt instruments subjected t o Article 4 (to be implemented between January 1 , 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

<b>Information on debt instruments to be included in equity calculation:</b>		
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
<b>Consideration In Equity Calculation</b>		
Subject to consideration application reduced by 10% from 1/1/2015	Not Being Subject	Not Being Subject
Validity on a consolidated or unconsolidated basis or both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis
Instruments Type	Subordinated Sukuk (Additional Tier I Capital)	Subordinated Sukuk (Tier II Capital)
Amount taken into account in equity calculation (as of last reporting date-TL million)	1,764	12,345
Nominal value of the Instrument (TL million))	1,764	12,345
The account in which the Instrument is followed accounting	3470003	3470003
Export date of the Instrument	28/09/2020	16/09/2021
Maturity structure of the Instrument (demand/term))	Demand	10 Years and 3 Months Term
Initial maturity of the Instrument	5 Years (Due Date: 28/09/2025)	10 Years and 3 Months (Due Date:16/12/2031)
Whether the issuer has the right to refund subject to BRSA approval	Yes	Yes
Date of repayment option, contingent repayment options and amount to be paid back	28/09/2025 - Complete	16/12/2026 - Complete
Subsequent repayment option dates	28/09/2025	16/12/2026
<b>Dividend payments</b>		
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
<b>Ability to convert to stock</b>		
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
<b>Value reduction feature</b>		
Trigger events/events to cause reduction if value reduction is enabled	No Value Reduction	No Value Reduction
If it has a value reduction feature, it has a total or partial value reduction feature	No Value Reduction	No Value Reduction
If the value reduction property is continuous or transient	No Value Reduction	No Value Reduction
If the value can be temporarily reduced, the value increment mechanism	No Value Reduction	No Value Reduction
In the case of liquidation, which is in the order in respect of the right of receivables (the instrument which is located just above this instrument of borrowing))	Tier - 2	Senior Unsecured
Whether or not the provisions of Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None	None
Which of the conditions contained in Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None	None

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

**2. Explanations and disclosures related to consolidated credit risk**

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

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

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

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

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

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

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

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

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

The Parent Bank's top 100 and 200 cash loan customers represents 18% and 25% of the total cash loan portfolio, respectively.

The Parent Bank's top 100 and 200 non-cash loan customers represent 12% and 17% of the total non-cash loan portfolio, respectively.

The Parent Bank's top 100 and 200 cash and non-cash loan customers represent 14% and 20% of the total cash and non-cash loan portfolio, respectively.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

(\*) 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.

<b>Risk Classifications</b>	<b>Prior Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Conditional and unconditional receivables from central governments or Central Banks	195,884,907	174,109,889
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional receivables from multilateral development banks	630,053	638,084
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	24,885,347	29,988,657
Conditional and unconditional receivables from corporates	91,209,243	85,261,095
Conditional and unconditional receivables from retail portfolios	55,253,741	50,289,247
Conditional and unconditional receivables secured by mortgages	55,317,159	48,480,721
Past due receivables	102,532	126,248
Receivables defined under high-risk category by BRSA	25,986,396	16,492,650
Guaranteed securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	1,257,539	638,848
Other receivables	22,316,299	22,198,175
<b>Total</b>	<b>472,843,216</b>	<b>428,223,614</b>

(\*) 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.



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.1. Profile of significant exposures in major regions**

Current Period (*)	Conditional and unconditional receivables from central governments to Central Banks	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high-risk category by BRSA	Investments similar to collective investment funds	Stock Investments	Other Receivables	Total
Domestic	270,429,012	-	24,744,422	177,670,096	80,670,857	100,697,015	517,772	1,593,687	-	-	-	656,322,861
European Union Countries	9,674,761	283,373	575,349	12,644	5,019,204	100,972	83	360,463	-	-	-	16,026,849
OECD Countries (**)	-	-	8,794,189	9,990	15,138	36,010	132	-	-	-	-	8,855,459
Off-Shore Regions	-	-	2,357	1,672,058	19,691	801,632	-	-	-	-	-	2,495,738
USA, Canada	-	-	7,780,643	1,669	7,790	8,443	1	-	-	-	-	7,798,546
Other Countries	-	-	4,212,826	719,506	107,665	152,537	88	-	-	-	-	5,192,622
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	1,322,989	-	1,322,989
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	28,843,426	28,843,426
<b>Total</b>	<b>280,103,773</b>	<b>283,373</b>	<b>46,109,786</b>	<b>180,085,963</b>	<b>85,840,345</b>	<b>101,796,609</b>	<b>518,076</b>	<b>1,954,150</b>	<b>-</b>	<b>1,322,989</b>	<b>28,843,426</b>	<b>726,858,490</b>

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

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

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

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

Prior Period (*)	Conditional and unconditional receivables from central governments to Central Banks	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivable s defined under high-risk category by BRSA	Investments similar to collective investment funds	Stock Investments	Other Receivables	Total
Domestic	195,884,907	398,709	7,756,058	83,020,931	51,739,494	54,694,596	102,351	25,598,233	-	-	-	419,195,279
European Union Countries	-	-	1,965,661	6,883,288	3,382,869	106,140	152	388,163	-	-	-	12,726,273
OECD Countries (**)	-	-	4,162,128	5,432	3,677	28,154	1	-	-	-	-	4,199,392
Off-Shore Regions	-	-	3,477	818,123	30,760	386,008	-	-	-	-	-	1,238,368
USA, Canada	-	-	6,662,434	2,031	5,133	8,647	-	-	-	-	-	6,678,245
Other Countries	-	231,344	4,335,589	479,438	91,808	93,614	28	-	-	-	-	5,231,821
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	1,257,539	-	1,257,539
Undistributed Assets / Liabilities (***)	-	-	-	-	-	-	-	-	-	-	22,316,299	22,316,299
<b>Total</b>	<b>195,884,907</b>	<b>630,053</b>	<b>24,885,347</b>	<b>91,209,243</b>	<b>55,253,741</b>	<b>55,317,159</b>	<b>102,532</b>	<b>25,986,396</b>	<b>-</b>	<b>1,257,539</b>	<b>22,316,299</b>	<b>472,843,216</b>

(\*) 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”.

# KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

## EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

### 2.2 Risk profile by sectors or counterparties

Current Period	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from Corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by Mortgages	Past due receivables	Receivables defined in high-risk category by BRSA	Guaranteed securities	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Stock Investments	Other receivables	TL	FC	Total (*)
<b>Agriculture</b>	-	-	-	-	-	-	<b>2,210,209</b>	<b>1,025,749</b>	<b>2,376,730</b>	<b>9,450</b>	<b>1,334</b>	-	-	-	-	-	<b>3,215</b>	<b>2,998,302</b>	<b>2,628,385</b>	<b>5,626,687</b>
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
<b>Manufacturing</b>	-	-	-	-	-	-	<b>72,141,313</b>	<b>14,220,175</b>	<b>27,915,706</b>	<b>166,633</b>	<b>777,642</b>	-	-	-	-	-	<b>44,108</b>	<b>41,205,449</b>	<b>74,060,128</b>	<b>115,265,577</b>
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
<b>Construction</b>	-	-	-	-	-	-	<b>26,101,906</b>	<b>7,364,918</b>	<b>15,882,155</b>	<b>49,074</b>	<b>39,135</b>	-	-	-	-	-	<b>16,681</b>	<b>32,423,707</b>	<b>17,030,162</b>	<b>49,453,869</b>
<b>Services</b>	<b>280,103,773</b>	-	-	<b>283,373</b>	-	<b>46,109,786</b>	<b>56,324,255</b>	<b>21,480,372</b>	<b>31,054,254</b>	<b>153,135</b>	<b>629,655</b>	-	-	-	-	<b>1,322,989</b>	<b>23,493,588</b>	<b>253,010,732</b>	<b>207,944,448</b>	<b>460,955,180</b>
Wholesale and Retail Trade	-	-	-	-	-	-	35,465,966	12,259,202	20,501,281	96,301	208,458	-	-	-	-	-	82,522	36,026,664	32,587,066	68,613,730
Accommodation and Dining	-	-	-	-	-	-	973,079	668,102	1,254,309	22,561	1,255	-	-	-	-	-	3,047	2,050,848	871,505	2,922,353
Transportation and Telecom.	-	-	-	-	-	-	11,622,060	5,556,287	4,566,462	19,672	185,418	-	-	-	-	-	37,152	8,010,473	13,976,578	21,987,051
Financial Institutions	280,103,773	-	-	283,373	-	45,947,804	469,307	30,102	145,310	-	-	-	-	-	-	1,320,234	23,364,642	195,492,212	156,172,333	351,664,545
Real Estate and Rental Services	-	-	-	-	-	161,982	4,206,718	974,624	2,078,007	4,039	177,852	-	-	-	-	-	2,401	5,575,716	2,029,907	7,605,623
Professional Services	-	-	-	-	-	-	21,832	4,016	5,522	-	-	-	-	-	-	-	283	12,553	19,100	31,653
Educational Services	-	-	-	-	-	-	176,762	151,114	189,897	-	-	-	-	-	-	-	662	408,287	110,148	518,435
Health and Social Services	-	-	-	-	-	-	3,388,531	1,836,925	2,313,466	10,562	56,672	-	-	-	-	2,755	2,879	5,433,979	2,177,811	7,611,790
<b>Others</b>	-	-	-	-	-	-	<b>23,308,280</b>	<b>41,749,131</b>	<b>24,567,764</b>	<b>139,784</b>	<b>506,384</b>	-	-	-	-	-	<b>5,285,834</b>	<b>93,023,937</b>	<b>2,533,240</b>	<b>95,557,177</b>
<b>Total</b>	<b>280,103,773</b>	-	-	<b>283,373</b>	-	<b>46,109,786</b>	<b>180,085,963</b>	<b>85,840,345</b>	<b>101,796,609</b>	<b>518,076</b>	<b>1,954,150</b>	-	-	-	-	<b>1,322,989</b>	<b>28,843,426</b>	<b>422,662,127</b>	<b>304,196,363</b>	<b>726,858,490</b>

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Prior Period	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from Corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by Mortgages	Past due receivables	Receivables defined in high-risk category by BRSA	Guaranteed securities	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Stock Investments	Other receivables	TL	FC	Total (*)
<b>Agriculture</b>	-	-	-	-	-	-	<b>1,376,737</b>	<b>710,141</b>	<b>1,184,375</b>	<b>552</b>	<b>526,499</b>	-	-	-	-	-	<b>1,500</b>	<b>2,595,172</b>	<b>1,204,632</b>	<b>3,799,804</b>
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
<b>Manufacturing</b>	-	-	-	-	-	-	<b>36,752,473</b>	<b>11,951,421</b>	<b>14,743,324</b>	<b>18,298</b>	<b>8,496,920</b>	-	-	-	-	-	<b>51,853</b>	<b>37,032,819</b>	<b>34,981,470</b>	<b>72,014,289</b>
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
<b>Construction</b>	-	-	-	-	-	-	<b>16,923,788</b>	<b>5,173,427</b>	<b>7,813,406</b>	<b>2,487</b>	<b>1,937,201</b>	-	-	-	-	-	<b>14,662</b>	<b>20,959,297</b>	<b>10,905,674</b>	<b>31,864,971</b>
<b>Services</b>	<b>195,884,907</b>	-	-	<b>630,053</b>	-	<b>24,885,347</b>	<b>22,820,740</b>	<b>16,500,270</b>	<b>16,713,851</b>	<b>62,463</b>	<b>9,818,541</b>	-	-	-	-	<b>1,205,638</b>	<b>15,965,579</b>	<b>170,438,084</b>	<b>134,049,305</b>	<b>304,487,389</b>
Wholesale and Retail Trade	-	-	-	-	-	-	14,360,614	10,254,195	10,746,083	27,215	6,902,889	-	-	-	-	-	72,166	30,461,794	11,901,368	42,363,162
Accommodation and Dining	-	-	-	-	-	-	291,121	420,528	800,226	27,516	253,029	-	-	-	-	-	24,276	1,494,934	321,762	1,816,696
Transportation and Telecom.	-	-	-	-	-	-	4,771,620	3,584,115	2,441,352	1,150	903,628	-	-	-	-	-	548,526	5,732,459	6,517,932	12,250,391
Financial Institutions	195,884,907	-	-	630,053	-	24,324,846	2,107	29,347	88,610	-	9,573	-	-	-	-	268,142	15,317,626	123,518,588	113,036,623	236,555,211
Real Estate and Rental Services	-	-	-	-	-	560,501	1,608,150	660,770	1,141,475	595	1,259,401	-	-	-	-	50	1,174	3,887,287	1,344,829	5,232,116
Professional Services	-	-	-	-	-	-	20,189	11,312	277	-	-	-	-	-	-	-	-	7,246	24,532	31,778
Educational Services	-	-	-	-	-	-	84,205	114,796	121,860	-	20,627	-	-	-	-	-	364	278,183	63,669	341,852
Health and Social Services	-	-	-	-	-	-	1,682,734	1,425,207	1,373,968	5,987	469,394	-	-	-	-	937,446	1,447	5,057,593	838,590	5,896,183
<b>Others</b>	-	-	-	-	-	-	<b>13,335,505</b>	<b>20,918,482</b>	<b>14,862,203</b>	<b>18,732</b>	<b>5,207,235</b>	-	-	-	-	<b>51,901</b>	<b>6,282,705</b>	<b>58,008,299</b>	<b>2,668,464</b>	<b>60,676,763</b>
<b>Total</b>	<b>195,884,907</b>	-	-	<b>630,053</b>	-	<b>24,885,347</b>	<b>91,209,243</b>	<b>55,253,741</b>	<b>55,317,159</b>	<b>102,532</b>	<b>25,986,396</b>	-	-	-	-	<b>1,257,539</b>	<b>22,316,299</b>	<b>289,033,671</b>	<b>183,809,545</b>	<b>472,843,216</b>

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

Risk Categories (*) – Prior Period	Time to Maturity				
	1 month	1–3 months	3–6 months	6–12 months	Over 1 year
Conditional and unconditional receivables from central governments or Central Banks	19,158,782	7,543,703	490,345	2,018,580	166,673,497
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	630,053	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	21,025,620	2,711,668	161,609	819,377	167,073
Conditional and unconditional receivables from corporates	15,995,637	8,009,598	12,210,939	18,605,550	36,387,519
Conditional and unconditional receivables from retail portfolios	17,086,263	6,820,319	6,712,164	10,024,315	14,610,680
Conditional and unconditional receivables secured by mortgages	7,762,892	5,591,727	6,436,724	12,773,199	22,752,617
Past due receivables	-	-	-	-	-
Receivables defined under high-risk category by BRSA	3,632,517	4,076,192	3,767,178	8,555,794	5,954,715
Guaranteed securities	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	1,257,539
Other Receivables	19,390,186	358	286	1,367	2,924,102
<b>Total</b>	<b>104,051,897</b>	<b>34,753,565</b>	<b>29,779,245</b>	<b>53,428,235</b>	<b>250,727,742</b>

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.4. Exposure Categories**

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

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

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

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

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

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

# KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

## EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

### 2.5. Credit risk using the standard approach

#### 2.5.1. Credit risk exposed and credit risk mitigation effects

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

# KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

## EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

### 2.5.2. Exposures by risk classes and risk weights

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

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

# KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

## EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

Risk Classifications/Risk Weights (*) (Prior Period)		0%	10%	20%	50%	75%	100%	150%	200%	Other (*)	Total risk amount (post-CCF and CRM)
1	Receivables from central governments and Central Banks	199,618,507	-	-	-	-	-	-	-	-	199,618,507
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	630,053	-	-	-	-	-	-	-	-	630,053
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	292,755	-	18,787,367	3,521,322	-	550,155	-	-	-	23,151,599
7	Receivables from corporate	14,259,705	-	3,530,939	-	-	67,187,950	-	-	-	84,978,594
8	Retail receivables	10,577,218	-	651,302	-	43,620,959	158,901	-	-	-	55,008,380
9	Receivables secured by residential property	2,255,434	-	364,493	-	-	-	-	-	17,836,923	20,456,850
10	Receivables secured by commercial property	4,440,938	-	1,602,236	19,108,771	-	9,573,037	-	-	-	34,724,982
11	Non-performing receivables	2,249	-	214	95,659	-	1,526	-	-	-	99,648
12	Receivables in high-risk categories	-	-	-	-	-	-	4,230,635	20,862,831	892,930	25,986,396
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
16	Stock investments	-	-	-	-	-	1,257,539	-	-	-	1,257,539
17	Other receivables	12,835,266	-	140,532	-	-	9,340,501	-	-	-	22,316,299
18	<b>Total</b>	<b>244,912,125</b>	<b>-</b>	<b>25,077,083</b>	<b>22,725,752</b>	<b>43,620,959</b>	<b>88,069,609</b>	<b>4,230,635</b>	<b>20,862,831</b>	<b>18,729,853</b>	<b>468,228,847</b>

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.6. Risk amounts according to risk weights**

Current Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	274,964,456	-	37,073,214	-	34,666,544	45,923,442	85,822,125	220,236,625	360,465	-	1,593,685	-
Exposures after Credit Risk Mitigation	294,525,167	-	42,672,656	-	33,479,802	44,371,224	82,411,268	201,226,289	360,465	-	1,593,685	-

  

Prior Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	206,911,909	-	18,927,899	-	20,506,638	26,482,551	55,065,525	114,347,928	4,230,635	-	21,755,761	3,443,601
Exposures after Credit Risk Mitigation	244,912,125	-	25,077,083	-	17,836,923	22,725,752	43,620,959	88,069,609	4,230,635	-	21,755,761	3,443,601

**2.7. Information by major sectors and type of counterparties**

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

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

	Loans	Provisions
	Impaired Loans	
Current Period (**)	Significant Increase in Credit Risk (Stage II)	Expected Credit Loss Provisions (*)
<b>Agriculture</b>	<b>473,223</b>	<b>74,574</b>
Farming and Stockbreeding	409,994	18,119
Forestry	57,804	56,083
Fishery	5,425	372
<b>Manufacturing</b>	<b>8,636,100</b>	<b>2,401,059</b>
Mining and Quarrying	2,128,913	460,970
Production	5,804,397	1,920,979
Electricity, Gas and Water	702,790	19,110
<b>Construction</b>	<b>4,670,697</b>	<b>1,709,077</b>
<b>Services</b>	<b>8,142,894</b>	<b>2,458,665</b>
Wholesale and Retail Trade	4,802,827	1,181,653
Accommodation and Dining	282,948	155,666
Transportation and Telecommunication	1,112,858	548,557
Financial Institutions	1,599	193,113
Real Estate and Rental Services.	1,078,804	292,369
Professional Services	817	-
Educational Services	161,407	1,233
Health and Social Services	701,634	86,074
<b>Others</b>	<b>6,727,778</b>	<b>945,478</b>
<b>Total</b>	<b>28,650,692</b>	<b>7,588,853</b>

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

(\*\*) Leasing receivables are not included.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

		Loans	Provisions
		Impaired Loans	
Prior Period (**)	Significant Increase in Credit Risk (Stage II)	Default (Stage III)	Expected Credit Loss Provisions (*)
<b>Agriculture</b>	<b>216,175</b>	<b>21,676</b>	<b>65,399</b>
Farming and Stockbreeding	179,782	10,757	44,144
Forestry	36,145	10,576	20,954
Fishery	248	343	301
<b>Manufacturing</b>	<b>6,491,664</b>	<b>593,255</b>	<b>2,923,907</b>
Mining and Quarrying	1,171,460	25,762	676,226
Production	3,595,539	560,933	1,705,920
Electricity, Gas and Water	1,724,665	6,560	541,761
<b>Construction</b>	<b>3,401,439</b>	<b>1,742,922</b>	<b>2,215,886</b>
<b>Services</b>	<b>7,041,022</b>	<b>1,648,945</b>	<b>3,288,425</b>
Wholesale and Retail Trade	3,992,311	991,125	1,682,259
Accommodation and Dining	158,771	388,577	412,929
Transportation and Telecommunication	1,323,493	91,870	396,221
Financial Institutions	2,097	14,717	14,722
Real Estate and Rental Services.	670,032	69,910	442,230
Professional Services	-	-	3,181
Educational Services	125,811	9,718	119,019
Health and Social Services	768,507	83,028	217,864
<b>Others</b>	<b>3,235,771</b>	<b>236,459</b>	<b>939,851</b>
<b>Total</b>	<b>20,386,071</b>	<b>4,243,257</b>	<b>9,433,468</b>

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

(\*\*) Leasing receivables are not included.

**2.8. Movements in value adjustments and provisions**

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

  

Prior Period	Opening Balance	Provisions for the period	Provision Reversals (***)	Other Adjustments (****)	Closing Balance
Stage 3 Provisions (*)	3,114,791	1,890,140	(966,282)	(589,586)	3,449,063
Stage 1&2 Provisions (**)	10,730,333	4,941,593	(1,173,901)	-	14,498,025

(\*) Represents Stage 3 Expected Loss Provision.

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

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.9. Risk involved in counter cyclical capital buffer calculation**

**Current Period**

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

**Prior Period**

Country	RWAs of Banking Book for Private Sector Lending	RWA of calculated within Trading Accounts	Total
Türkiye	167,973,591	-	167,973,591
Germany	9,908,211	-	9,908,211
Marshall Islands	819,259	-	819,259
Libaria	301,967	-	301,967
Malta	121,849	-	121,849
Albania	98,022	-	98,022
Other	81,766	-	81,766
Italy	50,121	-	50,121
England	20,923	-	20,923
Saudi Arabia	14,885	-	14,885
Qatar	10,234	-	10,234

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

Risk Management Department improves rating models for corporate and individual portfolios based on statistical methods. As of 31 December 2024, the classes of performing loans are given in the table below:

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

  

Prior Period	Cash Loans	Non-Cash Loans	Total
High Quality	50.18%	69.37%	53.17%
Medium Quality	34.23%	23.32%	32.53%
Average	13.84%	6.31%	12.67%
Below Average	1.75%	1.00%	1.63%

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**3. Explanations on consolidated currency risk**

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

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

As of 31 December 2024, the Group has a net foreign currency closed position of TL 18,183,343 (31 December 2023 – TL 15,759,776 open) comprising of TL 22,788,455 off balance sheet open position (31 December 2023 - TL 19,129,433 closed) and TL 4,605,112 open position (31 December 2023 – TL 3,369,657 closed).

The announced current foreign exchange buying rates of the Parent Bank as of December 31, 2024 and the previous five working days are as follows (full TL):

	24/12/2024	25/12/2024	26/12/2024	27/12/2024	30/12/2024	Balance Sheet Valuation Rate
<b>USD</b>	35.16422	35.15816	35.1925	35.10954	35.24444	35.27113
<b>EUR</b>	36.55872	36.57875	36.59531	36.58938	36.76091	36.69538
<b>GBP</b>	44.10212	44.11332	44.09091	44.01202	44.34389	44.2348
<b>CHF</b>	39.07334	39.06251	39.09842	38.99287	39.04783	38.9975
<b>JPY</b>	0.22385	0.22365	0.22342	0.22253	0.22337	0.22519

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

	Monthly Average FC Purchase Rate
<b>USD</b>	34.92111
<b>EUR</b>	36.58147
<b>GBP</b>	44.13756
<b>CHF</b>	39.17885
<b>JPY</b>	0.22689

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**Consolidated Currency risk of the Group**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC (***)</b>	<b>Total</b>
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye (***)	25,355,202	56,265,849	85,532,619	167,153,670
Banks (****)	1,126,429	12,781,411	12,999,060	26,906,900
Financial assets at fair value through profit and loss	77,547	14,685,385	2,502,583	17,265,515
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	8,713	27,018,547	-	27,027,260
Loans and finance lease receivables (*)	95,943,073	116,093,358	34,578	212,071,009
Subsidiaries, associates and joint ventures	-	-	-	-
Financial assets at amortized cost	369,337	27,254,858	-	27,624,195
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	120,261	4,852	-	125,113
Intangible assets	235,216	247	-	235,463
Other assets	386,492	844,426	8,949	1,239,867
<b>Total Assets</b>	<b>123,622,270</b>	<b>254,948,933</b>	<b>101,077,789</b>	<b>479,648,992</b>
<b>Liabilities</b>				
Current account and funds collected from Banks via participation accounts	1,443,872	332,241	1,147,302	2,923,415
Current and profit-sharing accounts FC	64,490,562	116,730,517	139,187,578	320,408,657
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	14,205,205	109,954,026	9,019,686	133,178,917
Marketable securities issued	-	-	-	-
Miscellaneous payables	523,866	1,234,964	15,697	1,774,527
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (****)	1,295,604	1,783,028	101,501	3,180,133
<b>Total Liabilities</b>	<b>81,959,109</b>	<b>230,034,776</b>	<b>149,471,764</b>	<b>461,465,649</b>
Net balance sheet position	41,663,161	24,914,157	(48,393,975)	18,183,343
Net off-balance sheet position	(43,438,247)	(28,575,076)	49,224,868	(22,788,455)
Financial derivative assets	4,311,290	41,701,105	77,628,141	123,640,536
Financial derivative liabilities	47,749,537	70,276,181	28,403,273	146,428,991
Non-cash loans (**)	9,922,037	20,082,670	5,657,163	35,661,870
<b>Prior Period</b>				
Total assets	107,682,486	172,131,621	68,704,925	348,519,032
Total liabilities	70,413,539	198,020,566	95,844,703	364,278,808
Net balance sheet position	37,268,947	(25,888,945)	(27,139,778)	(15,759,776)
Net off-balance sheet position	(34,434,643)	25,833,594	27,730,482	19,129,433
Financial derivative assets	1,929,224	34,408,913	33,511,615	69,849,752
Financial derivative liabilities	36,363,867	8,575,319	5,781,133	50,720,319
Non-cash loans (**)	7,025,257	15,086,815	1,613,476	23,725,548

(\*) Includes foreign currency indexed loans amounting to TL 939,403 (31 December 2023 – TL 1,467,641) followed as TL on the balance sheet and expected credit loss amounting to TL 3,865,556.

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

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

(\*\*\*\*) Other liabilities at fair value through profit or loss TL 1,453,023 in the calculation of profit / loss of securities are not included in the foreign currency risk of impairment provisions. It also includes a provision for foreign currency indexed loans amounting to TL 12,693.

(\*\*\*\*\*) Includes provisions for expected losses amounting to TL 4,093 were deducted from the cash values and the relevant lines from the Central Bank and Banks accounts.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

- Derivative financial assets held for trading TL 798,152 (31 December 2023 – TL 463,601)
- Prepaid expenses: TL 3,383 (31 December 2023 – 2,893 TL)
- Derivative financial liabilities held for trading: TL 1,453,023 (31 December 2023 – TL 877,794)
- Marketable securities of FC revaluation reverse: TL (301,804) (31 December 2023 – TL (240,265))
- Derivative financial liabilities held for hedging: None (31 December 2023 - None)

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

- Forward foreign currency purchase transactions TL 6,970,583 (31 December 2023 – TL 3,172,720)
- Forward foreign currency sale transactions: TL 6,644,149 (31 December 2023 – TL 4,186,665)
- Precious metal purchase transactions: TL 72,552,364 (31 December 2023 – TL 29,870,800)
- Precious metal sale transactions: TL 26,609,412 (31 December 2023 – TL 4,593,906)

**Currency risk sensitivity**

The Group is mainly exposed to foreign currency risk in EURO, USD and GOLD.

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

	% changes on foreign currency	Effects on Profit / Loss		Effects on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10%	(366,092)	(5,535)	(552,671)	241,173
EURO	10%	(177,509)	283,430	14,817	294,800
Gold	10%	972,593	456,113	972,593	456,113

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**4. Explanations related to stock position risk**

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

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

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

<b>Current Period</b>		<b>Comparison</b>	
<b>Equity Securities Investments</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Market Value</b>
<b>Securities at Fair Value Through Other Comprehensive Income</b>	<b>521,580</b>	-	<b>521,580</b>
Quoted Securities	-	-	-
<b>Investments in Associates</b>	-	-	-
Quoted Securities	-	-	-
<b>Investment in Subsidiaries</b>	<b>123,680</b>	-	-
Quoted Securities	-	-	-
<b>Other</b>	<b>655,380</b>	-	-
Quoted Securities	-	-	-

<b>Prior Period</b>		<b>Comparison</b>	
<b>Equity Securities Investments</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Market Value</b>
<b>Securities at Fair Value Through Other Comprehensive Income</b>	<b>349,468</b>	-	<b>349,468</b>
Quoted Securities	-	-	-
<b>Investments in Associates</b>	-	-	-
Quoted Securities	-	-	-
<b>Investment in Subsidiaries</b>	<b>123,680</b>	-	-
Quoted Securities	-	-	-
<b>Other</b>	<b>313,984</b>	-	-
Quoted Securities	-	-	-

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

None.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**5. Consolidated liquidity risk management and liquidity coverage ratio**

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

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

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

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

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

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

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

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

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

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

**5.5 Information on liquidity risk mitigation techniques**

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

**5.6 Information on the use of stress tests**

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

**5.7 General information about the contingency funding plan**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**5.8 Analysis of financial liabilities by remaining contractual maturities**

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

	Up to 1 months	1-3 months	3-12 months	1-5 years	Above 5 years	Total	Adjustments	Balance Sheet Value
<b>31 December 2024</b>								
Funds Collected	510,505,485	56,386,635	33,144,897	4,342,427	21,243	604,400,687	-	604,400,687
Other Fundings	79,466,771	15,313,083	24,365,539	10,454,777	12,344,896	141,945,066	(5,216,486)	136,728,580
Debts from lease transaction	69,081	137,822	472,249	1,471,007	296,208	2,296,129	(864,552)	1,581,815
Securities issued	601,712	-	481,775	-	-	1,083,487	(82,564)	1,000,923
Funds from repo transaction	18,197,426	-	-	-	-	18,197,426	(340,568)	17,856,858
<b>Total</b>	<b>608,840,475</b>	<b>71,837,540</b>	<b>58,464,460</b>	<b>16,268,211</b>	<b>12,662,347</b>	<b>767,922,795</b>	<b>(6,504,170)</b>	<b>761,568,863</b>
<b>31 December 2023</b>								
Funds Collected	391,030,236	65,344,365	57,988,555	3,744,264	29,025	518,136,445	-	518,136,445
Other Fundings	47,969,268	2,301,308	19,332,178	7,230,117	10,616,927	87,449,798	(5,044,861)	82,404,937
Debts from lease transaction	40,660	66,812	252,229	802,172	235,766	1,397,639	(457,206)	940,433
Securities issued	757,164	4,817,616	4,177,123	-	-	9,751,903	(6,371,061)	3,380,842
Funds from repo transaction	4,300,897	300,819	-	-	-	4,601,716	(113,910)	4,487,806
<b>Total</b>	<b>444,098,225</b>	<b>72,830,920</b>	<b>81,750,085</b>	<b>11,776,553</b>	<b>10,881,718</b>	<b>621,337,501</b>	<b>(11,987,038)</b>	<b>609,350,463</b>

**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
<b>31 December 2024</b>								
Letters of Guarantee	35,673,807	1,336,765	5,108,085	28,257,276	14,613,349	551,685	-	85,540,967
Bills of Exchange and Bank Acceptances	82,456	133,279	115,451	396,353	-	-	-	727,539
Letters of Credit	6,019,021	1,702,757	2,935,119	2,767,865	157,024	-	-	13,581,786
Other guarantees	681,110	2,784,982	1,454,032	286,576	4,168	222	-	5,211,090
Pre-financings given as guarantee	-	-	-	-	-	-	-	-
<b>Total</b>	<b>42,456,394</b>	<b>5,957,783</b>	<b>9,612,687</b>	<b>31,708,070</b>	<b>14,774,541</b>	<b>551,907</b>	<b>-</b>	<b>105,061,382</b>
<b>31 December 2023</b>								
Letters of Guarantee	21,240,335	1,154,690	3,974,554	14,748,850	8,001,014	385,795	-	49,505,238
Bills of Exchange and Bank Acceptances	39,386	73,470	40,982	29,358	-	-	-	183,196
Letters of Credit	4,332,973	833,645	1,661,196	2,037,804	20,709	-	-	8,886,327
Other guarantees	268,773	695,364	1,180,269	860,784	5,887	234	-	3,011,311
Pre-financings given as guarantee	-	-	-	-	-	-	-	-
<b>Total</b>	<b>25,881,467</b>	<b>2,757,169</b>	<b>6,857,001</b>	<b>17,676,796</b>	<b>8,027,610</b>	<b>386,029</b>	<b>-</b>	<b>61,586,072</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**Contractual maturity analysis of derivative instruments**

<b>31 December 2024</b>	<b>Up to 1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Derivatives financial assets held for trading</b>						
Foreign exchange derivatives:						
Entry	101,302,932	55,603,633	13,305,891	2,998,717	-	173,211,173
Exit	101,576,368	57,104,673	13,029,038	4,852,145	-	176,562,224
<b>Hedging purposes financial assets</b>						
Foreign exchange derivatives:						
Entry	-	-	-	-	-	-
Exit	-	-	-	-	-	-
<b>Total Cash Inflow</b>	<b>101,302,932</b>	<b>55,603,633</b>	<b>13,305,891</b>	<b>2,998,717</b>	<b>-</b>	<b>173,211,173</b>
<b>Total Cash Outflow</b>	<b>101,576,368</b>	<b>57,104,673</b>	<b>13,029,038</b>	<b>4,852,145</b>	<b>-</b>	<b>176,562,224</b>

  

<b>31 December 2023</b>	<b>Up to 1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Derivatives financial assets held for trading</b>						
Foreign exchange derivatives:						
Entry	37,490,461	28,816,817	5,711,313	12,119	-	72,030,710
Exit	37,604,322	28,981,290	4,705,608	12,378	-	71,303,598
<b>Hedging purposes financial assets</b>						
Foreign exchange derivatives:						
Entry	-	-	-	-	-	-
Exit	-	-	-	-	-	-
<b>Total Cash Inflow</b>	<b>37,490,461</b>	<b>28,816,817</b>	<b>5,711,313</b>	<b>12,119</b>	<b>-</b>	<b>72,030,710</b>
<b>Total Cash Outflow</b>	<b>37,604,322</b>	<b>28,981,290</b>	<b>4,705,608</b>	<b>12,378</b>	<b>-</b>	<b>71,303,598</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**5.9 Liquidity coverage ratio**

Current Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>					
1	High-quality liquid assets (HQLA)	208,431,959	133,757,112	208,359,913	133,685,065
<b>CASH OUTFLOWS</b>		-	-	-	-
2	Retail deposits and deposits from small business customers, of which:	203,342,898	22,844,938	17,644,426	2,284,494
3	Stable deposits	53,797,292	-	2,689,865	-
4	Less stable deposits	149,545,606	22,844,938	14,954,561	2,284,494
5	Unsecured wholesale funding, of which:	138,221,942	83,716,274	76,471,423	49,393,475
6	Operational deposits	-	-	-	-
7	Non-operational deposits	108,779,609	60,069,357	47,029,090	25,746,558
8	Unsecured funding	29,442,333	23,646,917	29,442,333	23,646,917
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which:	176,340,684	166,583,550	176,340,684	166,583,550
11	Outflows related to derivative exposures and other collateral requirements	97,120,404	87,722,709	97,120,404	87,722,709
12	Outflows related to restructured financial Instruments	79,220,280	78,860,841	79,220,280	78,860,841
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	182,276,391	34,445,464	15,225,487	2,356,927
16	<b>TOTAL CASH OUTFLOWS</b>	-	-	<b>285,682,020</b>	<b>220,618,446</b>
<b>CASH INFLOWS</b>		-	-	-	-
17	Secured receivables	-	-	-	-
18	Unsecured receivables	119,986,419	83,017,248	86,297,443	64,834,796
19	Other cash inflows	112,641,506	69,741,215	112,641,506	69,741,215
20	<b>TOTAL CASH INFLOWS</b>	<b>232,627,925</b>	<b>152,758,463</b>	<b>198,938,949</b>	<b>134,576,011</b>
				<b>Upper Limit Applied Value</b>	
21	<b>TOTAL HQLA</b>			<b>208,359,913</b>	<b>133,685,065</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>86,743,071</b>	<b>86,042,435</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>240.20</b>	<b>155.37</b>

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

The table below presents highest, lowest and average liquidity coverage ratios for the last 3 months of 2024.

	Highest	Date	Lowest	Date	Average
TL+FC	273.31	11/2024	196.70	21/12/2024	238.59
FC	205.15	10/2024	122.13	21/12/2024	160.78

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Prior Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>					
1	High-quality liquid assets (HQLA)	154,368,027	110,509,134	153,027,195	109,146,094
<b>CASH OUTFLOWS</b>		-	-	-	-
2	Retail deposits and deposits from small business customers, of which:	139,366,189	21,003,266	12,192,601	2,100,327
3	Stable deposits	34,880,322	-	1,744,016	-
4	Less stable deposits	104,485,867	21,003,266	10,448,585	2,100,327
5	Unsecured wholesale funding, of which:	95,701,227	56,724,437	60,189,846	36,392,543
6	Operational deposits	-	-	-	-
7	Non-operational deposits	67,218,161	38,038,515	30,338,374	16,338,197
8	Unsecured funding	28,483,066	18,685,922	29,851,472	20,054,346
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	99,798,253	91,047,078	99,589,734	90,899,892
11	Outflows related to derivative exposures and other collateral requirements	48,185,020	39,495,501	48,037,834	39,348,315
12	Outflows related to restructured financial Instruments	51,613,233	51,551,577	51,551,900	51,551,577
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	95,282,378	22,714,240	8,915,834	1,613,340
16	<b>TOTAL CASH OUTFLOWS</b>	-	-	<b>180,888,015</b>	<b>131,006,102</b>
<b>CASH INFLOWS</b>		-	-	-	-
17	Secured receivables	-	-	-	-
18	Unsecured receivables	83,284,420	49,344,926	60,971,658	36,893,673
19	Other cash inflows	51,126,025	47,528,635	51,533,120	47,477,238
20	<b>TOTAL CASH INFLOWS</b>	<b>134,410,445</b>	<b>96,873,561</b>	<b>112,504,778</b>	<b>84,370,911</b>
				<b>Upper Limit Applied Value</b>	
21	<b>TOTAL HQLA</b>			<b>153,027,195</b>	<b>109,146,094</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>68,383,237</b>	<b>46,635,191</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>223.78</b>	<b>234.04</b>

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

The table below presents highest, lowest and average liquidity coverage ratios for the last 3 months of 2023.

**Prior Period**

	Highest	Date	Lowest	Date	Average
TL+FC	278.67	10/2023	182.23	12/2023	228.66
FC	276.22	12/2023	204.37	11/2023	237.73

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**Presentation of assets and liabilities according to their remaining maturities**

Current Period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated (***)	Total
<b>Assets</b>								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Türkiye (*)	139,375,635	87,324,729	-	-	-	-	(5,870)	226,694,494
Banks (*)	36,090,104	3,933	3,155,611	76,935	-	-	(860)	39,325,723
Financial assets at fair value through profit and loss	-	52,888	938,257	6,499,625	8,846,883	3,108,008	5,481,725	24,927,386
Money market placements	-	7,241,952	-	-	-	-	-	7,241,952
Financial assets at fair value through other comprehensive income	33,140	5,781,119	814,489	4,334,682	40,921,938	15,285,509	488,441	67,659,318
Loans (**)	-	108,907,616	76,637,341	158,992,359	94,289,212	12,013,424	(5,968,554)	444,871,398
Financial assets measured at amortised cost	-	7,456,463	-	7,270,085	36,104,938	7,782,936	(63,024)	58,551,398
Other assets (***)	1,458,174	8,316,412	54,749	-	8,456,578	-	15,291,339	33,577,252
<b>Total assets</b>	<b>176,957,053</b>	<b>225,085,112</b>	<b>81,600,447</b>	<b>177,173,686</b>	<b>188,619,549</b>	<b>38,189,877</b>	<b>15,223,197</b>	<b>902,848,921</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	3,193,062	44	-	-	-	-	-	3,193,106
Current and profit sharing accounts	328,058,772	179,253,607	56,386,635	33,144,897	4,342,427	21,243	-	601,207,581
Funds provided from other financial institutions	-	79,012,078	16,631,215	22,395,357	6,312,254	12,377,676	-	136,728,580
Money market borrowings	-	17,719,258	137,600	-	-	-	-	17,856,858
Marketable securities issued	-	597,674	-	403,249	-	-	-	1,000,923
Miscellaneous payables	3,239,740	1,748,603	-	-	-	-	-	4,988,343
Other Liabilities (****)	-	11,832,814	7,391,396	475,915	1,071,535	71,703	117,030,167	137,873,530
<b>Total Liabilities</b>	<b>334,491,574</b>	<b>290,164,078</b>	<b>80,546,846</b>	<b>56,419,418</b>	<b>11,726,216</b>	<b>12,470,622</b>	<b>117,030,167</b>	<b>902,848,921</b>
Net liquidity gap	(157,534,521)	(65,078,966)	1,053,601	120,754,268	176,893,333	25,719,255	(101,806,970)	-
<b>Prior period</b>								
Total assets	93,087,045	144,825,242	94,467,252	156,155,456	157,682,928	37,002,802	8,636,712	691,857,437
Total liabilities	253,096,084	193,515,576	76,965,526	79,700,784	8,335,282	10,415,784	69,828,401	691,857,437
Net liquidity gap	(160,009,039)	(48,690,334)	17,501,726	76,454,672	149,347,646	26,587,019	(61,191,690)	-

(\*) Expected losses are netted off with provision.

(\*\*) Includes receivables from leasing transactions and presented with netting off with the expected credit loss.

(\*\*\*) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash soon, such as tangible assets, investments in associates and subsidiaries, stationary supplies and prepaid expenses are included under unallocated assets.

(\*\*\*\*) The unallocated other liabilities consist of equity and provisions balances.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**5.10 Net stable funding ratio**

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

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

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

The simple arithmetic average of the Net Stable Funding Rate for the last three months including December 2024 was 129.7% (31 December 2023 - 162.91%). As of 31 December 2024, the current stable fund amount in our bank's consolidated Net Stable Funding Table is TL 679,430,879 (31 December 2023 - TL 538,051,113), while the required stable fund amount is TL 523,838,172 (31 December 2023 - TL 330,282,137) and our Net Stable Funding Rate is 129.7% (31 December 2023 - 162.91%).

Current Period		a	b	C	ç	D
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand*	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
Available Stable Fund						
1	Equity Items	111,718,872	-	-	-	111,718,872
2	Tier 1 and Tier 2 capital	111,718,872	-	-	-	111,718,872
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	314,284,622	235,645,818	30,508,850	1,429,593	548,859,257
5	Stable deposit/participation fund	275,185,648	216,996,863	10,449,551	913,166	478,367,967
6	Low stable deposit/participation fund	39,098,974	18,648,955	20,059,299	516,427	70,491,290
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	7,658,322	132,600,458	21,746,207	-	10,873,106
12	Derivative liabilities		358,223			
13	Other equity items and liabilities not included above	80,497,844	-	-	7,979,645	7,979,644
14	Available Stable Fund					679,430,879
Required Stable Funding						

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

15	High-quality liquid assets					2,809,546
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	35,106,981	85,408,888	99,589,976	261,009,643	336,271,295
18	Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	8,783	7,729,522	-	-	1,160,746
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	18,934,262	77,668,378	99,357,858	241,844,076	308,796,649
21	Receivables subject to risk weighting of 35% or less	-	-	-	18,758,203	12,192,832
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	16,163,936	10,988	232,118	407,364	14,121,068
25	Assets equivalent to interconnected liabilities					
26	Other assets	150,132,280	31,706,727	-	31,802,594	179,800,501
27	Commodities with physical delivery including gold	13,590,045				11,551,538
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,548,612	1,548,612
30	Derivative liabilities before deduction of variation margin				30,158,115	30,158,115
31	Other assets not included above	136,542,235	-	-	31,802,594	136,542,235
32	Off-balance sheet payables		99,136,640	-	-	4,956,832
33	<b>Required Stable Funding</b>					523,838,172
34	<b>Net Stable Funding Ratio (%)</b>					129.70



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Prior Period		a	b	c	ç	D
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand*	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
Available Stable Fund						
1	Equity Items	70,359,467	-	-	-	70,359,467
2	Tier 1 and Tier 2 capital	70,359,467	-	-	-	70,359,467
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	234,445,513	223,580,309	24,844,324	1,932,098	456,873,680
5	Stable deposit/participation fund	200,187,497	201,019,767	8,506,473	1,319,468	390,481,545
6	Low stable deposit/participation fund	34,258,016	22,560,542	16,337,851	612,630	66,392,135
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	11,034,067	68,341,712	13,999,162	-	6,999,581
12	Derivative liabilities					
13	Other equity items and liabilities not included above	66,867,838	-	-	3,818,384	3,818,385
14	Available Stable Fund					538,051,113
Required Stable Funding						
15	High-quality liquid assets					1,364,521
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	17,076,061	115,018,436	87,924,802	151,700,386	244,394,846
18	Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	6,532	5,083,046	-	-	763,437
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	4,627,759	108,748,823	86,497,760	138,349,188	222,121,873

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

21	Receivables subject to risk weighting of 35% or less	-	-	-	12,622,757	8,204,792
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	12,441,770	1,186,567	1,427,042	728,441	13,304,744
25	Assets equivalent to interconnected liabilities					
26	Other assets	66,354,390	43,173,831	565,542	53,922,088	81,643,882
27	Commodities with physical delivery including gold	9,843,761				8,367,197
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,435,807	1,435,807
30	Derivative liabilities before deduction of variation margin				15,330,249	15,330,249
31	Other assets not included above	56,510,629	26,407,775	565,542	53,922,088	56,510,629
32	Off-balance sheet payables		57,577,781	-	-	2,878,888
33	<b>Required Stable Funding</b>					<b>330,282,137</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>162.91</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**6. Explanations on leverage ratio**

**6.1 Disclosure of leverage ratio template**

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

On-balance sheet assets (*)		Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	893,103,141	674,692,435
2	(Assets deducted in determining Tier I Capital)	(10,991,117)	(3,008,630)
3	Total on-balance sheet risks (sum of lines 1 and 2)	882,112,024	671,683,805
<b>Derivative financial instruments and credit derivatives</b>			
4	Replacement cost associated with all derivative instruments and credit derivatives	1,673,693	1,349,129
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	1,271,782	766,290
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	2,945,475	2,115,419
<b>Securities or commodity financing transactions (SCFT)</b>			
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
<b>Other off-balance sheet transactions</b>			
10	Gross notional amounts of off-balance sheet transactions	377,308,698	160,898,517
11	(Adjustments for conversion to credit equivalent amounts)	(153,868,221)	(49,665,843)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	223,440,477	111,232,674
<b>Capital and total risks</b>			
13	Tier I Capital	85,072,097	55,252,431
14	Total risks (sum of lines 3, 6, 9 and 12)	1,106,156,930	804,281,748
<b>Leverage ratio</b>			
15	Leverage ratio	7.68	6.87

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

As of the Group’s consolidated balance sheet date, the leverage ratio calculated based on the arithmetic average of the values found at the end of the month in the previous three months was 7.68% (31 December 2023 - 6.87%). The main reason for the change compared to the previous period is that the increase in capital, on-balance sheet assets and derivative financial assets and credit derivatives items is higher than other items. Accordingly, capital increased by 54% from profit for the period, while on-balance sheet risk increased by 31%, off-balance sheet items increased by 101%. Accordingly, there is an increase of 81 basis points in the leverage ratio in the current period compared to the previous period.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Fair Value</b>				
Banks	39,326,583	24,425,952	39,326,583	24,425,952
Financial Assets at Fair Value Through Other Comprehensive Income	67,659,318	56,633,598	67,659,318	56,633,598
Financial Assets Valued at Amortized Cost	58,614,422	59,926,297	53,811,274	54,394,312
Loans and Lease Receivables	450,354,794	349,322,709	453,700,836	343,873,702
<b>Financial liabilities</b>				
Current account and funds collected from banks via participation accounts.	3,193,106	2,544,620	3,193,106	2,544,620
Other current and profit-sharing accounts	601,207,581	515,591,825	601,207,581	515,591,825
Money market borrowings	17,856,858	4,487,806	17,379,250	4,393,719
Funds provided from other financial institutions	136,728,580	82,404,937	137,305,735	82,639,559
Issued securities	1,000,923	3,380,842	881,002	3,640,589
Other Liabilities	15,556,028	8,167,691	15,556,028	8,167,691
Leasing payables	1,581,815	940,433	1,581,815	940,433

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

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

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

**9. Explanations on hedge accounting practices**

None (31 December 2023 – None).

**10. Explanations on consolidated risk management**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**10.1. Explanations on Risk Management and Risk Weighted Amounts**

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

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

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

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

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

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

**10.1.2. GB1 Overview of risk weighted amounts**

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 31/12/2024	Prior Period 31/12/2023	Current Period 31/12/2024
1	Credit risk (excluding counterparty credit risk)	314,015,642	195,942,806	25,121,251
2	Standardised approach	314,015,642	195,942,806	25,121,251
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1,604,870	1,066,362	128,390
5	Standardised approach for counterparty credit risk	1,604,870	1,066,362	128,390
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% risk weighting Approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	37,557,629	49,645,053	3,004,610
17	Standardised approach	37,557,629	49,645,053	3,004,610
18	Internal model approaches	-	-	-
19	Operational risk	67,181,406	35,732,342	5,374,512
20	Basic indicator approach	67,181,406	35,732,342	5,374,512
21	Standardised approach			
22	Advanced measurement approach			
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)			
24	Floor adjustment			
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>420,359,547</b>	<b>282,386,563</b>	<b>33,628,763</b>

# KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

## EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

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

Current Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards					
		Carrying values in legal consolidation prepared as per TAS	Credit Risk	Counterparty Credit Risk	Securitization Positions	Market Risk	No subject to capital requirements or subject to dedication from capital
<b>Assets</b>							
Cash and Balances with Central Bank of Türkiye	226,700,364	226,700,364	226,700,364	-	-	-	-
Banks	39,326,583	39,326,583	39,326,583	-	-	-	-
Receivables From Money Markets	7,241,952	7,241,952	7,241,952	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	24,927,386	24,927,386	-	-	-	24,927,386	-
Financial Assets at Fair Value Through OCI	67,659,318	67,659,318	67,659,318	-	-	-	-
Financial Assets Measured at Amortized Cost	58,614,422	58,614,422	58,614,422	-	-	-	-
Derivative Financial Assets	1,697,840	1,697,840	-	1,697,840	-	-	-
Expected Loss Provisions (-)	13,142,003	13,142,003	6,058,102	-	-	-	7,083,901
Loans	407,437,025	407,437,025	409,868,243	-	-	-	-
Lease Receivables	50,506,622	50,506,622	50,506,622	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Property And Equipment Held for Sale Purpose and Related to Discontinued Operations (Net)	522,743	522,743	522,743	-	-	-	-
Subsidiaries	123,680	123,680	123,680	-	-	-	-
Jointly Controlled Entities (Joint Ventures) (Net)	655,380	655,380	655,380	-	-	-	-
Tangible Assets (Net)	5,603,729	5,603,729	5,603,729	-	-	-	429,260
Intangible Assets (Net)	2,857,318	2,857,318	2,857,318	-	-	-	2,758,041
Investment Properties (Net)	317,050	317,050	317,050	-	-	-	-
Current Tax Asset	-	-	-	-	-	-	-
Deferred Tax Asset	8,456,578	8,456,578	8,456,578	-	-	-	-
Other Assets	13,342,934	13,342,934	13,342,934	-	-	-	-
<b>Total Assets</b>	<b>902,848,921</b>	<b>902,848,921</b>	<b>885,738,814</b>	<b>1,697,840</b>	<b>-</b>	<b>24,927,386</b>	<b>(3,896,600)</b>
<b>Liabilities</b>							
Funds Collected	604,400,687	604,400,687	-	-	-	-	604,400,687
Borrowings	122,542,295	122,542,295	-	-	-	-	122,542,295
Debt to money markets	17,856,858	17,856,858	-	17,856,858	-	-	-
Securities Issued (Net)	1,000,923	1,000,923	-	-	-	-	1,000,923
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	2,772,509	2,772,509	-	-	-	-	2,772,509
Lease Payables	1,581,815	1,581,815	-	-	-	-	1,581,815
Provisions	27,041,440	27,041,440	-	-	-	-	27,041,440
Current Tax Liabilities	6,051,257	6,051,257	-	-	-	-	6,051,257
Deferred Tax Liabilities	-	-	-	-	-	-	-
Subordinated Debt Instruments	14,186,285	14,186,285	-	-	-	-	14,186,285
Other Liabilities	15,556,028	15,556,028	-	-	-	-	15,556,028
Equity	89,858,824	89,858,824	-	-	-	-	89,858,824
<b>Total Liabilities</b>	<b>902,848,921</b>	<b>902,848,921</b>	<b>-</b>	<b>17,856,858</b>	<b>-</b>	<b>-</b>	<b>884,992,063</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1- Carrying Value of Assets in Accordance with TAS (as in template 1B)	902,848,921	885,738,814	-	1,697,840	24,927,386
2- Carrying Value of Liabilities in Accordance with TAS (as in template 1B)	-	-	-	17,856,858	-
3- Total net amount	902,848,921	885,738,814	-	19,554,698	24,927,386
4- Off-balance sheet amounts	564,565,745	55,223,253	-	-	349,773,397
5- Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7- Differences due to consideration of provisions	-	-	-	-	-
8- Differences due to prudential filters	-	(240,321,511)	-	-	-
<b>9-Risk Amounts</b>	<b>1,467,414,666</b>	<b>700,640,556</b>	<b>-</b>	<b>19,554,698</b>	<b>374,700,783</b>

**10.2. General qualitative information on credit risk**

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

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

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

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

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

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

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

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

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

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

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

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

**Credit quality of assets**

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

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

Prior Period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	4,243,257	350,712,100	3,449,063	351,506,293
2	Debt securities	-	119,692,745	3,132,851	116,559,895
3	Off-balance sheet exposures (*)	576,685	107,556,134	569,527	107,563,293
4	<b>Total</b>	<b>4,819,942</b>	<b>577,960,979</b>	<b>7,151,441</b>	<b>575,629,481</b>

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

**Changes in stock of defaulted loans and debt securities**

		Current Period	Prior Period
1	Defaulted loans and debt securities at end of the previous reporting period	4,243,257	3,272,778
2	Loans and debt securities that have been defaulted since the last reporting period	6,657,512	2,705,957
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	1,395,403	589,586
5	Other changes	(1,916,513)	(1,145,892)
6	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>7,588,853</b>	<b>4,243,257</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**  
*(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

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

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

All loans that have completed the delay process determined in accordance with the legal regulations within the relevant month in the Parent Bank are automatically taken into follow-up accounts and are subject to special provision. In very exceptional cases and due to a court decision, the delay process is stopped, and the Bank's loan amount in this context is insignificant as of 31 December 2023.

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

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

**10.6.4. Definition of restructured receivables**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

Distribution of cash receivables by sectors is as follows:

<b>Sector</b>	<b>Current Period – Cash Loan Amount</b>	<b>Prior Period – Cash Loan Amount</b>
Textile	48,210,259	37,917,166
Construction - Commitment	42,795,785	34,978,495
Food and Beverage	38,976,900	28,572,325
Individual Loans	39,215,594	28,121,592
Metal Industry	30,617,054	22,487,382
Automotive	25,702,469	20,319,985
Construction (Build-and-sell)	15,991,791	15,321,711
Energy	16,061,842	15,848,202
Chemistry	24,417,060	15,236,492
Transportation & Warehouse	24,794,858	15,175,155
Machinery Equipment	17,605,375	13,312,913
Construction Equipment	18,980,578	12,836,928
Manufacturing	16,292,590	13,190,883
Wholesale and Retail Trade	17,417,505	12,491,649
Services	9,834,337	8,440,834
Technology-Electronics	11,024,231	9,062,988
Car Rental	11,669,430	8,859,582
Financial Services	15,175,980	13,397,229
Agriculture and Livestock	8,035,681	5,852,347
Tourism	4,456,736	3,204,606
Health	8,799,267	6,767,178
Public	130,777	1,996,798
Furniture	4,174,169	3,579,372
Real Estate and Brokerage	3,724,817	3,020,876
Mining	3,242,883	3,005,075
Education	690,679	568,203
<b>Total</b>	<b>458,038,647</b>	<b>353,565,966</b>

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

<b>Region</b>	<b>Current Period – Cash Loan Amount</b>	<b>Prior Period – Cash Loan Amount</b>
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
İç Anadolu Region	68,731,353	57,662,751
Karadeniz Region	15,167,777	10,841,446
Marmara Region	244,795,016	185,451,538
Foreign	26,762,476	25,728,752
<b>Total</b>	<b>458,038,647</b>	<b>353,565,966</b>

The maturity distribution of cash receivables is as follows:

<b>Maturity Distribution</b>	<b>Current Period – Cash Loan Amount</b>	<b>Prior Period – Cash Loan Amount</b>
Up to 1 year	262,954,783	222,427,963
1-3 years	126,248,129	74,998,893
3-5 years	34,551,374	26,210,120
5 years and more	25,813,493	26,023,702
Delayed	8,470,868	3,905,288
<b>Total</b>	<b>458,038,647</b>	<b>353,565,966</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

Prior Period - Sector	Non-Performing Loans	Provisions	Write-Offs
<b>Agriculture</b>	<b>21,676</b>	<b>20,819</b>	<b>781</b>
Farming and Stockbreeding	10,757	10,149	644
Forestry	10,576	10,400	137
Fishery	343	270	-
<b>Manufacturing</b>	<b>593,255</b>	<b>545,908</b>	<b>105,939</b>
Mining and Quarrying	25,762	24,198	37,669
Production	560,933	515,338	68,246
Electricity, Gas and Water	6,560	6,372	24
<b>Construction</b>	<b>1,742,922</b>	<b>1,118,832</b>	<b>82,957</b>
<b>Services</b>	<b>1,648,945</b>	<b>1,558,829</b>	<b>337,673</b>
Wholesale and Retail Trade	991,125	944,281	321,525
Accommodation and Dining	388,577	358,318	187
Transportation and Telecommunication	91,870	90,548	12,977
Financial Institutions	14,717	13,984	-
Real Estate and Rental Services	69,910	68,909	1,104
Professional Services	-	-	-
Educational Services	9,718	9,718	274
Health and Social Services	83,028	73,071	1,606
<b>Other</b>	<b>236,459</b>	<b>204,675</b>	<b>62,236</b>
<b>Total</b>	<b>4,243,257</b>	<b>3,449,063</b>	<b>589,586</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Current Period - Geographic Region	Non-performing loans	Provisions	Write-Offs
Marmara Region	4,037,752	3,212,153	922,529
Güneydogu Anadolu Region	457,459	418,342	88,807
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	550,291	80,158	3439
<b>Total</b>	<b>7,588,853</b>	<b>6,058,102</b>	<b>1,395,403</b>

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	640,741	6,391	76,775
<b>Total</b>	<b>4,243,257</b>	<b>3,449,063</b>	<b>589,586</b>

**10.6.7. Aging analysis for non-performing loans**

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

Prior Period	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and Over
Corporate and Commercial Loans	236,699	1,068,904	581,935	1,930,478	209,118
Retail Loans	10,449	46,084	8,081	5,359	33,916
Credit cards	36,654	37,417	31,776	4,798	1,589
Other	-	-	-	-	-
<b>Total</b>	<b>283,802</b>	<b>1,152,405</b>	<b>621,792</b>	<b>1,940,635</b>	<b>244,623</b>

**10.6.8. Breakdown of Restructured receivables according to their provisions**

Restriction Status	Current Period - Risk	Prior Period - Risk
Performing	5,362,768	3,830,770
Non-Performing	2,463	1,364,395
<b>Total</b>	<b>5,365,231</b>	<b>5,195,165</b>

**10.7. Credit Risk Mitigation**

**10.7.1 Qualitative information on Credit Risk Mitigation Techniques**

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**10.7.2 Credit risk mitigation techniques**

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

	<b>Prior Period</b>	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized number of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized number of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	188,938,284	150,199,791	39,456,429	12,368,218	10,115,540	-	-
2	Debt securities	116,559,895	-	-	-	-	-	-
3	<b>Total</b>	<b>305,498,179</b>	<b>150,199,791</b>	<b>39,456,429</b>	<b>12,368,218</b>	<b>10,115,540</b>	-	-
4	Overdue	699,670	86,305	2,545	8,218	3,684	-	-

**10.8. Explanations on Counterparty Credit Risk (CCR)**

**10.8.1. Risk management objectives and policies for CCR**

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

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

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

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

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

**10.8.4. Rules with respect to wrong-way risk**

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**10.8.6. Counterparty credit risk (CCR) approach analysis**

	Current Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives) (*)	696,818	1,404,555		1.4	2,941,922	1,534,683
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions						
6	<b>Total</b>						<b>1,534,683</b>

	Prior Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives) (*)	1,163,179	707,853		1.4	2,619,445	947,393
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions						
6	<b>Total</b>						<b>947,393</b>

**10.8.7. Capital requirement for credit valuation adjustment (CVA)**

	Current Period		Prior Period	
	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts
Total portfolios subject to the Advanced CVA capital obligation				
1 (i) VaR component (including the 3*multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardized CVA capital obligation	2,941,922	70,187	2,619,445	118,968
4 <b>Total subject to the CVA capital obligation</b>	<b>2,941,922</b>	<b>70,187</b>	<b>2,619,445</b>	<b>118,968</b>



# KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

## EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

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

### 10.8.8.CCR exposures by risk class and risk weights

Current Period - Risk Classes / Risk Weights *		0%	10%	20%	50%	75%	100%	150%	200%	Others**	Total credit risk *
1	Receivables from central governments and Central Banks	23,364,069	-	-	-	-	-	-	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	1,345,550	476,374	-	387,591	-	-	-	894,888
7	Receivables from corporate	-	-	-	-	-	626,130	-	-	-	626,130
8	Retail receivables	-	-	-	-	18,220	-	-	-	-	13,665
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	<b>Total</b>	<b>23,364,069</b>	<b>-</b>	<b>1,345,550</b>	<b>476,374</b>	<b>18,220</b>	<b>1,013,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,534,683</b>

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

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

Prior Period - Risk Classes / Risk Weights *		0%	10%	20%	50%	75%	100%	150%	200%	Others**	Total credit risk *
1	Receivables from central governments and Central Banks	2,731,072	-	-	-	-	-	-	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	772,214	621,607	-	339,927	-	-	-	805,173
7	Receivables from corporate	-	-	-	-	-	120,234	-	-	-	120,234
8	Retail receivables	-	-	-	-	29,315	-	-	-	-	21,986
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	<b>Total</b>	<b>2,731,072</b>	<b>-</b>	<b>772,214</b>	<b>621,607</b>	<b>29,315</b>	<b>460,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>947,393</b>

(\*) 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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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**11. Securitization positions**

None.

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

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

**13. Qualitative explanations on market risk**

**13.1. Group's processes and strategies:**

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

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

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

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

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

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

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

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

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

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

Definition of the market risk management structure established for the implementation of the Parent Bank's strategies and processes and the communication mechanism and relationship between the different parties involved in market risk management, as described in paragraph 1 of 12.1.

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

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

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

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

The details of the market risk calculated as of 31 December 2024 and 31 December 2023 in accordance with the principles in the third part of the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette numbered 29511 and dated 23 October 2015 are as follows:

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**13.4. Market risk under standardised approach**

		Risk Weighted Amounts	
		Current Period	Prior Period
	<b>Outright products</b>	<b>37,557,629</b>	<b>49,645,053</b>
1	Profit share risk (general and specific)	19,121,086	39,246,237
2	Equity risk (general and specific)	2,716,848	3,006,225
3	Foreign exchange risk	5,570,747	2,044,812
4	Commodity risk	10,148,948	5,347,779
	<b>Options</b>	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	<b>Securitization</b>	-	-
9	<b>Total</b>	<b>37,557,629</b>	<b>49,645,053</b>

**13.5. Explanations on Operational Risk**

"Basic Indicator Method" is used in operational risk calculation of the Group. The sum that is the basis for the operational risk is calculated by the use of the gross revenues of the Group for the last 3 years 2023, 2022 and 2021 in compliance with "Third Section "Calculation of the Operational Risk" of The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Group published in the Official Gazette numbered 29111 and dated 6 September 2014. The annual gross revenue is calculated by addition of the net fees and commission revenues, dividend income obtained other than subsidiaries and affiliates, the trading gain/loss(net) and other operating income to the net profit share income and by deduction of the gain/loss from the sale of the assets accounted other than the trading book, extraordinary income, the operational expenses for the support services taken from the main shareholder of the Parent Bank, subsidiary of the Parent Bank or subsidiary of the shareholder of the Parent Bank performing the calculation or the institutions which are subject to the relevant Regulation or the equivalent arrangements and the operational expenses for the support service taken from a bank and the amounts compensated from insurance. TL 8,636,058 corresponding to the 8% of TL 107,950,729 used in the calculation of the operational risk within the scope of "Capital adequacy standard rate" indicated in the disclosure I of this section, represents the operational risk which might be exposed to. TL 8,636,058 also defines the minimum capital sum which is required in order to eliminate the mentioned risk.

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

Prior Period	31/12/2020 Amount	31/12/2021 Amount	31/12/2022 Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	8,744,165	13,151,292	35,276,289	19,057,249	15	2,858,587
Value at Operational Risk (Total*12.5)						35,732,342

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**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)
	<b>Total (For Negative Shocks)</b>		<b>4,221,064</b>	<b>%4.34</b>
	<b>Total (For Positive Shocks)</b>		<b>(4,268,510)</b>	<b>(%4.39)</b>

**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)
	<b>Total (For Negative Shocks)</b>		<b>3,041,325</b>	<b>%4.55</b>
	<b>Total (For Positive Shocks)</b>		<b>(2,839,374)</b>	<b>(%4.25)</b>

**13.7. Risk management objectives and policies**

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**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:

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	12,751,087	13,874,139	-	26,625,226
Forward transactions	-	267,747	-	267,747
Swap transactions	-	1,430,093	-	1,430,093
Government debt securities	12,732,259	-	-	12,732,259
Other marketable securities	18,828	12,176,299	-	12,195,127
Financial assets at fair value through other comprehensive income	66,529,351	1,129,967	-	67,659,318
Equity securities	521,580	-	-	521,580
Government debt securities	66,007,771	-	-	66,007,771
Other marketable securities	-	1,129,967	-	1,129,967
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	-	2,772,509	-	2,772,509
Forward transactions	-	185,333	-	185,333
Swap transactions	-	2,587,176	-	2,587,176
Financial liabilities for hedging purposes	-	-	-	-
<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	44,121,499	9,850,617	-	53,972,116
Forward transactions	-	109,723	-	109,723
Swap transactions	-	1,763,840	-	1,763,840
Government debt securities	32,858,825	-	-	32,858,825
Other marketable securities	11,262,674	7,977,054	-	19,239,728
Financial assets at fair value through other comprehensive income	56,255,694	377,904	-	56,633,598
Equity securities	349,468	-	-	349,468
Government debt securities	55,906,226	-	-	55,906,226
Other marketable securities	-	377,904	-	377,904
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	-	975,189	-	975,189
Forward transactions	-	84,667	-	84,667
Swap transactions	-	890,522	-	890,522
Financial liabilities for hedging purposes	-	-	-	-

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

---

**14. Explanations on consolidated business segments**

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

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

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

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**Selected balance sheet and income statement items according to segments**

<b>Current Period</b>		<b>Corporate and</b>	<b>Treasury and</b>		
<b>1 January 2024-31 December 2024</b>	<b>Retail</b>	<b>Commercial</b>	<b>international</b>	<b>Unallocated</b>	<b>Group's total</b>
	<b>Banking</b>	<b>Banking</b>	<b>Banking</b>		<b>operation</b>
Operating income	98,522,913	70,990,857	14,790,840	-	184,304,610
Operating expenses (-)	51,274,603	26,914,149	21,314,207	35,707,324	135,210,283
Transfers between segments	47,198,583	(21,574,525)	(25,624,058)	-	-
<b>Net operating income / loss</b>	<b>94,446,893</b>	<b>22,502,183</b>	<b>(32,147,425)</b>	<b>(35,707,324)</b>	<b>49,094,327</b>
Income from associates using equity method	-	-	-	341,396	341,396
<b>Profit before tax</b>	<b>94,446,893</b>	<b>22,502,183</b>	<b>(32,147,425)</b>	<b>(35,365,928)</b>	<b>49,435,723</b>
Provision for Taxation (-)	-	-	-	12,342,274	12,342,274
<b>Net income for the period</b>	<b>94,446,893</b>	<b>22,502,183</b>	<b>(32,147,425)</b>	<b>(47,708,202)</b>	<b>37,093,449</b>
<b>Current Period</b>					
<b>31 December 2024</b>					
Segment assets	161,029,683	260,169,927	450,292,642	-	871,492,252
Associates, subsidiaries and joint ventures	-	-	-	779,060	779,060
Undistributed assets	-	-	-	30,577,609	30,577,609
<b>Total assets</b>	<b>161,029,683</b>	<b>260,169,927</b>	<b>450,292,642</b>	<b>31,356,669</b>	<b>902,848,921</b>
Segment liabilities	482,845,304	139,651,862	141,844,206	-	764,341,372
Undistributed liabilities	-	-	-	48,648,725	48,648,725
Shareholders' equity	-	-	-	89,858,824	89,858,824
<b>Total liabilities</b>	<b>482,845,304</b>	<b>139,651,862</b>	<b>141,844,206</b>	<b>138,507,549</b>	<b>902,848,921</b>
<b>Prior Period</b>					
<b>1 January 2023-31 December 2023</b>					
	<b>Retail</b>	<b>Corporate and</b>	<b>Treasury and</b>		<b>Group's total</b>
	<b>Banking</b>	<b>Commercial</b>	<b>international</b>	<b>Unallocated</b>	<b>operation</b>
		<b>Banking</b>	<b>Banking</b>		
Operating income	32,137,906	54,164,241	9,365,199	-	95,667,346
Operating expenses (-)	30,351,042	9,049,556	1,501,286	18,565,874	59,467,758
Transfers between segments	18,901,296	(12,543,958)	(6,357,338)	-	-
<b>Net operating income / loss</b>	<b>20,688,160</b>	<b>32,570,727</b>	<b>1,506,575</b>	<b>(18,565,874)</b>	<b>36,199,588</b>
Income from associates using equity method	-	-	-	170,647	170,647
<b>Profit before tax</b>	<b>20,688,160</b>	<b>32,570,727</b>	<b>1,506,575</b>	<b>(18,395,227)</b>	<b>36,370,235</b>
Provision for taxation (-)	-	-	-	7,524,365	7,524,365
<b>Net profit for the period</b>	<b>20,688,160</b>	<b>32,570,727</b>	<b>1,506,575</b>	<b>(25,919,592)</b>	<b>28,845,870</b>
<b>Prior Period</b>					
<b>31 December 2023</b>					
Segment assets	115,123,175	201,740,942	358,578,051	-	675,442,168
Associates, subsidiaries and joint ventures	-	-	-	437,664	437,664
Undistributed assets	-	-	-	15,977,605	15,977,605
<b>Total assets</b>	<b>115,123,175</b>	<b>201,740,942</b>	<b>358,578,051</b>	<b>16,415,269</b>	<b>691,857,437</b>
<b>Prior Period</b>					
<b>31 December 2023</b>					
Segment liabilities	404,578,910	121,945,506	83,801,236	-	610,325,652
Undistributed liabilities	-	-	-	28,558,705	28,558,705
Shareholders' equity	-	-	-	52,973,080	52,973,080
<b>Total liabilities</b>	<b>404,578,910</b>	<b>121,945,506</b>	<b>83,801,236</b>	<b>81,531,785</b>	<b>691,857,437</b>



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**SECTION FIVE**

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. Explanations and Notes Related to Consolidated Assets**

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

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

	Current period		Prior period	
	TL	FC	TL	FC
Cash/foreign currency	3,622,738	13,170,854	2,085,927	16,625,994
The Central Bank of Republic of Türkiye	55,920,535	141,876,397	27,619,499	91,480,001
Other (*)	173	12,109,667	31,270	6,344,071
<b>Total</b>	<b>59,543,446</b>	<b>167,156,918</b>	<b>29,736,696</b>	<b>114,450,066</b>

(\*) 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
<b>Total</b>	<b>55,920,535</b>	<b>141,876,397</b>	<b>27,619,499</b>	<b>91,480,001</b>

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

As of 31 December 2024, the Bank maintains reserve requirements for Turkish Lira participation funds and other liabilities at 3% to 17% (22% to 33% for accounts with currency hedging support), for foreign currency participation funds and other liabilities at 5% to 30%, and for precious metal deposit accounts at 22% to 26% depending on the maturity structure. The additional reserve requirement ratio for foreign currency participation funds (excluding participation funds of foreign banks and precious metal deposit accounts) is 4%.

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

As of 31 December 2024, financial assets at fair value through profit or loss are not subject to repurchase agreements (31 December 2023 - None), given as collateral or blocked amounting to TL 5,172,111 (31 December 2023 - TL 16,953,796).

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	164,392	103,355	66,811	42,912
Swap transactions	735,296	694,797	1,343,151	420,689
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>899,688</b>	<b>798,152</b>	<b>1,409,962</b>	<b>463,601</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.3 Information on Banks**

**1.3.1. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>12,418,838</b>	<b>26,907,745</b>	<b>7,076,730</b>	<b>17,349,222</b>
Domestic	12,418,838	685,247	7,076,730	501,313
Foreign	-	26,222,498	-	16,847,909
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
<b>Total</b>	<b>12,418,838</b>	<b>26,907,745</b>	<b>7,076,730</b>	<b>17,349,222</b>

**1.3.2. Information on foreign banks account**

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	10,132,752	2,394,601	-	-
USA and Canada	11,007,771	10,592,249	-	-
OECD Countries (*)	177,585	193,049	-	-
Off-shore Banking Regions	2,468	4,635	-	-
Other	4,901,922	3,663,375	-	-
<b>Total</b>	<b>26,222,498</b>	<b>16,847,909</b>	<b>-</b>	<b>-</b>

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

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

	Current Period	Prior Period
<b>Debt Securities</b>	<b>73,981,413</b>	<b>59,608,971</b>
Quoted on stock exchange	64,232,745	59,608,971
Not quoted on stock exchange	9,748,668	-
<b>Share certificates/Investment Funds</b>	<b>205,936</b>	<b>157,478</b>
Quoted on stock exchange	90,899	47,709
Not quoted on stock exchange	115,037	109,769
<b>Impairment provision (-)</b>	<b>6,528,031</b>	<b>3,132,851</b>
<b>Total</b>	<b>67,659,318</b>	<b>56,633,598</b>

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

As of the balance sheet date, there are financial assets given TL 22,504,948 (31 December 2023: TL 35,980,395) as collateral whose fair value difference is reflected to other comprehensive income.

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

As of the balance sheet date, there are financial assets subject to sale transactions with the promise of repurchase, of which TL 5,781,119 (31 December 2023 – TL 4,087,162) is reflected to other comprehensive income.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.5 Explanations on financial assets measured at amortized cost**

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans Granted to Shareholders</b>	<b>31,373</b>	<b>104,629</b>	<b>29,238</b>	<b>82,280</b>
Corporate Shareholders	2,080	104,169	2,156	82,059
Real Person Shareholders	29,293	460	27,082	221
<b>Indirect Loans Granted to Shareholders</b>	<b>1,117</b>	<b>3,505</b>	<b>2,974,543</b>	<b>20,322</b>
<b>Loans Granted to Employees</b>	<b>331,765</b>	<b>5,782</b>	<b>252,314</b>	<b>3,139</b>
<b>Total</b>	<b>364,255</b>	<b>113,916</b>	<b>3,256,095</b>	<b>105,741</b>

**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
<b>Loans</b>	<b>371,194,185</b>	<b>23,269,618</b>	<b>5,362,768</b>	-
Export Loans	56,243,452	1,030,894	-	-
Import Loans	18,028,033	340,620	-	-
Corporation Loans	176,498,998	15,321,535	3,504,424	-
Consumer Loans	27,478,870	1,074,654	3,265	-
Credit Cards	47,520,346	4,906,587	136,378	-
Loans given to financial sector	3,041,396	-	-	-
Other	42,383,090	595,328	1,718,701	-
<b>Other Receivables</b>	<b>3,296</b>	<b>18,305</b>	-	-
<b>Total</b>	<b>371,197,481</b>	<b>23,287,923</b>	<b>5,362,768</b>	-

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
<b>Loans</b>	<b>291,816,016</b>	<b>16,546,794</b>	<b>3,830,770</b>	-
Export Loans	34,576,357	935,578	-	-
Import Loans	11,094,258	417,052	-	-
Corporation Loans	156,928,551	11,566,810	3,316,711	-
Consumer Loans	23,311,975	558,973	2,513	-
Credit Cards	23,103,028	2,110,968	22,366	-
Loans given to financial sector	5,701,447	-	-	-
Other	37,100,400	957,413	489,180	-
<b>Other Receivables</b>	<b>839</b>	<b>8,507</b>	-	-
<b>Total</b>	<b>291,816,855</b>	<b>16,555,301</b>	<b>3,830,770</b>	-

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

	<b>Standard Loans Current Period</b>	<b>Loans Under Close Monitoring Current Period</b>	<b>Standard Loans Prior Period</b>	<b>Loans Under Close Monitoring Prior Period</b>
12 Month Expected Credit Losses	2,755,603	-	8,513,621	-
Expected Loss Provision for Other Financial Assets Measured at Amortized Cost	63,024	-	48,306	-
Significant Increase in Credit Risk	-	4,258,544	-	5,984,404
<b>Total</b>	<b>2,818,627</b>	<b>4,258,544</b>	<b>8,561,927</b>	<b>5,984,404</b>

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

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

		<b>Loans Under Close Monitoring</b>	
<b>Prior Period</b>	<b>Standard Loans</b>	<b>Not Subject to Restructuring</b>	<b>Restructured</b>
Short Term Loans	142,336,842	8,399,950	454,262
Medium- and Long-Term Loans	149,480,013	8,155,351	3,376,508
<b>Total</b>	<b>291,816,855</b>	<b>16,555,301</b>	<b>3,830,770</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

<b>Current Period</b>	<b>Short term</b>	<b>Medium and long term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1,852,591</b>	<b>19,262,736</b>	<b>21,115,327</b>
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
<b>Consumer Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>265,536</b>	<b>6,982,840</b>	<b>7,248,376</b>
Housing Loans	243,647	6,253,142	6,496,789
Vehicle Loans	19,000	636,839	655,839
Consumer Loans	2,889	92,859	95,748
Other	-	-	-
<b>Retail Credit Cards-TL</b>	<b>16,193,511</b>	<b>24</b>	<b>16,193,535</b>
With Installment	4,142,089	24	4,142,113
Without Installment	12,051,422	-	12,051,422
<b>Retail Credit Cards-FC</b>	<b>6,356</b>	<b>14,184</b>	<b>20,540</b>
With Installment	-	14,184	14,184
Without Installment	6,356	-	6,356
<b>Personnel Loans-TL</b>	<b>81,304</b>	<b>111,782</b>	<b>193,086</b>
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
<b>Personnel Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>159,943</b>	<b>2</b>	<b>159,945</b>
With Installment	66,931	2	66,933
Without Installment	93,012	-	93,012
<b>Personnel Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without-installment	-	-	-
<b>Overdraft Account-TL (Real Person)</b>	-	-	-
<b>Overdraft Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>18,559,241</b>	<b>26,371,568</b>	<b>44,930,809</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Prior Period	Short term	Medium and long term	Total
<b>Consumer Loans-TL</b>	<b>669,451</b>	<b>17,710,802</b>	<b>18,380,253</b>
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
<b>Consumer Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>21,116</b>	<b>5,312,504</b>	<b>5,333,620</b>
Housing Loans	10,655	4,733,512	4,744,167
Vehicle Loans	9,590	547,888	557,478
Consumer Loans	871	31,104	31,975
Other	-	-	-
<b>Retail Credit Cards-TL</b>	<b>7,873,652</b>	<b>24</b>	<b>7,873,676</b>
With Installment	2,429,914	24	2,429,938
Without Installment	5,443,738	-	5,443,738
<b>Retail Credit Cards-FC</b>	<b>4,724</b>	<b>13,339</b>	<b>18,063</b>
With Installment	-	13,339	13,339
Without Installment	4,724	-	4,724
<b>Personnel Loans-TL</b>	<b>21,406</b>	<b>138,182</b>	<b>159,588</b>
Housing Loans	172	9,686	9,858
Vehicle Loans	5,821	40,181	46,002
Consumer Loans	15,413	88,315	103,728
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>113,146</b>	<b>2</b>	<b>113,148</b>
With Installment	54,858	2	54,860
Without Installment	58,288	-	58,288
<b>Personnel Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without-installment	-	-	-
<b>Overdraft Account-TL (Real Person)</b>	-	-	-
<b>Overdraft Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>8,703,495</b>	<b>23,174,853</b>	<b>31,878,348</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.5.5 Information on commercial installment loans and corporate credit cards**

<b>Current Period</b>	<b>Short term</b>	<b>Medium and long term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>8,401,563</b>	<b>41,961,903</b>	<b>50,363,466</b>
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	-	-	-
<b>Commercial Installment Loans-FC Indexed</b>	<b>5,489</b>	<b>201,814</b>	<b>207,303</b>
Business Loans	5,489	-	5,489
Vehicle Loans	-	-	-
Consumer Loans	-	201,814	201,814
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>9,817,586</b>	<b>14,971,706</b>	<b>24,789,292</b>
Business Loans	798,879	2,421,123	3,220,002
Vehicle Loans	27,458	7,102,556	7,130,014
Consumer Loans	-	-	-
Other	8,991,249	5,448,027	14,439,276
<b>Corporate Credit Cards-TL</b>	<b>36,169,104</b>	<b>-</b>	<b>36,169,104</b>
With Installment	15,847,479	-	15,847,479
Without Installment	20,321,625	-	20,321,625
<b>Corporate Credit Cards-FC</b>	<b>12,226</b>	<b>7,961</b>	<b>20,187</b>
With Installment	-	-	-
Without Installment	12,226	7,961	20,187
<b>Overdraft Account-TL (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>54,405,968</b>	<b>57,143,384</b>	<b>111,549,352</b>

<b>Prior Period</b>	<b>Short term</b>	<b>Medium and long term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>5,777,427</b>	<b>23,559,600</b>	<b>29,337,027</b>
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	-	-	-
<b>Commercial Installment Loans-FC Indexed</b>	<b>11,945</b>	<b>382,169</b>	<b>394,114</b>
Business Loans	11,945	-	11,945
Vehicle Loans	-	-	-
Consumer Loans	-	382,169	382,169
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>6,877,531</b>	<b>10,668,801</b>	<b>17,546,332</b>
Business Loans	946,141	1,000,253	1,946,394
Vehicle Loans	10,293	3,168,476	3,178,769
Consumer Loans	-	-	-
Other	5,921,097	6,500,072	12,421,169
<b>Corporate Credit Cards-TL</b>	<b>17,192,639</b>	<b>-</b>	<b>17,192,639</b>
With Installment	8,974,843	-	8,974,843
Without Installment	8,217,796	-	8,217,796
<b>Corporate Credit Cards-FC</b>	<b>3,932</b>	<b>34,904</b>	<b>38,836</b>
With Installment	-	-	-
Without Installment	3,932	34,904	38,836
<b>Overdraft Account-TL (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29,863,474</b>	<b>34,645,474</b>	<b>64,508,948</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.5.6. Allocation of loans by customers**

	<b>Current period</b>	<b>Prior period</b>
Public	886,721	898,560
Private	398,961,451	311,304,366
<b>Total</b>	<b>399,848,172</b>	<b>312,202,926</b>

**1.5.7 Breakdown of domestic and foreign loans**

	<b>Current period</b>	<b>Prior period</b>
Domestic loans	369,357,118	285,085,242
Foreign loans	30,491,054	27,117,684
<b>Total</b>	<b>399,848,172</b>	<b>312,202,926</b>

**1.5.8 Loans granted to subsidiaries and associates**

	<b>Current period</b>	<b>Prior period</b>
Loans granted directly to subsidiaries and associates	535	365
Loans granted indirectly to subsidiaries and associates	-	-
<b>Total</b>	<b>535</b>	<b>365</b>

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

	<b>Current period</b>	<b>Prior period</b>
Loans and receivables with limited collectability	1,226,617	171,505
Loans and receivables with doubtful collectability	1,389,668	373,506
Uncollectible loans and receivables	3,441,817	2,904,052
<b>Total</b>	<b>6,058,102</b>	<b>3,449,063</b>

**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**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and</b>	<b>Loans and</b>	
	<b>Receivables with</b>	<b>Receivables with</b>	
	<b>Limited</b>	<b>Doubtful</b>	
	<b>Collectability</b>	<b>Collectability</b>	<b>Uncollectible Loans</b>
			<b>and Receivables</b>
<b>Current Period</b>			
Gross Amount Before Specific Provisions	-	-	2,463
Restructured Loans	-	-	2,463
<b>Prior Period</b>			
Gross Amount Before Specific Provisions	-	619,804	744,591
Restructured Loans	-	619,804	744,591



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

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

	Group III	Group IV	Group V
Prior Period	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Ending balance of prior period 31.12.2022</b>	<b>148,232</b>	<b>304,294</b>	<b>2,820,252</b>
Additions in the current period (+)	772,410	720,433	1,213,113
Transfers from other categories of non-performing loans (+)	-	635,878	498,827
Transfers to other categories of non-performing loans (-)	635,878	498,827	-
Collections in the current period (-)	28,411	115,010	1,002,470
Write offs (-) (*)	-	-	589,586
<b>Sold Portfolio (-)</b>	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Ending balance of the current period</b>	<b>256,353</b>	<b>1,046,768</b>	<b>2,940,136</b>
Specific provisions (-)	171,505	373,506	2,904,052
<b>Net balance at the balance sheet</b>	<b>84,848</b>	<b>673,262</b>	<b>36,084</b>

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

	Group III	Group IV	Group V
<b>Current Period</b>			
Ending balance of the current period	192,488	101,989	1,066,944
Provision amount (-)	155,532	75,090	567,232
<b>Net balance at the balance sheet</b>	<b>36,956</b>	<b>26,899</b>	<b>499,712</b>
<b>Prior Period</b>			
Ending balance of the current period	34,445	696,115	883,669
Provision amount (-)	19,148	61,913	874,815
<b>Net balance at the balance sheet</b>	<b>15,297</b>	<b>634,202</b>	<b>8,854</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current period (Net)</b>	<b>501,077</b>	<b>295,587</b>	<b>734,087</b>
Loans granted to real persons and legal entities (Gross)	1,727,694	1,685,255	4,175,904
Specific provision (-)	1,226,617	1,389,668	3,441,817
<b>Loans to real persons and legal entities (Net)</b>	<b>501,077</b>	<b>295,587</b>	<b>734,087</b>
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
<b>Prior period (net)</b>	<b>84,848</b>	<b>673,262</b>	<b>36,083</b>
Loans to real persons and legal entities (Gross)	256,353	1,046,768	2,940,136
Specific provision (-)	171,505	373,506	2,904,053
<b>Loans to real persons and legal entities (Net)</b>	<b>84,848</b>	<b>673,262</b>	<b>36,083</b>
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

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

**1.5.10.5.** Aging analysis of past due but not impaired financial assets per classes of financial instruments is as follows

Current period	Less than 30 days	31-60 days	More than 61 days	Total
Loans and Receivables				
Corporate Loans	18,983,004	722,696	1,253,521	20,959,221
Retail Loans	725,229	53,036	24,233	802,498
Credit Cards	4,561,593	342,209	138,846	5,042,648
<b>Total</b>	<b>24,269,826</b>	<b>1,117,941</b>	<b>1,416,600</b>	<b>26,804,367</b>
<b>Prior Period</b>	<b>Less than 30 days</b>	<b>31-60 days</b>	<b>More than 61 days</b>	<b>Total</b>
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
<b>Total</b>	<b>17,662,891</b>	<b>1,388,228</b>	<b>383,815</b>	<b>19,434,934</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

The Parent Bank	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Prior Period (Net)</b>	<b>1,890</b>	<b>2,924</b>	<b>2,171</b>
Profit share accruals, rediscount and valuation differences	6,698	17,502	324,809
Provision (-)	4,808	14,578	322,638

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

Loans and other receivables, which were deemed uncollectible according to the “Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans” published in the Official Gazette No. 26333 dated 1 November 2006 and for which a full impairment provision has been made, are written off as per the decision of the Bank top management. Within 2023, non-performing loans amounting to TL 1,395,403 have been written-off (31 December 2023 – TL 589,586).

**1.5.11.** Information on the write-off policy

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

**1.6 Information on other financial assets measured at amortized cost**

**1.6.1 Information on other financial assets measured at amortized cost**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>58,614,422</b>	<b>59,926,297</b>
Quoted on a Stock Exchange	58,128,941	59,412,995
Not Quoted	485,481	513,302
<b>Total</b>	<b>58,614,422</b>	<b>59,926,297</b>

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

	Current Period	Prior Period
<b>Opening Balance</b>	<b>59,926,297</b>	<b>22,678,201</b>
Foreign Exchange Gain/Loss	4,330,509	8,963,021
Purchases During the Year	2,077,703	28,906,133
Disposals Through Sales and Redemptions	1,408,001	621,058
Transfers	(6,325,000)	-
Income Accruals and Rediscounts	12,914	-
<b>Total</b>	<b>58,614,422</b>	<b>59,926,297</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.7 Information on investment in associates (Net)**

**1.7.1** The 1.49% ownership of the shares of Kredi Garanti Fonu A.Ş. amounting to TL 4,897 (31 December 2023 – TL 4,897), ownership of the shares of Katılım Finans Kefalet A.Ş amounting to TL 67,500, which corresponds to 15% in (31 December 2023 – TL 22,500), Swift shares amounting to TL 8,713 (31 December 2023 – TL 7,732) and 0.0035% ownership of the shares traded in Borsa İstanbul A.Ş amounting to TL 15 (31 December 2023 – TL 15), 2.86% ownership of the shares of JCR Avrasya Derecelendirme A.Ş. amounting to TL 2,755 (31 December 2023 – TL 2,755), the 0.82% ownership of the shares of İhracatı Geliştirme A.Ş. amounting to TL 30,420 (31 December 2023 – TL 30,420), VISA shares amounting to TL 374,140 (31 December 2023 – TL 266,071) are classified as financial assets at fair value through other comprehensive income since the Parent Bank’s ownership in these entities is less than 10% and the Parent Bank does not have a significant influence on these entities.

**1.7.2** Information about investments in unconsolidated associates: None (31 December 2023 – None).

**1.7.3** Information related to consolidated associates: None (31 December 2023 – None).

**1.8 Information on subsidiaries (Net)**

**1.8.1** Although the Bank has control power over the management and capital of its non-financial subsidiaries, Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San. Ve Tic. A.Ş and 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.

**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 listed above

	Total assets	Equity	Total fixed assets	Profit share income	Income from marketable securities	Current period profit/loss	Prior period profit /loss	Fair value
1(*)	30,756,109	5,828,991	355,477	1,039,902	92,684	(123,180)	73,182	-
2 (***)	26,129,379	4,316,913	583,414	4,925,719	3,673,241	1,107,496	432,619	-
3	598,785	1,014	-	-	-	394	111	-
4	404,425	1,187	-	-	-	312	130	-
5	1,036,549	870,913	30,404	-	-	589,960	167,591	-
6	521,718	339,816	10,574	32,426	17,643	115,561	194,030	-
7(**)	1,056,713	835,248	91,030	61,190	60,837,329	319,563	143,266	-
8(**)	295,865	214,065	617	-	-	35,270	47,490	-
9	744,945	402,785	24,042	83,757	-	(54,863)	6,103	-
10	200,000	200,000	-	-	-	-	-	-

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

(\*\*) These are the amounts in the statutory financial statements dated 31 December 2024, issued in accordance with the Turkish Commercial Code.

(\*\*\*) According to Article 10 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance and Reinsurance and Pension Companies, Neova Katılım Sigorta A.Ş. calculates the minimum required equity capital twice a year, in June and December, and on 31 December 2024, the capital deficit was TL 738,368 (31 December 2023: Capital deficiency was TL 251,493). The shareholder of Neova Katılım Sigorta A.Ş. has the financial power and management understanding to eliminate all kinds of risks that may arise financially.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Information on the investment funds that were consolidated according to the full consolidation method with the Parent Bank as of 31 December 2024

	<b>Title</b>	<b>The Parent Bank's share ratio (%)</b>	<b>Group's share ratio (%)</b>	<b>Net Asset Value</b>
1	Kuveyt Türk Portföy Kuveyt Türk Yabancı Katılım Serbest Özel Fon	100	100	918
2	Kuveyt Türk Portföy Birinci Katılım Serbest (TL) Fon	100	100	12,743,479
3	Kuveyt Türk Portföy Birinci Katılım Serbest (Döviz-Avro) Özel Fon	100	100	3,015
4	Kuveyt Türk Portföy Yönetimi A.Ş. Kobi Girişim Sermayesi Yatırım Fonu	100	100	452,349
5	Kuveyt Türk Portföy Yönetimi A.Ş. Lonca Girişim Sermayesi Yatırım Fonu	100	100	294,981
6	Kuveyt Türk Portföy Neova Katılım Serbest Özel (TL) Fon	100	100	296,758
7	Kuveyt Türk Portföy Yönetimi A.Ş. Neova Katılım Sigorta Özel Girişim Sermayesi Yatırım Fonu	-	100	10,508
8	Kuveyt Türk Portföy NKS Katılım Serbest(TL) Özel Fon	-	100	2,558,890
9	Kuveyt Türk Portföy Birinci Katılım Serbest(Döviz-Abd Doları) Özel Fon	-	100	1,265
10	Kuveyt Türk Portföy NKV Kısa Vadeli Katılım Serbest Özel Fon	-	100	4,121,659

Movement regarding the subsidiaries

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the beginning of the year</b>	<b>123,680</b>	<b>23,680</b>
<b>Movements during the year</b>	<b>-</b>	<b>100,000</b>
Purchases (*)	-	100,000
Transfers from subsidiaries (net)	-	-
Bonus shares	-	-
Dividends from current year income	-	-
Sales	-	-
Revaluation increase	-	-
Impairment	-	-
Capital commitment payments	-	-
<b>Balance at the end of the year</b>	<b>123,680</b>	<b>123,680</b>
Capital commitments	22,500	67,500
Share percentage at the end of the year (%)	-	-

(\*) On 21 November 2024, the Parent Bank established the subsidiary Sağlam Finansal Teknolojiler A.Ş. with a capital of TL 200,000,000 (full amount).

Sectoral information on consolidated subsidiaries and the related carrying amounts

	<b>Current Period</b>	<b>Prior Period</b>
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
<b>Total</b>	<b>3,998,532</b>	<b>3,069,245</b>

Subsidiaries that are quoted on the stock exchange

	<b>Current Period</b>	<b>Prior Period</b>
Quoted in Domestic Stock Exchange	52,706	53,418
Quoted in Foreign Stock Exchange	-	-
<b>Total</b>	<b>52,706</b>	<b>53,418</b>

### 1.8.3 Information on capital adequacies of major subsidiaries

The Partner Bank's equity of KT Bank AG, the bank's subsidiary in Germany, calculated as of 31 December 2024, is EUR 159,110,961 (Full EUR amount) and the capital adequacy ratio is 25.8%.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

	Bank's share percentage	Total assets	Equity	Total fixed assets	Current period profit/loss	Prior period profit /loss
Katılım Emeklilik ve Hayat A.Ş. (*)	50%	36,535,954	1,277,663	132,284	686,249	341,295

- (\*) In accordance with decision of the Bank's Board of Directors on 25 April 2013, Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. decided to establish the Pension Company in line with main shares. The Parent Bank decided to establish that pension company with the equal share amounts with Albaraka Türk Katılım Bankası A.Ş., and that pension company is registered with the trade name "Katılım Emeklilik ve Hayat Anonim Şirketi", 895027 registry numbered dated 17 December 2013 by 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
<b>Total</b>	<b>60,603,677</b>	<b>50,506,622</b>	<b>46,572,615</b>	<b>37,119,783</b>

**1.10.2 Net investments in finance leases**

	Current Period	Prior Period
Gross Receivable from Finance Leases	60,603,677	46,572,615
Unearned Finance Lease Income (-)	10,097,055	9,452,832
Unearned Finance Lease Income (-)	-	-
<b>Net Leasing Investment</b>	<b>50,506,622</b>	<b>37,119,783</b>

**1.10.3 Information on finance lease contracts**

The Parent Bank determines the settlements of the financial lease agreements in accordance with related legislations. Payment terms and amounts may be rearranged with additional agreements upon customers' requests. On the agreements, the Parent Bank gives the customer the option to buy the related property. According to the Financial Lease Law, if a customer does not fulfil its obligations until 60 days, the Bank sends a notice to the customer and the Bank takes legal action against the customer if necessary. Non-performing finance lease receivables amounting to TL 652,739 are included in the non-performing loans in the balance sheet (31 December 2023 – TL 131,812).

**1.11 Information on derivative financial assets for hedging purposes**

None (31 December 2023 – None).

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.12. Information on tangible asset**

<b>Current Period</b>	<b>Buildings</b>	<b>Leased Tangible Assets</b>	<b>Vehicles</b>	<b>Other Tangible Assets</b>	<b>Total</b>
<b>Cost</b>					
Opening balance, 1 January 2024	939,496	1,735,564	843,374	1,258,318	4,776,752
Additions	295,900	1,420,121	388,921	1,063,468	3,168,410
Disposals	(7)	(297,298)	(71,776)	(19,102)	(388,183)
Transfers	(191)	-	-	-	(191)
Exchange rate differences	-	8,470	224	4,913	13,607
Impairment / cancellation	-	-	-	-	-
Ending balance, 31 December 2024	1,235,198	2,866,857	1,160,743	2,307,597	7,570,395
<b>Accumulated Depreciation (-)</b>					
Opening balance, 1 January 2024	64,057	589,656	172,909	417,888	1,244,510
Amortization cost	18,915	549,123	189,571	297,666	1,055,275
Disposals	-	(263,441)	(47,773)	(25,871)	(337,085)
Exchange rate differences	1,433	-	-	-	1,433
Transfers	-	2,258	94	181	2,533
Ending balance, 31 December 2024	84,405	877,596	314,801	689,864	1,966,666
<b>Cost at the end of period</b>	<b>1,235,198</b>	<b>2,866,857</b>	<b>1,160,743</b>	<b>2,307,597</b>	<b>7,570,395</b>
<b>Accumulated depreciation at the end of period (-)</b>	<b>84,405</b>	<b>877,596</b>	<b>314,801</b>	<b>689,864</b>	<b>1,966,666</b>
<b>Closing net book value</b>	<b>1,150,793</b>	<b>1,989,261</b>	<b>845,942</b>	<b>1,617,733</b>	<b>5,603,729</b>

  

<b>Prior Period</b>	<b>Buildings</b>	<b>Leased Tangible Assets</b>	<b>Vehicles</b>	<b>Other Tangible Assets</b>	<b>Total</b>
<b>Cost</b>					
Opening balance, 1 January 2023	265,994	1,054,392	370,773	787,151	2,478,310
Additions	673,502	808,984	523,419	490,002	2,495,907
Disposals	-	(138,280)	(51,392)	(28,974)	(218,646)
Transfers	-	-	-	-	-
Exchange rate differences	-	10,468	574	10,139	21,181
Impairment / cancellation	-	-	-	-	-
Ending balance, 31 December 2023	939,496	1,735,564	843,374	1,258,318	4,776,752
<b>Accumulated Depreciation (-)</b>					
Opening balance, 1 January 2023	54,096	393,767	101,801	277,192	826,856
Amortization cost	8,525	335,059	102,870	168,761	615,215
Disposals	-	(130,206)	(32,308)	(25,256)	(187,770)
Exchange rate differences	-	(8,964)	546	(2,809)	(11,227)
Transfers	1,436	-	-	-	1,436
Ending balance, 31 December 2023	64,057	589,656	172,909	417,888	1,244,510
<b>Cost at the end of period</b>	<b>939,496</b>	<b>1,735,564</b>	<b>843,374</b>	<b>1,258,318</b>	<b>4,776,752</b>
<b>Accumulated depreciation at the end of period (-)</b>	<b>64,057</b>	<b>589,656</b>	<b>172,909</b>	<b>417,888</b>	<b>1,244,510</b>
<b>Closing net book value</b>	<b>875,439</b>	<b>1,145,908</b>	<b>670,465</b>	<b>840,430</b>	<b>3,532,242</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.13. Information on intangible asset**

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

	Current Period	Prior Period
Gross Book Value	4,405,770	1,672,151
Accumulated Amortization	(1,548,452)	(446,676)
<b>Total (net)</b>	<b>2,857,318</b>	<b>1,225,475</b>

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

	Current Period	Prior Period
Opening balance	1,225,475	535,400
Additions	2,391,732	901,340
Disposals (-), net	-	1,240
Depreciation amount (-)	783,232	279,922
Exchange rate differences	23,343	69,897
<b>Closing Net Book Value</b>	<b>2,857,318</b>	<b>1,225,475</b>

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

**1.14. Information on investment properties**

	Current Period	Prior Period
Opening Balance	41,605	165,730
Additions	275,445	-
Disposals (-), Net	-	124,125
Amortization Cost (-)	-	-
<b>Closing Net Book Value</b>	<b>317,050</b>	<b>41,605</b>

**1.15 Information on deferred tax asset**

As of 31 December 2024, deferred tax is offset as TL 8,456,578 in the balance sheet. The deferred tax asset is TL 9,701,442 (31 December 2023 – TL 7,202,315) and the deferred tax liability is TL 1,244,864 (31 December 2023 – TL 1,151,759 TL).

	Current Period	Prior Period
TFRS 9 Provisions	1,794,065	2,612,011
Property, Plant and Equipment Valuation Differences	1,991,042	1,604,051
Employee Rights Liability	822,729	510,520
Deferred Income	693,761	434,090
Employment Termination Benefit Liability	439,878	333,235
Derivative Financial Instruments Rediscounts	(198,863)	-
Precious metal valuation differences	(447,756)	148,145
Securities Valuation Difference	2,303,149	45,342
Transferred Financial Losses (*)	286,970	185,135
Other	771,603	178,027
<b>Net Deferred Tax Asset</b>	<b>8,456,578</b>	<b>6,050,556</b>

(\*) The Group has recognised deferred tax assets amounting to TL 286,970 (31 December 2023: TL 185,135) since it is expected that sufficient taxable income will be available to offset tax losses in the coming periods.

**Table of deferred tax asset movement**

	Current Period	Prior Period
As of 1 January,	6,050,556	1,258,112
Deferred tax (expense)/income	208,819	1,985,025
Deferred tax accounted under equity	2,106,061	2,807,419
Other	91,142	-
<b>Deferred tax asset</b>	<b>8,456,578</b>	<b>6,050,556</b>



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**1.16. Explanations on assets held for sale and discontinued operations**

	<b>Current Period</b>	<b>Prior Period</b>
Opening Balance	428,585	117,719
Additions	212,519	350,438
Transfers from Tangible Asset	-	-
Disposals (-), Net	118,361	39,572
Transfer to Tangible Assets	-	-
Amortization Cost (-)	-	-
Provision for Impairment (-)	-	-
<b>Closing Net Book Value</b>	<b>522,743</b>	<b>428,585</b>

**1.17 Information on other assets**

As of balance sheet date, the Group's other assets amount to TL 13,342,934 (31 December 2023 – TL 5,127,727). Other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2. Explanations and notes related to consolidated liabilities**

**2.1 Information on funds collected**

**2.1.1 Information on maturity structure of funds collected**

Current Period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total(*)
<b>I. Real persons current accounts-TL</b>	<b>39,469,231</b>	-	-	-	-	-	-	-	<b>39,469,231</b>
<b>II. Real persons profit sharing accounts TL</b>	-	<b>19,259,653</b>	<b>97,658,069</b>	<b>6,770,505</b>	-	<b>18,974,493</b>	<b>6,249,835</b>	<b>13,526</b>	<b>148,926,081</b>
<b>III. Another current accounts-TL</b>	<b>37,527,057</b>	-	-	-	-	-	-	-	<b>37,527,057</b>
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	-	-	-	-	-	-	-	-	-
<b>Banks and participation banks</b>	<b>269,647</b>	-	-	-	-	-	-	-	<b>269,647</b>
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	269,473	-	-	-	-	-	-	-	269,473
Participation banks	144	-	-	-	-	-	-	-	144
Other	30	-	-	-	-	-	-	-	30
<b>IV. Profit sharing accounts-TL</b>	-	<b>18,852,846</b>	<b>15,216,767</b>	<b>961,192</b>	-	<b>11,529,332</b>	<b>172,697</b>	<b>22</b>	<b>46,732,856</b>
Public sector	-	6,948	52,425	-	-	789,834	-	-	849,207
Commercial sector	-	18,485,757	13,703,106	887,174	-	10,497,176	172,257	22	43,745,492
Other institutions	-	331,633	950,468	43,231	-	172,935	440	-	1,498,707
Commercial and other institutions	-	28,508	510,724	30,787	-	69,387	-	-	639,406
Banks and participation banks	-	-	44	-	-	-	-	-	44
<b>V. Real persons current accounts-FC</b>	<b>101,281,625</b>	-	-	-	-	-	-	-	<b>101,281,625</b>
<b>VI. Real persons profit sharing accounts-FC</b>	-	<b>13,473,038</b>	<b>16,434,133</b>	<b>2,318,651</b>	-	<b>7,853,417</b>	<b>3,178,077</b>	<b>21,015</b>	<b>43,278,331</b>
<b>VII. Real persons profit sharing accounts-FC</b>	<b>41,568,507</b>	-	-	-	-	-	-	-	<b>41,568,507</b>
Commercial residents in Türkiye	31,932,443	-	-	-	-	-	-	-	31,932,443
Commercial residents in Abroad	8,122,152	-	-	-	-	-	-	-	8,122,152
<b>Banks and participation banks</b>	<b>1,513,912</b>	-	-	-	-	-	-	-	<b>1,513,912</b>
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	1,509,311	-	-	-	-	-	-	-	1,509,311
Participation banks	4,601	-	-	-	-	-	-	-	4,601
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Profit sharing accounts- FC</b>	-	<b>459,009</b>	<b>1,234,690</b>	<b>426,169</b>	-	<b>1,441,838</b>	<b>300,531</b>	<b>249</b>	<b>3,862,486</b>
Public sector	-	17	113,739	-	-	-	-	-	113,756
Commercial sector	-	402,718	716,191	34,679	-	195,349	160,402	249	1,509,588
Other institutions	-	16,702	313,605	389,715	-	1,246,489	140,129	-	2,106,640
Commercial and other institutions	-	39,572	91,155	1,775	-	-	-	-	132,502
Banks and participation banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious metal funds</b>	<b>111,405,414</b>	<b>13,520,895</b>	<b>6,368,941</b>	<b>1,206,213</b>	-	<b>786,663</b>	<b>52,997</b>	-	<b>133,341,123</b>
<b>X. Profit sharing accounts special funds - TL</b>	-	-	<b>39,624</b>	<b>47,875</b>	-	<b>7,199,963</b>	<b>1,125,928</b>	-	<b>8,413,390</b>
Residents in Türkiye	-	-	39,624	47,875	-	6,549,974	377,937	-	7,015,410
Residents Abroad	-	-	-	-	-	649,989	747,991	-	1,397,980
<b>XI. Profit sharing accounts special funds - FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total(**)</b>	<b>331,251,834</b>	<b>65,565,441</b>	<b>136,952,224</b>	<b>11,730,605</b>	-	<b>47,785,706</b>	<b>11,080,065</b>	<b>34,812</b>	<b>604,400,687</b>

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

(\*\*) As of 31 December 2024, the Bank has TL 62,001,875 (31 December 2023: TL 85,258,512) opened within the scope of the "Communiqué on Supporting Conversion to Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696 and TL 4,810 (31 December 2023: TL 116,495,635) opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021; TL 4,810 (31 December 2023: TL 31,237,123) and TL 4,810 (31 December 2023: TL 31,237,123) opened within the scope of the announcement of the Turkish Ministry of Treasury and Finance ("Treasury") dated 24 December 2021 and TL 62,006,685 (31 December 2023: TL 116,495,635) in total) foreign exchange valuation differences amounting to TL 632,624 (31 December 2023: TL 19,428,176) calculated as of the balance sheet date are included in other assets in assets and other liabilities in liabilities.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

Prior Period	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 (*)
<b>I. Real persons current accounts-TL</b>	<b>28,237,630</b>	-	-	-	-	-	-	-	<b>28,237,630</b>
<b>II. Real persons profit sharing accounts-TL</b>	-	<b>11,540,673</b>	<b>71,351,967</b>	<b>5,388,093</b>	-	<b>12,050,702</b>	<b>3,090,927</b>	<b>14,651</b>	<b>103,437,013</b>
<b>III. Other current accounts-TL</b>	<b>23,438,448</b>	-	-	-	-	-	-	-	<b>23,438,448</b>
Public sector	597,601	-	-	-	-	-	-	-	597,601
Commercial sector	22,367,807	-	-	-	-	-	-	-	22,367,807
Other institutions	320,272	-	-	-	-	-	-	-	320,272
Commercial and other institutions	-	-	-	-	-	-	-	-	-
<b>Banks and participation banks</b>	<b>152,768</b>	-	-	-	-	-	-	-	<b>152,768</b>
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	24	-	-	-	-	-	-	-	24
Foreign banks	152,728	-	-	-	-	-	-	-	152,728
Participation banks	13	-	-	-	-	-	-	-	13
Other	3	-	-	-	-	-	-	-	3
<b>IV. Profit sharing accounts-TL</b>	-	<b>10,264,985</b>	<b>8,585,515</b>	<b>1,884,335</b>	-	<b>5,794,661</b>	<b>81,730</b>	<b>74</b>	<b>26,611,300</b>
Public sector	-	224	5,188	-	-	273,294	284	-	278,990
Commercial sector	-	10,011,600	7,379,274	1,752,982	-	5,316,871	80,864	74	24,541,665
Other institutions	-	246,208	799,173	28,027	-	82,063	582	-	1,156,053
Commercial and other institutions	-	6,953	401,848	103,326	-	122,433	-	-	634,560
Banks and participation banks	-	-	32	-	-	-	-	-	32
<b>V. Real persons current accounts-FC</b>	<b>92,949,912</b>	-	-	-	-	-	-	-	<b>92,949,912</b>
<b>VI. Real persons profit sharing accounts-FC</b>	-	<b>15,879,845</b>	<b>13,768,663</b>	<b>2,155,996</b>	-	<b>6,298,537</b>	<b>3,540,114</b>	<b>19,860</b>	<b>41,663,015</b>
<b>VII. Other current accounts-FC</b>	<b>34,629,255</b>	-	-	-	-	-	-	-	<b>34,629,255</b>
Commercial residents in Türkiye	25,374,191	-	-	-	-	-	-	-	25,374,191
Commercial residents in Abroad	7,835,905	-	-	-	-	-	-	-	7,835,905
<b>Banks and participation banks</b>	<b>1,419,159</b>	-	-	-	-	-	-	-	<b>1,419,159</b>
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	629	-	-	-	-	-	-	-	629
Foreign banks	1,411,891	-	-	-	-	-	-	-	1,411,891
Participation banks	6,639	-	-	-	-	-	-	-	6,639
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Profit sharing accounts- FC</b>	-	<b>18,835,640</b>	<b>1,839,048</b>	<b>531,476</b>	-	<b>722,549</b>	<b>160,911</b>	<b>138</b>	<b>22,089,762</b>
Public sector	-	30	94,311	-	-	-	-	-	94,341
Commercial sector	-	12,213,658	898,196	46,620	-	104,752	13,720	138	13,277,084
Other institutions	-	6,517,503	461,624	484,812	-	617,797	147,191	-	8,228,927
Commercial and other institutions	-	104,449	384,917	44	-	-	-	-	489,410
Banks and participation banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious metal funds</b>	<b>70,915,059</b>	<b>9,454,219</b>	<b>4,872,520</b>	<b>777,226</b>	-	<b>558,685</b>	<b>36,080</b>	-	<b>86,613,789</b>
<b>X. Profit sharing accounts special funds - TL</b>	-	-	<b>1,563,263</b>	<b>4,050,088</b>	-	<b>49,028,063</b>	<b>3,824,907</b>	-	<b>58,466,321</b>
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
<b>XI. Profit sharing accounts special funds - FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>250,170,304</b>	<b>65,975,362</b>	<b>101,980,976</b>	<b>14,787,214</b>	-	<b>74,453,197</b>	<b>10,734,669</b>	<b>34,723</b>	<b>518,136,445</b>

(\*) There are no 7-day notification accounts of the Bank.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

	Under the guarantee of saving deposit insurance		Exceeding the limit of saving deposit	
	Current Period	Prior Period	Current Period	Prior Period
Real and legal persons current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	96,653,891	69,519,844	185,753,070	176,376,582
FC accounts	130,301,005	95,973,791	170,350,795	164,268,235
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except for foreign branches) through current and profit share accounts which are opened by real and legal persons and denominated in Turkish Lira or foreign currency with a limit of maximum of TL 400 (including both capital and profit shares) for each person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law No. 5411 which issued in official gazette no. 25893 on 1 November 2005.

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

The headquarters of the Parent Bank is in Türkiye.

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

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

	Current Period	Prior Period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	-	-
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	57,044	15,167
Profit sharing account and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in offshore banking activities solely	-	-

**2.2** Information on derivative financial liabilities held for trading

Derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	134,084	51,249	67,013	17,654
Swap transactions	1,185,402	1,401,774	30,382	860,140
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,319,486</b>	<b>1,453,023</b>	<b>97,395</b>	<b>877,794</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.3 Information on funds borrowed**

**2.3.1 Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from The Central Bank of the Republic of Türkiye	-	-	-	-
From Domestic Banks and Institutions	2,949,663	85,667,578	621,563	44,343,337
From Foreign Banks, Institutions and Funds	600,000	33,325,054	53,371	19,419,102
<b>Total</b>	<b>3,549,663</b>	<b>118,992,632</b>	<b>674,934</b>	<b>63,762,439</b>

**2.3.2 Information on maturity structure of borrowings**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	3,471,640	112,758,401	674,934	61,176,643
Medium and Long-Term	78,023	6,234,231	-	2,585,796
<b>Total</b>	<b>3,549,663</b>	<b>118,992,632</b>	<b>674,934</b>	<b>63,762,439</b>

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

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

**2.4. Information on securities issued**

The Group has issued sukuk, the details of which are given below. The return rates of the issued securities are on average 44.38% for Turkish Lira. The maturity date of the Turkish Lira denominated sukuk is January 2025.

Current Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	900,230	-	-	-
Remaining income distribution	101,712	-	931,599	2,646,437
Book Value	1,000,923	-	-	-

Prior Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	8,300,000	-	-	-
Remaining income distribution	1,451,904	-	-	-
Book Value	3,380,842	-	-	-

**2.5. Information on other liabilities and miscellaneous payables**

As of 31 December 2024, other liabilities amount to TL 10,567,685 (31 December 2023 – TL 4,397,397), sundry creditors amount to TL 4,988,343 (31 December 2023 - TL 3,770,294), both of them do not exceed 10% of the balance sheet total.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.6. Information on finance lease payables (net)**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	71,183	68,626	49,234	58,226
1 to 4 years	162,582	152,404	64,197	55,037
More than 4 years	2,170,589	1,360,785	1,325,234	827,170
<b>Total</b>	<b>2,404,354</b>	<b>1,581,815</b>	<b>1,438,665</b>	<b>940,433</b>

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

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

None (31 December 2023 – None).

**2.6.1.1. Explanations on financial leasing obligations**

None (31 December 2023 – None).

**2.6.1.2. Explanations on operating lease**

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

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

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

**2.7 Information on hedging derivative financial liabilities**

None (31 December 2023 - None).

**2.8 Information on provisions**

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

None.

**2.8.2 Information on other provisions**

	Current Period	Prior Period
Specific provisions for non-cash loans that are not indemnified converted into cash	863,935	569,527
General Provisions for non-cash loans	483,337	964,137
Provision for profits will be allocated to participation accounts	1,526,885	887,567
Credit cards of banking services applications	5,478	8,905
Other (*)	935,353	589,431
<b>Total</b>	<b>3,814,988</b>	<b>3,019,567</b>

(\*) The other item mainly consists of litigation provision amounting to TL 509,045 (31 December 2023 - TL 393,760), expense provision amounting to TL 13,058 (31 December 2023 - TL 12,009) and other provisions amounting to TL 107,311 (31 December 2023 - TL 59,455).

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.8.3 Information on provisions for employee benefits**

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 1,466,260 (31 December 2023 – TL 1,110,786), vacation pay liability amounting to TL 37,073 (31 December 2023 – TL 17,055), performance premium amounting to TL 1,724,585 (31 December 2023 – TL 1,134,875), retirement bonuses on payment of TL 808,924 (31 December 2023 – TL 426,049), committee fee amounting to TL 129,992 (31 December 2023 – TL 94,335) and other fees amounting to TL 116,700 (31 December 2023 – TL 57,747).

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

The amount payable consists of one month's salary limited to a maximum of TL 41,828.42 (full TL amount) (1 July 2024 - 31 December 2024) for each year of service. The liability is not funded, as there is no funding requirement.

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

	<b>Current Period</b>	<b>Prior Period</b>
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:

	<b>Current Period</b>	<b>Prior Period</b>
Balance at the beginning of the period	1,110,785	631,314
Provisions recognized during the period	510,445	187,506
Paid during the period	(197,655)	(49,750)
Actuarial loss	42,685	341,715
<b>Balances at the end of the period</b>	<b>1,466,260</b>	<b>1,110,785</b>

**2.9 Explanations on tax liability**

**2.9.1 Explanations on current tax liability**

**2.9.1.1 Information on tax provisions**

As of the balance sheet date, the Group has corporate tax liability amounting to TL 13,144,108 (31 December 2023: TL 9,673,024) and prepaid tax amounting to TL 7,092,851 (31 December 2023: TL 6,069,975). The Bank has presented the corporate tax liability and prepaid tax as net in the financial statements.

**2.9.1.2 Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Taxation of marketable securities	755,307	97,908
Taxation of immovable property	9,532	5,524
Banking Insurance Transaction Tax (BITT)	510,165	244,771
Foreign Exchange Transaction Tax	27,737	24,591
Value Added Tax Payable	42,622	30,802
Income tax deducted from wages	194,158	100,916
Income tax payable	-	126,672
Other	12,334	6,248
<b>Total</b>	<b>1,551,855</b>	<b>637,432</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.9.1.3 Information on premiums (\*)**

	Current Period	Prior Period
Social Insurance Premiums-Employee	83,993	89,048
Social Insurance Premiums-Employer	94,214	98,276
Unemployment insurance-Employee	5,998	6,358
Unemployment insurance-Employer	12,544	13,390
Other	-	9
<b>Total</b>	<b>196,749</b>	<b>207,081</b>

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

**2.9.1.4 Information on deferred tax liability**

Within the scope of the relevant regulations, as of 31 December 2024, the deferred tax was netted as TL 8,456,578 in the balance sheet. The deferred tax asset was calculated as TL 9,701,442 (31 December 2023 – TL 7,202,315) and the deferred tax liability as TL 1,244,864 (31 December 2023 – TL 1,151,759).

**2.10 Information on payables related to assets held for sale**

None (31 December 2023 – None).

**2.11 Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	14,186,285	-	17,967,564
<b>Total</b>	<b>-</b>	<b>14,186,285</b>	<b>-</b>	<b>17,967,564</b>

**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)
<b>Total</b>	<b>4,947,336</b>	<b>4,595,131</b>

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

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

Registered capital system is not applied in the Parent Bank.

**2.12.3 Information on the share capital increases during the period and their sources; other information on increased capital shares in the current period**

None (31 December 2023 – None).

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

None (31 December 2023 – None).

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

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



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**2.12.6 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	-	-	-	-
<b>Total</b>	<b>(5,682,248)</b>	<b>301,804</b>	<b>(1,263,418)</b>	<b>240,265</b>

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

**2.13 Information on minority shares**

31 December 2024 – TL 84,954 (31 December 2023 – TL 87,122).

**3. Explanations and notes related to consolidated off-balance sheet contingencies and commitments**

**3.1 Explanations on off-balance sheet accounts**

**3.1.1 Types and amounts of irrevocable commitments**

Commitment for credit card limits, as of 31 December 2024 amounts to TL 76,475,148 (31 December 2023 – TL 34,050,190); payment commitments for cheque books amounts to TL 5,864,748 (31 December 2023 – TL 3,861,133).

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

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

As of 31 December 2024, the Bank has guarantees and surety ships constituting of TL 85,540,967 (31 December 2023 – TL 49,505,238) of letters of guarantee; TL 727,539 (31 December 2023 – TL 183,196) of acceptances and TL 13,581,786 (31 December 2023 – TL 8,886,327) of letters of credit. Also, bank has other guarantees and sureties amounting to TL 5,211,090 TL (31 December 2023 - TL 3,011,311).

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

**3.1.3 Total amount of non-cash loans**

	Current Period		Prior Period	
Non-cash loans given against cash loans	426,120		185,547	
With original maturity of 1 year or less	426,120		185,547	
With original maturity of more than 1 year	-		-	
Other non-cash loans	104,635,262		61,400,525	
<b>Total</b>	<b>105,061,382</b>		<b>61,586,072</b>	

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

Prior Period				
	TL	%	FC	%
<b>Agriculture</b>	<b>856,115</b>	<b>2.26</b>	<b>255,761</b>	<b>1.08</b>
Farming and stockbreeding	579,107	1.53	196,066	0.83
Forestry	276,797	0.73	59,695	0.25
Fishery	211	0.00	-	-
<b>Manufacturing</b>	<b>9,041,204</b>	<b>23.88</b>	<b>7,655,077</b>	<b>32.27</b>
Mining and Quarrying	1,789,977	4.73	1,845,256	7.78
Production	6,339,737	16.74	5,525,420	23.29
Electricity, Gas, Water	911,490	2.41	284,401	1.20
<b>Construction</b>	<b>14,928,512</b>	<b>39.44</b>	<b>3,082,159</b>	<b>12.99</b>
<b>Services</b>	<b>10,687,543</b>	<b>28.22</b>	<b>10,412,162</b>	<b>43.88</b>
Wholesale and Retail Trade	7,224,489	19.08	4,571,127	19.26
Hotel, Food and Beverage Services	337,519	0.89	306,312	1.29
Transportation and Telecommunication	1,440,354	3.80	4,208,936	17.74
Financial Institutions	32,887	0.09	530,360	2.24
Real Estate and Renting Services	167,434	0.44	58,567	0.25
Self-Employment Type Services	485	0.00	-	-
Educational Services	80,059	0.21	58,009	0.24
Health and Social Services	1,404,316	3.71	678,851	2.86
<b>Other</b>	<b>2,347,150</b>	<b>6.20</b>	<b>2,320,389</b>	<b>9.78</b>
<b>Total</b>	<b>37,860,524</b>	<b>100.00</b>	<b>23,725,548</b>	<b>100.00</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

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

  

Prior Period	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee (*)	33,672,765	13,869,275	1,242,439	206,905
Bills of Exchange and Bank Acceptances	18,769	164,427	-	-
Letters of Credit	48,718	8,635,935	-	201,038
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities (*)	2,596,544	323,472	91,295	-
<b>Total</b>	<b>36,336,796</b>	<b>22,993,109</b>	<b>1,333,734</b>	<b>407,943</b>

(\*) 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
<b>Foreign currency related derivative</b>		
<b>Foreign currency related derivative transactions (I):</b>	<b>326,073,661</b>	<b>136,390,126</b>
Currency Forwards-Purchases, sales	38,745,368	9,512,419
Currency Swaps-Purchases, sales	287,328,293	126,877,707
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
<b>Interest rate related derivative transactions (II):</b>	<b>-</b>	<b>-</b>
Interest rates forwards-Purchase, sales	-	-
Interest rates swaps-Purchases, sales	-	-
Interest rates options-Purchases, sales	-	-
Interest rates futures-Purchases, sales	-	-
<b>Other trading derivatives (III)</b>	<b>23,699,736</b>	<b>6,944,182</b>
<b>A. Total trading derivatives (I+II+III)</b>	<b>349,773,397</b>	<b>143,334,308</b>
<b>Hedging Derivatives</b>	<b>-</b>	<b>-</b>
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
<b>B. Total hedging derivatives</b>	<b>-</b>	<b>-</b>
<b>Total derivatives transactions (A+B)</b>	<b>349,773,397</b>	<b>143,334,308</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**3.3. Credit derivatives and risk exposures on credit derivatives**

None.

**3.4. Contingent liabilities and assets**

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

**3.5. Explanations on custodian and intermediary services**

None.

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

<b>Fitch Rating's October 2024</b>	<b>Notes</b>
Long-term issuer default rating	BB-
Short-term issuer default rating	B
Local currency long-term issuer default rating	BB-
Local currency short-term issuer default rating	B
Financial Capacity Ratio	B+
Support Rating	WD

**4. Explanations and notes related to the consolidated statement of income**

**4.1 Information on profit share income**

**4.1.1 Information on profit share received from loans**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Profit share on loans</b>	<b>75,471,303</b>	<b>10,952,009</b>	<b>31,638,165</b>	<b>6,169,702</b>
Short term loans	43,961,441	4,720,868	18,679,176	2,519,842
Medium- and long-term loans	30,967,946	6,116,310	12,680,276	3,560,122
Profit share on non-performing loans	541,916	114,831	278,713	89,738
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>75,471,303</b>	<b>10,952,009</b>	<b>31,638,165</b>	<b>6,169,702</b>

**4.1.2 Information on profit share received from banks**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
The Central Bank of the Republic of Türkiye	86,704	-	50,273	-
Domestic Banks	5,563,324	-	2,590,551	-
Foreign Banks	30,000	721,595	30,668	568,808
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>5,680,028</b>	<b>721,595</b>	<b>2,671,492</b>	<b>568,808</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**4.1.3 Information on profit share income from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value through Profit or Loss	2,079,207	932,403	1,085,292	266,906
Financial Assets at Fair Value Through Other Comprehensive Income	11,024,905	1,052,341	13,815,019	1,258,865
Financial Assets valued at Amortized Cost	9,111,644	1,998,934	3,693,314	1,342,745
<b>Total</b>	<b>22,215,756</b>	<b>3,983,678</b>	<b>18,593,625</b>	<b>2,868,516</b>

**4.1.4 Information on profit share income received from associates and subsidiaries**

	Current Period	Prior Period
Profit share income received from associates and subsidiaries	519	800

**4.2. Information on profit share expenses**

**4.2.1 Information on profit share given to loans used**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>1,753,529</b>	<b>1,700,997</b>	<b>361,944</b>	<b>936,978</b>
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	852,977	42,844	353,888	14,500
Foreign banks	900,552	1,658,153	8,056	922,478
Branches and Head Office abroad	-	-	-	-
Other Institutions	290,118	3,903,037	-	2,288,309
<b>Total</b>	<b>2,043,647</b>	<b>5,604,034</b>	<b>361,944</b>	<b>3,225,287</b>

**4.2.2 Profit share expense given to associates and subsidiaries**

	Current Period	Prior Period
Dividends paid to associates and subsidiaries	47,269	13,103

**4.2.3 Profit share expense paid to securities issued**

31 December 2024 – TL 4,314,757 (1 January-31 December 2023– TL 537,159).

**4.3 Information on dividend income**

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Other	12,078	5,302
<b>Total</b>	<b>12,078</b>	<b>5,302</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

Current period		Profit Sharing Accounts						
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year	Accumulated profit-sharing accounts	Total
<b>Turkish Lira</b>								
Collected funds from banks through current and profit share accounts	-	13	-	-	-	-	-	13
Real person’s non-trading profit sharing account	4,838,815	28,331,126	1,992,955	-	15,578,711	2,323,215	3,487	53,068,309
Public-sector profit-sharing account	1,300	3,433	2,345	-	7,766	71	-	14,915
Commercial sector profit sharing account	563,111	2,639,195	619,105	-	1,831,466	120,956	-	5,773,833
Other institutions profit sharing account	98,364	569,379	27,540	-	88,773	536	-	784,592
<b>Total</b>	<b>5,501,590</b>	<b>31,543,146</b>	<b>2,641,945</b>	<b>-</b>	<b>17,506,716</b>	<b>2,444,778</b>	<b>3,487</b>	<b>59,641,662</b>
<b>Foreign currency</b>								
Banks	-	-	-	-	-	-	-	-
Real person’s non-trading profit sharing account	121,425	137,407	37,496	-	165,940	50,838	413	513,519
Public-sector profit-sharing account	-	898	-	-	-	-	-	898
Commercial sector profit sharing account	4,372	13,023	3,133	-	21,277	2,359	-	44,164
Other institutions profit sharing account	1,663	5,440	20,651	-	9,444	359	-	37,557
Precious metal accounts	16,371	8,380	1,460	-	1,054	-	-	27,265
<b>Total</b>	<b>143,831</b>	<b>165,148</b>	<b>62,740</b>	<b>-</b>	<b>197,715</b>	<b>53,556</b>	<b>413</b>	<b>623,403</b>
<b>Grand total</b>	<b>5,645,421</b>	<b>31,708,294</b>	<b>2,704,685</b>	<b>-</b>	<b>17,704,431</b>	<b>2,498,334</b>	<b>3,900</b>	<b>60,265,065</b>

Prior Period		Profit Sharing Accounts						
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year	Accumulated profit-sharing accounts	Total
<b>Turkish Lira</b>								
Collected funds from banks through current and profit share accounts	-	6	-	-	-	-	-	6
Real person’s non-trading profit sharing account	2,090,823	12,881,708	1,213,511	-	3,317,036	474,527	2,249	19,979,854
Public-sector profit-sharing account	52	898	-	-	1,996	19	-	2,965
Commercial sector profit sharing account	198,594	1,322,878	424,792	-	526,113	16,587	-	2,488,964
Other institutions profit sharing account	22,429	185,172	35,089	-	24,381	164	-	267,235
<b>Total</b>	<b>2,311,898</b>	<b>14,390,662</b>	<b>1,673,392</b>	<b>-</b>	<b>3,869,526</b>	<b>491,297</b>	<b>2,249</b>	<b>22,739,024</b>
<b>Foreign currency</b>								
Banks	-	-	-	-	-	-	-	-
Real person’s non-trading profit sharing account	114,824	103,148	22,743	-	78,660	47,434	365	367,174
Public-sector profit-sharing account	-	696	-	-	-	-	-	696
Commercial sector profit sharing account	3,651	5,841	3,572	-	3,477	2,332	-	18,873
Other institutions profit sharing account	1,691	5,145	6,603	-	3,324	103	-	16,866
Precious metal accounts	10,050	5,524	854	-	730	-	-	17,158
<b>Total</b>	<b>130,216</b>	<b>120,354</b>	<b>33,772</b>	<b>-</b>	<b>86,191</b>	<b>49,869</b>	<b>365</b>	<b>420,767</b>
<b>Grand total</b>	<b>2,442,114</b>	<b>14,511,016</b>	<b>1,707,164</b>	<b>-</b>	<b>3,955,717</b>	<b>541,166</b>	<b>2,614</b>	<b>23,159,791</b>

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**4.5 Information on trading income/loss (Net)**

	Current period	Prior period
<b>Trading profit / loss (net)</b>	<b>4,333,112</b>	<b>11,089,651</b>
<b>Profit</b>	<b>185,056,043</b>	<b>131,398,425</b>
Gain on capital market transactions	987,772	1,307,753
Gain on derivative financial instruments	34,898,225	20,128,005
Foreign exchange profit	149,170,046	109,962,667
<b>Losses (-)</b>	<b>(180,722,931)</b>	<b>(120,308,774)</b>
Losses on capital market transactions	(56,549)	(44,012)
Losses on derivative financial instruments	(36,512,224)	(11,792,768)
Foreign exchange losses	(144,154,158)	(108,471,994)

**4.6 Information on other operating income**

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

	Current period	Prior period
Insurance Premium Income	11,460,685	6,116,713
Reversal of prior period provisions	9,345,503	2,097,464
Income from sales of assets	414,947	359,327
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	86,055	1,125,141
Rental income	14,201	3,190
Other Income	377,148	186,790
<b>Total</b>	<b>21,698,539</b>	<b>9,888,625</b>

**4.7 Provisions for loan losses and other receivables of the Bank**

	Current Period (*)	Prior Period (*)
<b>Expected Credit Loss</b>	<b>5,569,660</b>	<b>6,831,733</b>
12 month expected credit loss (Stage 1)	14,557	3,533,057
Significant increase in credit risk (Stage 2)	286,509	1,408,536
Non-performing loans (Stage 3)	5,268,594	1,890,140
<b>Marketable Securities Impairment Expense</b>	<b>156,836</b>	<b>59,736</b>
Financial Assets at Fair Value through Profit or Loss	156,836	59,736
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
<b>Impairment losses from Associates, Subsidiaries and Jointly Controlled Entities</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other (**)</b>	<b>1,006,563</b>	<b>245,553</b>
<b>Total</b>	<b>6,733,059</b>	<b>7,137,022</b>

(\*) Includes the provisions in the "Other Provision Expenses" line in the Income Statement.

(\*\*) Also includes provisions that can be allocated from profit to be distributed to participation accounts according to provisions regulation.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

**4.8 Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Retirement Pay Liability	312,790	137,757
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	1,055,275	615,215
Impairment Expenses of Intangible Fixed Assets	-	-
Depreciation Expenses of Intangible Assets	783,232	279,922
Depreciation Expenses of Assets Held for Sale	-	-
Other Operating Expenses	4,869,472	2,644,729
Maintenance Expenses	754,908	407,943
Advertisement Expenses	389,381	191,524
Communication Expenses	449,418	252,756
Stationery Expenses	374,487	161,736
Heating, Electricity and Water Expenses	145,738	137,087
Vehicle Expenses	105,631	64,275
Cleaning Expenses	72,072	34,643
Lease Expenses Regarding TFRS 16 Exemptions	27,429	15,912
Other Expenses(*)	2,550,409	1,378,853
Losses on Sales of Assets	2,082	6,725
Deposit Insurance Fund expenses	1,593,837	1,110,880
Other(**)	15,190,372	7,976,054
<b>Total</b>	<b>23,807,060</b>	<b>12,771,282</b>

(\*) As of 31 December 2024, Other Expenses mainly includes “Promotion Application Expenses for Credit Cards” amounting to TL 787,644 (31 December 2023 - TL 460,121), “Outsourced Catering Personnel Service Expenses” amounting to TL 453,881 (31 December 2023 - TL 227,164) and “Promotion Application Expenses for Pension Payments” amounting to TL 139,924 (31 December 2023 - TL 48,712).

(\*\*) As of 31 December 2024, other item mainly consists of Banking and Insurance Transaction Tax amounting to TL 1,023,985, Financial Activity Fees amounting to TL 547,392, Contracted Attorney and Legal Consultancy amounting to TL 294,263, Precious Metals BITT Expense amounting to TL 194,088, Trading Lease Certificate BITT Expense amounting to TL 122,571 and Banking Regulation and Supervision Agency Participation Share amounting to TL 115,623. In addition, Neova Katılım Sigorta A.Ş. includes Gross Severance Payments amounting to TL 8,546,073 (31 December 2023 - TL 6,356,145).

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

<b>Current Period</b>	<b>Independent audit services provided by the group auditor</b>	<b>Independent audit services provided by other Independent Audit companies</b>
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	-	-
<b>Total</b>	<b>55,238</b>	<b>2,683</b>

<b>Prior Period</b>	<b>Independent audit services provided by the group auditor</b>	<b>Independent audit services provided by other Independent Audit companies</b>
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	-	-
<b>Total</b>	<b>37,259</b>	<b>1,307</b>

(\*) 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.



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

Income before tax amounting to TL 49,435,723 increased by 35.92% as compared to the prior period (1 January – 31 December 2023 – TL 36,370,235). Income before tax includes TL 59,379,439 (1 January – 31 December 2023 – TL 38,979,542) net profit share income and TL 7,705,379 (1 January – 31 December 2023 – TL 3,050,244) net fees and commission income. Other operating expense amount is TL 23,807,060 (1 January – 31 December 2023 – TL 12,771,282).

**4.10 Information on tax provision for continued and discontinued operations**

Current period tax provision for the period amounting to TL 12,551,093 (1 January - 31 December 2023 - TL 9,509,390), deferred tax income of TL 1,014,863 (1 January - 31 December 2023 - TL 1,709,738) and TL 1,223,682 (1 January - 31 December 2023 - TL 3,694,763) deferred tax income is recognized.

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

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

**4.12 Information on net income/loss for the period**

**4.12.1** The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period: As of 31 December 2024, net profit share income is TL 59,379,439 (1 January - 31 December 2023 – TL 38,979,542), net fees and commission income is TL 7,705,379 (1 January- 31 December 2023 – TL 3,050,244).

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

None (1 January – 31 December 2023 – None).

**4.12.3 Profit/loss attributable to minority interest**

	Current Period	Prior Period
Profit/(Loss) Attributable to Minority Interests	28,890	18,973

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

As of 31 December 2024, other fees and commissions received is TL 19,048,951 (1 January – 31 December 2023 – TL 7,223,566), TL 7,817,397 of this amount is related with credit card fees and commissions (1 January – 31 December 2023 – TL 2,616,859) and TL 5,699,385 of this amount is related with POS machine commissions (1 January – 31 December 2023 – TL 1,721,752) and TL 5,532,169 of this amount is related with other commission fees (1 January – 31 December 2023 – TL 2,884,955).

As of 31 December 2024, other fees and commissions given is TL 12,110,347 (1 January – 31 December 2023 – TL 4,581,950), TL 7,491,763 (1 January – 31 December 2023 – TL 2,222,466) of this amount is related with POS clearing commissions and installation expenses, TL 757,083 (1 January – 31 December 2023 – TL 431,624) of this amount is related with fees and commissions paid for credit cards and TL 3,861,501 of this amount is related with other commission fees (1 January – 31 December 2023 – TL 1,927,860).

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

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

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

**5.2.** The Bank made dividend payments amounting to TL 2,660,937 to shareholders in the current period with the decision of the General Assembly dated 29 March 2024.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

**6.1. Information on cash and cash equivalents**

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

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

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

	Current Period	Prior Period
<b>Cash</b>	<b>81,563,194</b>	<b>51,426,421</b>
Cash in TL/foreign currency, others	57,137,242	29,924,316
Demand deposits at banks (Up to 3 months)	24,425,952	21,502,105
<b>Cash Equivalents</b>	-	-
Interbank money markets	-	-
Time deposits at banks	-	-
Marketable securities	-	-
<b>Total cash and cash equivalent</b>	<b>81,563,194</b>	<b>51,426,421</b>

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

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

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

None (31 December 2023 – None).

**6.3. Explanations on other items in the cash flow statement**

“Other items” amounting to TL (34,224,892) (1 January – 31 December 2023 - TL (10,402,048)) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other operating expenses except for collection from non-performing loans and personnel expenses.

“Net increase/decrease in other liabilities” amounting to TL 42,988,565 (1 January – 31 December 2023 - TL 11,119,384) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, other liabilities and taxes and other duties payables.

“Net increase/decrease in other assets” amounting to TL 15,485,232 (1 January – 31 December 2023 - TL 1,505,132) in “Changes in operating assets and liabilities” consist of changes in prepaid rent expense and other asset.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately TL 36,386,313 as of 31 December 2024 (31 December 2023 – TL 35,253,835). The effects of the change in foreign currency rates on cash and cash equivalents is calculated according to multiplying FX difference between balance sheet date and cash entered date and related cash amount.

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

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

Current period:

Risk group of the Group (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and other receivables</b>						
Balance at beginning of period	365	63,775	29,238	82,280	2,974,543	20,322
Balance at end of period	535	77,288	31,373	104,629	1,117	3,505
Profit share and commission income	1	518	4,344	839	201	-

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

Prior period:

Risk group of the Group (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and other receivables</b>						
Balance at beginning of period	127	39,978	26,634	45,210	2,176,542	1,849
Balance at end of period	365	63,775	29,238	82,280	2,974,543	20,322
Profit share and commission income	358	442	4,230	631	15,396	-

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

**7.1.1 Information on current and profit-sharing accounts of the Parent Bank's risk group**

Risk group of the Group (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Current period	Current period	Current Period	Current period	Current period
<b>Current and profit-sharing accounts</b>						
Balance at beginning of period	771,905	115,505	502,954	219,676	750,296	454,287
Balance at end of period	470,920	771,905	777,817	502,954	946,678	750,296
Profit share expense	47,269	13,103	65,255	27,810	12,561	246

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

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

Risk group of the Group (*)	Investment in associates, subsidiaries, and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
<b>Transactions at Fair Value through Profit or Loss:</b>						
Balance at beginning of period	3,758,803	2,697,940	2,361,778	842,005	-	-
Balance at end of period	1,366,458	3,758,803	2,702,149	2,361,778	-	-
Total Profit/(Loss)	(717)	(3,756)	22,188	15,624	-	-
<b>Hedging Transactions:</b>						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

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

**7.1.3 Information on loans received from the Parent Bank's risk group**

Risk group of the Group (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
<b>Borrowings</b>						
Balance at beginning of period	-	-	9,195,276	270,055	-	-
Balance at end of period	-	-	14,649,976	9,195,276	-	-
Profit share expense	-	-	541,528	343,839	-	-

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

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

Subordinated additional capital (Tier-I) sukuks amounting to USD 50,000,000 (full amount) executed by the Parent Bank and USD 50,000,000 (full amount) executed by the Parent Bank on 28 September 2020 are provided by Kuwait Finance House. Kuwait Finance House owns USD 35,000,000 (full amount) of the subordinated additional capital (Tier-II) sukuk amounting to USD 350,000,000 (full amount) executed by the Parent Bank on 16 September 2021.

**7.2 Information on remunerations provided to top management**

As of 1 January - 31 December 2024, the Group has paid TL 660,628 to top management (1 January – 31 December 2023 TL 365,082).

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**

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

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

**8.1. Domestic and foreign branches and representative offices**

	Number of Branches	Number of Employees			
Domestic branches (*)	448	4,079			
			Country		
Foreign representative offices				Total Assets (Thousands, TL)	Legal Capital (Full EUR)
Foreign Bank	1	132	Germany	30,756,109	43,385,026
Off-shore Branches	1	3	Bahrain	21,862,127	
Foreign branch	-	-			

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

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

In 2024, 6 new domestic branches (2023 - 8) were opened and 2 domestic branches were closed (2023 - 7). There are no closed branches abroad (2023 – None).

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

The Board of Directors of the Bank has decided to appoint Dr. Ruşen Ahmet Albayrak, Executive Vice President in charge of Treasury and International Banking, to the position of Executive Vice President in charge of Treasury and International Banking, Aslan Demir, Executive Vice President in charge of Strategy, to the position of Executive Vice President in charge of Treasury and International Banking, and Semih Sel, Human Resources Group Manager, to the position of Executive Vice President in charge of Human Resources and Strategy, effective as of 1 January 2025, due to the retirement of Ahmet Süleyman Karakaya, Executive Vice President in charge of Corporate and Commercial Banking, as of 31.12.2024.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024**  
*(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

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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 consolidated financial statements have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Deloitte Touche Tohmatsu Limited) and the independent auditors' report dated 14 February 2025 is presented preceding the consolidated financial statements.

2. **Notes and disclosures prepared by the independent auditor:** None.