

KUVEYT TÜRÖ KATILIM BANKASI A.Ő.

Unconsolidated Financial Statements and Notes for The Period Ended 1 January – 30 September 2022 with Independent Auditor’s Review Report

*(Convenience translation of unconsolidated financial statements and independent auditor’s
report originally issued in Turkish)*

(Convenience translation of the auditor's report originally issued in Turkish - See Note I of Section Three)

REVIEW REPORT ON UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of Kuveyt Türk Katılım Bankası A.Ş.

Introduction

We have reviewed the unconsolidated statement of financial position of Kuveyt Türk Katılım Bankası A.Ş. (the "Bank") at September 30, 2022 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated of interim financial information in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency("BRSA") and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Financial Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by BRSA Legislation; together referred as "BRSA Accounting and Financial Reporting Legislation". Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards of Turkey and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of the Bank at September 30, 2022, and the results of its operations and its unconsolidated cash flows for the nine-month-period then ended in all material aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on Other Legal and Regulatory Requirements

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in section VIII, are not consistent, in all material respects, with the reviewed unconsolidated financial statements and disclosures.

Additional paragraph for convenience translation to English

As explained in detail in Note I of Section Three, there are differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”), including non-application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences has not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A Member Firm of Ernst&Young Global Limited

Emre Çelik, SMMM
Partner

9 November 2022
Istanbul, Turkey

Index

Section One General Information

I.	History of the 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 bank and the disclosures on any related changes in the current period, if any, and information about the group that the 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 bank	1
IV.	Information on qualified shareholders	2
V.	Explanations of the 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 Bank and its subsidiaries	2

Section Two Unconsolidated financial statements

I.	Unconsolidated balance sheet (statement of financial position)	3
II.	Unconsolidated statement of off-balance sheet items	5
III.	Unconsolidated statement of profit or loss	6
IV.	Unconsolidated statement of profit or loss and other comprehensive income	7
V.	Unconsolidated statement of changes in shareholders' equity	8
VI.	Unconsolidated statement of cash flows	9

Section Three Explanations on accounting policies in the related period

I.	Explanations on basis of presentation	10
II.	Explanations on strategy of using financial instruments and foreign currency transactions	13
III.	Investments in associates and subsidiaries	14
IV.	Explanations on forward transactions and option contracts and derivative instruments	14
V.	Explanations on profit share income and expense	14
VI.	Explanations on fees and commission income and expenses	15
VII.	Explanations on financial assets	15
VIII.	Explanations on offsetting of financial assets and liabilities	17
IX.	Explanations on sale and repurchase agreements and lending of securities	17
X.	Explanations on assets held for sale and discontinued operations and related liabilities	17
XI.	Explanations on goodwill and other intangible assets	17
XII.	Explanations on tangible assets	18
XIII.	Explanations on leasing transactions	18
XIV.	Explanations on provisions and contingent liabilities	19
XV.	Explanations on liabilities relating to employee benefits	19
XVI.	Explanations on taxation	20
XVII.	Explanations on additional disclosures on borrowings	21
XVIII.	Explanations on share certificates issued	21
XIX.	Explanations on acceptances and availed drafts	21
XX.	Explanations on government grants	21
XXI.	Explanations on segment reporting	21
XXII.	Explanations on other matters	21

Section Four Information Related to Financial Position and Risk Management of The Bank

I.	Explanations on equity items	22
II.	Explanations on related to credit risk	27
III.	Explanations on currency risk	27
IV.	Explanations related to stock position risk	29
V.	Liquidity risk management and liquidity coverage ratio	30
VI.	Explanations on leverage ratio	35
VII.	Explanations on the fair value of financial assets and liabilities	36
VIII.	Explanations on the activities carried out on behalf and account of other persons, fiduciary-based transactions	36
IX.	Explanations on hedge accounting practices	36
X.	Explanations on risk management	36
XI.	Securitization positions	37
XII.	Qualitative explanations on market risk	37
XIII.	Explanations on business segments	37

Section Five Explanations and Notes on The Unconsolidated Financial Statements

I.	Explanations and notes related to assets	39
II.	Explanations and notes related to liabilities	54
III.	Explanations and notes related to consolidated off-balance sheet contingencies and commitments	61
IV.	Explanations and notes related to the statement of income	62
V.	Explanations and disclosures related to statement of changes in shareholders' equity	66
VI.	Explanations and disclosures related to statement of cash flows	66
VII.	Explanations and notes related to risk group of the Bank	67
VIII.	Information about the branches of the Bank in domestic, foreign and coastal banking regions and their representative offices abroad	68
IX.	Significant events and matters arising subsequent to balance sheet date	68

Section Six Other explanations

I.	Other matters which must be explained in terms of explicitness, interpretability and understandability of the balance sheet	69
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Section Seven Limited review report

I.	Explanations on the review report	69
II.	Notes and disclosures prepared by the independent auditor	69

Section Eight Interim activity report

I.	Explanations on interim annual report including the evaluations of interim activities of the chairman of the board of directors and general manager	69
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**THE UNCONSOLIDATED FINANCIAL REPORT OF KUVEYT TÜRK KATILIM BANKASI A.Ş.
FOR THE NINE-MONTH PERIOD THEN ENDED 30 SEPTEMBER 2022**

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The unconsolidated interim financial report for the nine-month period prepared in accordance with the Communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- General Information About the Bank
- Unconsolidated Financial Statements of The Bank
- Explanations on Accounting Policies Applied in The Period
- Information on Financial Structure and Risk Management of The Bank
- Disclosures and Explanations on Unconsolidated Financial Statements
- Other Explanations
- Independent Auditors' Limited Review Report
- Interim Activity Report

The unconsolidated financial statements for the nine-month period and related disclosures and footnotes that are subject to independent review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in thousands of Turkish Lira.

Hamad Abdulmohsen AL-MARZOUQ

Chairman of the Board of Directors

Shadi Ahmed Yacoub
ZAHHRAN

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
Chief Financial Officer

Mehmed Tahir KAPLAN
Budget and Reporting Group
Manager

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

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KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF 1 JANUARY, 30 SEPTEMBER 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

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

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

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

As of 30 September 2022, 62.24% of the Bank’s shares are owned by Kuwait Finance House located in Kuwait, 18.72% by Vakıflar Genel Müdürlüğü Mazbut Vakıfları, 9.00% by Wafra International Investment Company in Kuwait and 9.00% by Islamic Development Bank whereas the remaining 1.04% of the shares are owned by other real persons and legal entities.

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

Name	Title	Date of Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Hamad Abdulmohsen AL 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 AL MUDHAF	Member of BOD	07/10/2019			Bachelor	-
Burhan ERSOY	Member of BOD	18/06/2020			Bachelor	-
Mohamad Hedi MEJAL	Member of BOD and Audit Committee	25/03/2021	04/05/2021		Master	-
Ahmad S A A AL KHARJİ	Member of BOD	26/03/2014	24/09/2014	09/09/2020	Master	-
Gehad Mohamed Elbendary ANANY	Member of BOD	25/09/2020	09/09/2020	04/11/2020	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			Bachelor	-
Bilal SAYIN	Assistant General Manager, Lending	20/08/2003			Bachelor	0.004%
İrfan YILMAZ	Assistant General Manager, Banking Services	27/10/2005			Bachelor	0.017%
Dr. Ruşen Ahmet ALBAYRAK	Assistant General Manager, Treasury and International Banking.	05/05/2005			Doctorate	0.008%
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%

Chairman and members of the Board of Directors, members of auditing committee, general manager and assistant general managers own 0.10% of the Bank’s share capital (31 December 2021 – 0.10%).

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

4. Information on qualified shareholders

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Kuwait Finance House	2,863,098	62.24%	2,863,098	-
Vakıflar Genel Müdürlüğü Mazbut Vakıfları	861,086	18.72%	861,086	-
Total	3,724,184	80.96%	3,724,184	-

As of 30 September 2022, the shares of parent shareholder of Bank, Kuwait Finance House (“KFH”) are 51.95% publicly traded; 24.08% of KFH belongs to Kuwait Investment Authority and 10.48% belongs to Public Authority for Minors Affairs.

5. Explanations of the Bank’s services and field of operations

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

As of 30 September 2022, the Bank is operating through 443 domestic branches (31 December 2021 – 442) with 6,189 employees (31 December 2021 – 6,133). Summary of some of the Bank’s operations described in the Articles of Association are as follows:

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

The Bank’s activities are not limited to the list above. If another transaction is decided to be beneficial to the Bank, the transaction must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities after whom it also needs to be approved by the Ministry of Trade since it constitutes an amendment of the Article of Association. Decisions that have been approved through all these channels will be included to the Article of Association.

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

	ASSETS	Note	Reviewed Current Period 30.09.2022			Audited Prior Period 31.12.2021		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		39,382,317	129,636,956	169,019,273	23,975,789	101,993,815	125,969,604
1.1	Cash and Cash Equivalents		4,855,457	94,587,747	99,443,204	5,403,971	74,571,274	79,975,245
1.1.1	Cash and Balances with Central Bank	(5.1.1.)	4,688,172	67,653,297	72,341,469	5,384,058	60,071,258	65,455,316
1.1.2	Banks	(5.1.3.)	32,735	26,936,872	26,969,607	20,571	14,502,373	14,522,944
1.1.3	Money Market Placements		135,499	-	135,499	-	-	-
1.1.4	Expected Credit Loss (-)		949	2,422	3,371	658	2,357	3,015
1.2	Financial Assets at Fair Value Through Profit or Loss		3,272,959	14,626,860	17,899,819	1,233,834	10,951,814	12,185,648
1.2.1	Government Debt Securities		435,781	14,090,385	14,526,166	395,925	10,639,682	11,035,607
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		2,837,178	536,475	3,373,653	837,909	312,132	1,150,041
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.4.)	30,725,506	19,824,152	50,549,658	16,287,493	15,877,864	32,165,357
1.3.1	Government Debt Securities		30,682,773	16,741,910	47,424,683	16,083,932	15,622,265	31,706,197
1.3.2	Equity Instruments		37,733	86,559	124,292	7,602	75,285	82,887
1.3.3	Other Financial Assets		5,000	2,995,683	3,000,683	195,959	180,314	376,273
1.4	Derivative Financial Assets		528,395	598,197	1,126,592	1,050,491	592,863	1,643,354
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	528,395	598,197	1,126,592	1,050,491	592,863	1,643,354
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.11.)	-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED WITH AMORTISED COSTS (Net)	(5.1.5.)	101,363,544	84,831,035	186,194,579	57,550,517	62,034,113	119,584,630
2.1	Loans		96,489,037	67,416,968	163,906,005	59,228,283	52,212,308	111,440,591
2.2	Leasing Receivables	(5.1.10.)	5,642,301	13,067,092	18,709,393	3,238,260	8,687,675	11,925,935
2.3	Financial Assets Measured at Amortized Cost	(5.1.6.)	6,117,020	10,014,659	16,131,679	-	4,798,614	4,798,614
2.3.1	Government Debt Securities		6,117,020	10,014,659	16,131,679	-	4,798,614	4,798,614
2.3.2	Other Financial Assets		-	-	-	-	-	-
2.4	Expected Credit Loss (-)		6,884,814	5,667,684	12,552,498	4,916,026	3,664,484	8,580,510
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)	(5.1.16.)	153,822	-	153,822	240,891	-	240,891
3.1	Held for Sale		153,822	-	153,822	240,891	-	240,891
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		1,481,015	-	1,481,015	1,481,015	-	1,481,015
4.1	Investments in Associates (Net)	(5.1.7.)	-	-	-	-	-	-
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	Investment in Subsidiaries (Net)	(5.1.8.)	1,461,015	-	1,461,015	1,461,015	-	1,461,015
4.2.1	Unconsolidated Financial Subsidiaries		1,437,335	-	1,437,335	1,437,335	-	1,437,335
4.2.2	Unconsolidated Non-Financial Subsidiaries		23,680	-	23,680	23,680	-	23,680
4.3	Investment in Joint Ventures (Net)	(5.1.9.)	20,000	-	20,000	20,000	-	20,000
4.3.1	Joint Ventures Valued Based on Equity Method		20,000	-	20,000	20,000	-	20,000
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(5.1.12.)	1,463,899	1,627	1,465,526	1,221,027	1,571	1,222,598
VI.	INTANGIBLE ASSETS (Net)	(5.1.13.)	316,142	43	316,185	248,173	14	248,187
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		316,142	43	316,185	248,173	14	248,187
VII.	INVESTMENT PROPERTIES (Net)	(5.1.14.)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSETS		-	-	-	-	-	-
IX.	DEFERRED TAX ASSETS	(5.1.15.)	454,182	-	454,182	1,713,575	-	1,713,575
X.	OTHER ASSETS	(5.1.17.)	3,530,860	2,806,273	6,337,133	1,321,031	2,286,729	3,607,760
	TOTAL ASSETS		148,145,781	217,275,934	365,421,715	87,752,018	166,316,242	254,068,260

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

	LIABILITIES	Note	Reviewed Current Period 30.09.2022			Audited Prior Period 31.12.2021		
			TL	FC	Total	TL	FC	Total
I.	FUNDS COLLECTED	(5.2.1.)	107,953,335	200,002,527	307,955,862	57,295,682	154,809,707	12,105,389
II.	FUNDS BORROWED	(5.2.3.)	2,864,188	5,994,149	8,858,337	4,795,462	3,526,512	8,321,974
III.	MONEY MARKETS		4,000	-	4,000	6,495,137	-	6,495,137
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES		124,373	146,003	270,376	192,898	65,015	257,913
6.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	124,373	146,003	270,376	192,898	65,015	257,913
6.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.6.)	-	-	-	-	-	-
VII.	LEASE PAYABLES	(5.2.5.)	462,846	13,352	476,198	342,556	9,819	352,375
VIII.	PROVISIONS	(5.2.7.)	2,637,571	1,597,773	4,235,344	1,443,840	998,535	2,442,375
8.1	Restructuring Provision		-	-	-	-	-	-
8.2	Reserves for Employee Benefits		1,195,808	70,024	1,265,832	570,937	1,367	572,304
8.3	Insurance for Technical Provision (Net)		-	-	-	-	-	-
8.4	Other Provisions		1,441,763	1,527,749	2,969,512	872,903	997,168	1,870,071
IX.	CURRENT TAX LIABILITIES	(5.2.8.1.)	981,796	-	981,796	1,158,997	-	1,158,997
X.	DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(5.2.9.)	-	-	-	-	-	-
11.1	Held for Sale		-	-	-	-	-	-
11.2	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(5.2.10.)	-	11,300,231	11,300,231	-	8,100,496	8,100,496
12.1	Loans		-	-	-	-	-	-
12.2	Other Debt Instruments		-	11,300,231	11,300,231	-	8,100,496	8,100,496
XIII.	OTHER LIABILITIES	(5.2.4.)	4,441,904	2,546,944	6,988,848	1,843,584	2,533,167	4,376,751
XIV.	SHAREHOLDERS' EQUITY	(5.2.11.)	24,755,511	(404,788)	24,350,723	10,531,507	(74,654)	10,456,853
14.1	Paid-in Capital		4,595,131	-	4,595,131	4,595,131	-	4,595,131
14.2	Capital Reserves		25,124	-	25,124	25,124	-	25,124
14.2.1	Share Premiums		23,250	-	23,250	23,250	-	23,250
14.2.2	Share Cancellation Profits		1,874	-	1,874	1,874	-	1,874
14.2.3	Other Capital Reserves		-	-	-	-	-	-
14.3	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(48,855)	-	(48,855)	(52,112)	-	(52,112)
14.4	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		5,398,899	(404,788)	4,994,111	49,331	(74,654)	(25,323)
14.5	Profit Reserves		5,610,772	-	5,610,772	3,359,858	-	3,359,858
14.5.1	Legal Reserves		505,957	-	505,957	355,870	-	355,870
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		4,872,338	-	4,872,338	2,936,850	-	2,936,850
14.5.4	Other Profit Reserves		232,477	-	232,477	67,138	-	67,138
14.6	Profit or Loss		9,174,440	-	9,174,440	2,554,175	-	2,554,175
14.6.1	Retained Earnings		50,406	-	50,406	52,448	-	52,448
14.6.2	Current Period's Net Profit / Loss		9,124,034	-	9,124,034	2,501,727	-	2,501,727
14.7	Minority Shares	(5.2.12.)	-	-	-	-	-	-
	TOTAL LIABILITIES		144,225,524	221,196,191	365,421,715	84,099,663	169,968,597	54,068,260

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 30 SEPTEMBER 2022

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

2. STATEMENT OF OFF-BALANCE SHEET ITEMS

	Note	Reviewed Current Period 30.09.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)		95,651,103	92,359,817	188,010,920	70,491,068	83,837,236	154,328,304
I. GUARANTEES AND WARRANTIES (5.3.1.)		15,653,082	11,064,509	26,717,591	8,925,813	8,467,832	17,393,645
1.1. Letters of Guarantee		14,162,993	5,687,496	19,850,489	8,069,532	3,777,053	11,846,585
1.1.1. Guarantees Subject to State Tender Law		443,079	19,503	462,582	267,372	19,827	287,199
1.1.2. Guarantees Given for Foreign Trade Operations		739,214	44,308	783,522	445,301	49,329	494,630
1.1.3. Other Letters of Guarantee		12,980,700	5,623,685	18,604,385	7,356,859	3,707,897	11,064,756
1.2. Bank Loans		7,121	171,161	178,282	1,044	112,639	113,683
1.2.1. Import Letter of Acceptances		7,121	171,161	178,282	1,044	112,639	113,683
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		6,293	4,997,509	5,003,802	13,942	4,507,178	4,521,120
1.3.1. Documentary Letters of Credit		4,252	2,177,513	2,181,765	-	1,979,005	1,979,005
1.3.2. Other Letters of Credit		2,041	2,819,996	2,822,037	13,942	2,528,173	2,542,115
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		1,476,675	208,343	1,685,018	841,295	70,962	912,257
1.7. Other Warrantees		-	-	-	-	-	-
II. COMMITMENTS (5.3.1.)		70,845,139	5,549,597	76,394,736	58,403,340	4,958,958	63,362,298
2.1. Irrevocable Commitments		15,959,782	5,549,597	21,509,379	9,395,400	4,958,958	14,354,358
2.1.1. Forward Asset Purchase and Sales Commitments		1,182,918	5,549,597	6,732,515	1,340,797	4,958,958	6,299,755
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		1,864,659	-	1,864,659	1,007,332	-	1,007,332
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments For Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6. Payment Commitments for Checks		2,253,545	-	2,253,545	1,750,116	-	1,750,116
2.1.7. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8. Commitments For Credit Card Expenditure Limits		10,418,526	-	10,418,526	5,278,441	-	5,278,441
2.1.9. Commitments For Credit Cards and Banking Services Promotions		-	-	-	957	-	957
2.1.10. Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11. Payables For Short Sale Commitments		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		240,134	-	240,134	17,757	-	17,757
2.2. Revocable Commitments		54,885,357	-	54,885,357	49,007,940	-	49,007,940
2.2.1. Revocable Loan Granting Commitments		54,885,357	-	54,885,357	49,007,940	-	49,007,940
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS (5.3.2.)		9,152,882	75,745,711	84,898,593	3,161,915	70,410,446	73,572,361
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		9,152,882	75,745,711	84,898,593	3,161,915	70,410,446	73,572,361
3.2.1. Forward Foreign Currency Buy/Sell Transactions		3,959,562	13,813,316	17,772,878	2,116,860	3,507,510	5,624,370
3.2.1.1. Forward Foreign Currency Buy Transactions		3,504,144	5,511,619	9,015,763	1,426,726	1,522,070	2,948,796
3.2.1.2. Forward Foreign Currency Sell Transactions		455,418	8,301,697	8,757,115	690,134	1,985,440	2,675,574
3.2.2. Other Forward Buy/Sell Transactions		5,193,320	61,932,395	67,125,715	1,045,055	66,902,936	67,947,991
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		1,131,110,274	477,438,886	1,608,549,160	667,226,247	348,895,558	1,016,121,805
IV. ITEMS HELD IN CUSTODY		31,443,452	42,677,748	74,121,200	20,834,179	34,556,759	55,390,938
4.1. Customers' Securities Held		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		6,337,123	5,607,223	11,944,346	5,719,656	4,866,680	10,586,336
4.3. Checks Received for Collection		22,549,292	1,927,726	24,477,018	13,271,444	2,766,870	16,038,314
4.4. Commercial Notes Received for Collection		2,557,037	950,490	3,507,527	1,843,079	545,230	2,388,309
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	-	-	-
4.8. Custodians		-	34,192,309	34,192,309	-	26,377,979	26,377,979
V. PLEDGED ITEMS		1,099,655,183	434,541,450	1,534,196,633	646,380,429	314,183,181	960,563,610
5.1. Marketable Securities		3,322,883	148,209	3,471,092	401,159	-	401,159
5.2. Guarantee Notes		101,097	7,473,594	7,574,691	101,097	5,361,650	5,462,747
5.3. Commodity		36,374,488	1,691,422	38,065,910	22,137,974	669,993	22,807,967
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		258,740,131	8,716,820	267,456,951	165,337,287	6,452,977	171,790,264
5.6. Other Pledged Items		801,116,584	416,511,405	1,217,627,989	458,402,912	301,698,561	760,101,473
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED GUARANTEES AND WARRANTEES		11,639	219,688	231,327	11,639	155,618	167,257
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		1,226,761,377	569,798,703	1,796,560,080	737,717,315	432,732,794	1,170,450,109

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 30 SEPTEMBER 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

3. STATEMENT OF PROFIT OR LOSS (INCOME STATEMENT)

			Reviewed Current Period 01.01.2022- 30.09.2022	Reviewed Current Period 01.07.2022- 30.09.2022	Reviewed Prior Period 01.01.2021- 30.09.2021	Reviewed Prior Period 01.07.2021- 30.09.2021
	INCOME AND EXPENSE ITEMS	Note				
I.	PROFIT SHARE INCOME	(5.4.1.)	23,746,132	9,685,022	9,025,603	3,237,464
1.1.	Profit Share on Loans		13,530,513	5,750,624	5,920,583	2,144,162
1.2.	Profit Share on Reserve Deposits		96,729	-	151,069	67,104
1.3.	Profit Share on Banks		118,603	42,439	65,957	17,880
1.4.	Profit Share on Money Market Placements		-	-	-	-
1.5.	Profit Share on Marketable Securities Portfolio		8,847,569	3,405,424	2,452,365	856,836
1.5.1.	Fair Value Through Profit or Loss		380,791	122,278	170,390	55,517
1.5.2.	Fair Value Through Other Comprehensive Income		7,905,843	2,974,970	2,207,415	774,430
1.5.3.	Measured at Amortized Cost		560,935	308,176	74,560	26,889
1.6.	Finance Lease Income		1,101,807	466,496	385,464	148,213
1.7.	Other Profit Share Income		50,911	20,039	50,165	3,269
II.	PROFIT SHARE EXPENSE		8,066,685	3,498,522	3,834,151	1,490,786
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	6,791,064	3,073,558	2,378,703	936,832
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	1,135,205	392,187	977,960	369,086
2.3.	Profit Share Expense on Money Market Borrowings		82,035	11,053	440,901	172,996
2.4.	Expense on Securities Issued		-	-	-	-
2.5.	Profit Share Expense on Lease		58,381	21,724	36,587	11,872
2.6.	Other Profit Share Expense		-	-	-	-
III.	NET PROFIT SHARE INCOME (I - II)		15,679,447	6,186,500	5,191,452	1,746,678
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		907,908	425,616	403,469	147,694
4.1.	Fees and Commissions Received		1,720,210	700,208	758,364	285,009
4.1.1.	Non-Cash Loans		153,645	61,741	104,036	35,904
4.1.2.	Other	(5.4.13.)	1,566,565	638,467	654,328	249,105
4.2.	Fees and Commissions Paid		812,302	274,592	354,895	137,315
4.2.1.	Non-Cash Loans		680	308	15	5
4.2.2.	Other	(5.4.13.)	811,622	274,284	354,880	137,310
V.	DIVIDEND INCOME	(5.4.3.)	1,597	798	5,843	-
VI.	NET TRADING INCOME / LOSS	(5.4.5.)	4,053,292	1,630,538	6,717	(428)
6.1.	Capital Market Transaction Gains/Losses		404,690	177,917	42,594	(12,650)
6.2.	Gains/Losses from Derivative Financial Instruments		4,487,055	3,831,274	1,074,562	94,336
6.3.	Foreign Exchange Gains/Losses		(838,453)	(2,378,653)	(1,110,439)	(82,114)
VII.	OTHER OPERATING INCOME	(5.4.6.)	1,380,078	541,872	833,357	95,728
VIII.	GROSS OPERATING INCOME / LOSS (III+IV+V+VI+VII+VIII)		22,022,322	8,785,324	6,440,838	1,989,672
IX.	EXPECTED LOSS PROVISIONS (-)	(5.4.7.)	5,344,576	2,149,907	2,482,047	772,905
X.	OTHER PROVISIONS (-)	(5.4.7.)	532,730	208,355	36,607	(24)
XI.	PERSONNEL EXPENSES (-)	(5.4.8.)	2,557,704	1,269,700	1,029,980	332,699
XII.	OTHER OPERATING EXPENSES (-)	(5.4.8.)	1,882,718	751,075	1,032,691	353,556
XIII.	NET OPERATING INCOME/(LOSS) (IX-X-XI)		11,704,594	4,406,287	1,859,513	530,536
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI.	INCOME / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XII+...+XV)	(5.4.9.)	11,704,594	4,406,287	1,859,513	530,536
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(5.4.10)	(2,580,560)	(1,103,839)	(451,732)	(152,574)
18.1.	Current Tax Provision		2,992,232	981,436	842,412	314,108
18.2.	Deferred Tax Expense Effect (+)		1,210,007	-	20,366	-
18.3.	Deferred Tax Income Effect (-)		1,621,679	(122,403)	411,046	161,534
XIX.	CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(5.4.11.)	9,124,034	3,302,448	1,407,781	377,962
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1.	Income on Non-Current Assets Held for Sale		-	-	-	-
20.2.	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
20.3.	Income on Other Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1.	Expenses from Non-Current Assets Held for Sale		-	-	-	-
21.2.	Expenses from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
21.3.	Expenses From Other Discontinued Operations		-	-	-	-
XXII.	PROFIT / (LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1.	Current Tax Provision		-	-	-	-
23.2.	Deferred Tax Expense Effect (+)		-	-	-	-
23.3.	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXV.	NET PROFIT/LOSS (XVII+XXII)	(5.4.12.)	9,124,034	3,302,448	1,407,781	377,962
25.1.	Group's Income/Loss		9,124,034	3,302,448	1,407,781	377,962
25.2.	Minority Interest Income/Loss (-)		-	-	-	-
	Earnings Per Share Income/Loss		-	-	-	-

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME AS OF 30 SEPTEMBER 2022

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

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed Current Period 30.09.2022	Reviewed Prior Period 30.09.2021
I.	CURRENT PROFIT/LOSS	9,124,034	1,407,781
II.	OTHER COMPREHENSIVE INCOME	5,022,691	(44,403)
2.1	Other Comprehensive Income Not Reclassified Through Profit or Loss	3,257	-
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	-	-
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	3,257	-
2.2	Other Comprehensive Income Reclassified Through Profit or Loss	5,019,434	(44,403)
2.2.1	Foreign Currency Translation Difference	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	6,691,715	(65,349)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Taxes Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(1,672,281)	20,946
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	14,146,725	1,363,378

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 30 SEPTEMBER 2022

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

5. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Notes	Paid-in Capital	Share Premiums	Share cancellation profits	Other Capital Reserves	Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss						Profit Reserves	Retained Earnings	Net Profit/Loss for the Period	Total Shareholders' Equity Less Minority Shares	Minority Shares	Total Shareholders' Equity
						1	2	3	4	5	6						
Prior Period (01/01/2021 – 30/09/2021)																	
I. Prior Period Ending Balance		4,595,131	23,250	1,874	-	-	(51,258)	-	-	3,225	-	1,970,146	52,448	1,400,281	7,995,097	-	7,995,097
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		4,595,131	23,250	1,874	-	-	(51,258)	-	-	3,225	-	1,970,146	52,448	1,400,281	7,995,097	-	7,995,097
IV. Total Comprehensive Income (Loss)		-	-	-	-	-	-	-	(44,403)	-	-	-	-	1,407,781	1,363,378	-	1,363,378
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		-	-	-	-	-	-	-	-	-	(1,078)	-	-	(1,078)	-	-	(1,078)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	1,391,149	-	(1,400,281)	(9,132)	-	-	(9,132)
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(9,132)	-	-	-	(9,132)
11.2 Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	1,391,149	-	(1,391,149)	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	1,400,281	(1,400,281)	-	-	-
Balances at end of the period (III+IV+.....+X+XI)	(5.2.11.)	4,595,131	23,250	1,874	-	-	(51,258)	-	-	(41,178)	-	3,360,217	52,448	1,407,781	9,348,265	-	9,348,265
Current Period (01/01/2022 – 30/09/2022)																	
I. Prior Period Ending Balance		4,595,131	23,250	1,874	-	-	(52,112)	-	-	(25,323)	-	3,359,858	52,448	2,501,727	10,456,853	-	10,456,853
II. Corrections and Accounting Policy Changes Made According to TAS 8(*)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		4,595,131	23,250	1,874	-	-	(52,112)	-	-	(25,323)	-	3,359,858	52,448	2,501,727	10,456,853	-	10,456,853
IV. Total Comprehensive Income (Loss)		-	-	-	-	-	3,257	-	-	5,019,434	-	-	-	9,124,034	14,146,725	-	14,146,725
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		-	-	-	-	-	-	-	-	-	(813)	(2,042)	-	(2,855)	-	-	(2,855)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	2,251,727	-	(2,501,727)	(250,000)	-	-	(250,000)
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	(250,000)	-	-	-	(250,000)
11.2 Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	2,251,727	(2,251,727)	-	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	2,501,727	(2,501,727)	-	-	-
Balances at end of the period (III+IV+.....+X+XI)	(5.2.11.)	4,595,131	23,250	1,874	-	-	(48,855)	-	-	4,994,111	-	5,610,772	50,406	9,124,034	24,350,723	-	24,350,723

1. Accumulated Revaluation Increase / Decrease of Fixed Assets

2. Accumulated Remeasurement Gain / Loss of Defined Benefit Pension Plan

3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4. Foreign Currency Translation Differences

5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income

6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

6. STATEMENT OF CASH FLOWS

	Note	Reviewed	Reviewed
		Current Period	Prior Period
		01.01.2022- 30.09.2022	01.01.2021- 30.09.2021
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Assets and Liabilities from Banking Operations	2,334,852	2,984,170
1.1.1	Profit Share Income Received	10,659,461	7,551,770
1.1.2	Profit Share Expense Paid	(6,699,137)	(3,832,976)
1.1.3	Dividends Received	1,597	5,843
1.1.4	Fees And Commissions Received	1,720,210	758,364
1.1.5	Other Income	2,065,077	880,335
1.1.6	Collections From Previously Written Off Loans	1,406,511	498,163
1.1.7	Payments to Personnel and Service Suppliers	(1,864,176)	(1,007,786)
1.1.8	Taxes Paid	(2,279,280)	(627,921)
1.1.9	Others	(2,675,411)	(1,241,622)
1.2	Changes in Assets and Liabilities from Banking Operations	2,772,469	11,687,615
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(3,302,806)	1,160,127
1.2.2	Net (Increase) Decrease in Due from Banks and Other Financial Institutions	(11,615,874)	(4,669,372)
1.2.3	Net (Increase) Decrease in Loans	(48,122,921)	(12,944,950)
1.2.4	Net (Increase) Decrease in Other Assets	(907,254)	5,246,033
1.2.5	Net Increase (Decrease) in Bank Deposits	975,283	73,580
1.2.6	Net Increase (Decrease) in Other Deposits	63,640,156	19,060,027
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	(2,381,435)	(262,958)
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	4,487,320	4,025,128
I.	Net Cash Provided From / (Used in) Banking Operations	5,107,321	14,671,785
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided From / (Used in) Investing Activities	(14,302,489)	(1,593,723)
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries	(30,420)	-
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries	-	-
2.3	Fixed Assets Purchases	(466,003)	(167,141)
2.4	Fixed Assets Sales	548,176	46,161
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(10,922,826)	(8,745,538)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	4,075,119	4,001,354
2.7	Cash Paid for Purchase of Investment Securities	(13,334,592)	(136,484)
2.8	Cash Obtained from Sale of Investment Securities	5,924,666	3,479,510
2.9	Other	(96,609)	(71,585)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided From / (Used in) Financing Activities	(308,381)	468,235
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Equity Instruments Issued	-	513,954
3.4	Dividends Paid	(250,000)	(9,132)
3.5	Payments For Finance Leases	(58,381)	(36,587)
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	12,877,508	3,798,196
V.	Net Increase (Decrease) in Cash and Cash Equivalents	3,373,959	17,344,493
VI.	Cash and Cash Equivalents at the Beginning of the Period	43,693,233	11,971,283
VII.	Cash and Cash Equivalents at the End of the Period	47,067,192	29,315,776

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES IN THE RELATED PERIOD

1. Explanations on Basis of Presentation

1.1. The preparation of the financial statements and related notes and explanations in accordance with The Turkish Accounting Standards and Regulation on Accounting Applications for Banks and Safeguarding of Documents

The Bank prepares its financial statements in accordance with the “Regulation on The Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette dated 1 November 2006 with numbered 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency (“BRSA”) as well as the circulars and pronouncements published by the BRSA. For matters not regulated by the 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.

Additional paragraph for convenience translation

The differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”), including non-application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences has not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

COVID-19 pandemic, which has emerged in China, has spread to various countries in the world, causing potentially fatal respiratory infections, negatively effects both regional and global economic conditions, as well as it causes disruptions in operations, especially countries that are exposed to the epidemic. As a result of the spread of COVID-19 around the world, several measures are still being taken in our country as well as in the world in order to prevent the spread of the virus and measures are still being taken. In addition to the measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

Since it is aimed to update the most recent financial information in the financial statements prepared as of September 30, 2022, considering the magnitude of the economic changes due to COVID-19, the Bank made certain estimates in the calculation of expected credit losses and disclosed them in third section footnote numbered 1.5 “Explanations on Expected Credit Loss”. In the upcoming periods, the Bank will update its relevant assumptions are necessary and revise the realizations of past estimates.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (POB) on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on 30 September 2022 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POB will delay the application of TAS 29, financial statements as of September 30, 2022, are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

Since January 2022, the tension between Russia and Ukraine has turned into a crisis and a hot conflict. The Bank does not carry out any activity in the two countries that are subject to the crisis. Considering the geographies in which the Bank conducts its activities, the economic effects of the crisis are closely monitored by the Bank and are considered when preparing its financial statements using the best forecasting method.

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 Bank in the current year. Comparative information is rearranged when deemed necessary in order to comply with the presentation of the current period financial statements. The Bank has rearranged the prior period's statement of changes in shareholders' equity 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

Until 31 December 2004, the financial statements of the Bank were subject to inflation adjustments in accordance with Turkish Accounting Standard No: 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29"). As per the BRSA decision numbered 1623 and dated 21 April 2005 and the BRSA circular dated 28 April 2005 it was stated that the indicators for the application of inflation accounting were no longer applicable. Consequently, as of 1 January 2005, the inflation accounting has not been applied.

1.5. Disclosures regarding TFRS 9 financial instruments

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

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

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

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

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

During the first recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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” (SPPI).

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 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.

The Bank has calculated the possible effects of the COVID-19 outbreak as of 30 September 2022 with the best estimate method, which it obtained on the principle of maximum effort to estimate, and reasoning used in the calculation of expected credit losses. In the light of the data during the pandemic, the Bank revised its macroeconomic expectations in the calculation of expected credit loss, and the calculation made taking into account the change in PD with the update in the EDF model was reflected in the financial statements. By its nature, the model effects are reflected in the financial statements with a delay due to the occurrence of the events and their effects at different times. For this reason, the Bank is establishing additional provisions for the Wholesale and Retail Trade, Build, Construction, Contracting and Tourism sectors, whose PD is more sensitive to the current macroeconomic and geopolitical conjuncture among the sectors that are declining. The Bank maintains this approach as of September 30, 2022. When deemed necessary, the future will review these assumptions according to the course of the pandemic.

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

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Stage 2: Includes financial assets having significant increase in their credit risk subsequent to the initial recognition, but not having objective evidence about impairment. It is recognized lifetime expected credit losses for such financial assets.

In this context, the basic considerations that are considered in determining the significant increase in the credit risk of a financial asset and its transfer to Phase 2 are, but are not limited to, the following.

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

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

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

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

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

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

1.7 Explanations on TFRS 16 leases standard

The leasing transactions are presented by the lessors as assets (right-of-use assets) and liabilities from leasing transactions. TFRS 16 Standard eliminates the dual accounting model of leasing transactions on balance sheet and operational leasing transactions as direct expense except balance sheet.

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

As of September 30, 2022, the right-of-use assets classified tangible assets amounting to gross TL 697,085 in the balance sheet of the Bank and a lease obligation classified in the item of liabilities from leasing transactions amounting to gross TL 721,329. In the nine-month period that ended as of the same date, financial expenses amounting to TL 58,381 and depreciation expenses amounting to TL 107,854 were incurred.

On 5 June 2020, Public Oversight Accounting and Auditing Standards Authority ("POA") has changed to TFRS 16 "Leases" standard by publishing Privileges Granted in Lease Payments -"Amendments to TFRS 16 Leases" concerning Covid-19. With this change, tenants are exempted from whether there has been a change in the rental privileges in lease payments due to Covid-19. This change did not have a significant impact on the financial status or performance of the Bank.

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

3. Investments in associates and subsidiaries

Turkish currency denominated associates and subsidiaries are measured at cost value in accordance with the "Consolidated and Separate Financial Statements" ("TAS 27") and then deducted by provisions for impairment losses, if any, reflected to the accompanying unconsolidated financial statements.

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

The Parent Bank engages in foreign currency futures transactions in order to reduce foreign currency position risk and manage foreign currency liquidity. The Bank's derivatives are classified as "Hedging Purposes" and "Financial Asset with Fair Value (GUD) Reflected in Profit/Loss". Accordingly, although some derivative transactions provide effective protection against risks for the Bank economically, those that cannot be defined accountably for hedging purposes are recognized as "Financial Assets Reflected in Fair Value (GUD) Profit/Loss" and tracked in the "Derivative Financial Assets/Liabilities" account on the balance sheet with their fair value.

Obligations and receivables arising from derivative transactions are recorded in the accounts based on the contract amounts. The fair value of currency futures and swaps is calculated using the discounted cash flow model. Differences in the fair value of derivative transactions for trading purposes are recognized in the " Trading Income/Loss " item in the income statement.

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

As of September 30, 2022, the Bank has no cash flow hedging transaction.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from 1 January 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance. As of 30 September 2022, the Bank has no hedging transactions based on the benchmark interest rate.

5. Explanations on profit share income and expense

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

7.1 Financial Assets at Fair Value through Profit/Loss

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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.

The Bank's financial assets with a difference in fair value reflected in other comprehensive income have government sukuks indexed to consumer prices ("CPI") in their securities portfolios, whose real coupon rates for 6 months remain constant throughout the maturity period. These assets are evaluated and accounted for according to the effective dividend method based on real coupon rates and the index calculated taking into account the reference inflation index and the estimated inflation rate at the date of issuance. The estimated inflation rate used is updated as necessary during the year.

7.3 Financial Assets Measured at Amortized Cost

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

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

7.4 Derivative Financial Assets

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

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

7.5 Loans

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

8. Explanations on offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank 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 30 September 2022, the Bank has repurchased agreement amounting to TL 4,829 (31 December 2021: TL 6,495,474.)

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 Bank has no discontinued operations.

11. Explanations on goodwill and other intangible assets

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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 its carrying value, impairment loss is provided and the carrying value is written down to its recoverable amount.

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

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

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

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

13. Explanations on leasing transactions

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

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

The Bank has started implementing the TFRS 16 - Leases standard from 1 January 2019, the first date of the TFRS 16 standard. At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments are discounted by using the Bank's alternative borrowing profit rate.

The right of the use asset

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

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

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

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

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

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Lease Obligation

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

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

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

14. Explanations on provisions and contingent liabilities

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

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

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

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

15. Explanations on Liabilities Relating to Employee Benefits

15.1 Defined benefit plans

In accordance with existing social legislation, the Bank is required to make severance pay to each employee who has completed over one year of service with the Bank and who retires or quits the employment to receive old age or disability benefits, to 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.

Bank is accounted all actuarial profit and loss under Statement of other Comprehensive Income.

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

15.2 Defined contribution plans

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

15.3 Short term benefits to employees

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

Bank 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
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

16. Explanations on Taxation

Current Tax

With the Law No. 7394 on the Assessment of Immovable Properties Belonging to the Treasury and the Amendment of the Value Added Tax Law, which was published in the Official Gazette dated April 15, 2022 and numbered 31810 and entered into force, and the Article 26 of the Law on the Amendment of Some Laws and Decree Laws and the paragraph added to the provisional Article 13 of the Corporate Tax Law No. 5520, The Corporate Tax rate will be applied as 25% for corporate earnings the taxation period of 2022.

This rate shall be applied to the tax base to be found because of adding expenses that are not accepted as deductions 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 further tax is paid. In accordance with the tax legislation, as of July 1, 2022, the provisional tax rate will be paid at the rate of 25% on the quarterly bases, and the provisional taxes paid during the year are deducted from the corporate tax calculated on the annual corporate tax return of that year.

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

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 fulfill 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 installment 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 prior periods. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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

On January 20, 2022, the implementation of inflation accounting with the "Law on The Amendment of the Tax Procedure Law and the Corporate Tax Law" adopted on the agenda of the Turkish Grand National Assembly has been postponed to start from the balance sheet dated December 31, 2023.

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 asset or liability over all taxable temporary differences and deferred tax asset over taxable temporary differences, apart from the provisions for Expected Credit Losses for 12-Months (Stage 1) and for 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.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

17. Explanations on Additional Disclosures on Borrowings

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

The Bank has not issued convertible bonds.

18. Explanations on Share Certificates Issued

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

19. Explanations on Acceptances and Aailed Drafts

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

20. Explanations on Government Grants

There are no government grants received by the Bank.

21. Explanations on Segment Reporting

The Bank conducts its activities in three separate segments: Retail Banking, Corporate and Commercial 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 13.

22. Explanations on Other Matters

The Bank has no disclosures on other matters.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

1. Explanations on 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 30 September 2022 Bank’s total capital has been calculated as TL 36,847,875 (31 December 2021: TL 19,096,524), capital adequacy ratio is 25.89% (31 December 2021: 23.05%).

Within the scope of the regulations dated 28 April 2022 and 21 December 2021 by the BRSA, it was allowed to calculate the amount based on credit risk with the exchange rates of the CBRT for 31 December 2021 and to exclude these differences in the amount of equity to be used for the capital adequacy ratio if the net valuation differences of the securities in the portfolio of securities whose fair value difference is reflected in the other comprehensive income are negative.

The Bank used these opportunities in its Capital Adequacy calculations as of September 30, 2022.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.1 Components of Total Capital:

	Current Period Amount	Prior Period Amount
COMMON EQUITY TIER I CAPITAL		
Paid-In Capital to Be Entitled for Compensation After All Creditors	4,600,000	4,600,000
Share Premium	23,250	23,250
Reserves	5,610,772	3,359,858
Other Comprehensive Income According to TAS	5,624,705	251,492
Profit	9,174,440	2,554,175
Current Period Profit	9,124,034	2,501,727
Prior Period Profit	50,406	52,448
Bonus Shares from Associates, Affiliates and Joint-Ventures Not Accounted in Current Period's Profit	-	-
Common Equity Tier I Capital Before Deductions	25,033,167	10,788,775
Deductions From Common Equity Tier I Capital	-	-
Valuation Adjustments Calculated as Per the Article 9. (I) Of The Regulation on Bank Capital	-	-
Current And Prior Periods' Losses Not Covered by Reserves, And Losses Accounted Under Equity According to TAS (-)	188,841	16,538
Leasehold Improvements on Operational Leases (-)	115,798	73,968
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	294,122	233,519
Remaining after deducting from the related deferred tax liability with the deferred tax asset based on future taxable income, except for deferred tax assets based on temporary differences	-	-
Differences Arise When Assets and Liabilities Not Held at Fair Value, Are Subjected to Cash Flow Hedge Accounting	-	-
Total Credit Losses That Exceed Total Expected Loss Calculated According to The Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization Gains	-	-
Unrealized Gains and Losses from Changes in Bank's Liabilities' Fair Values Due to Changes in Creditworthiness	-	-
Net Amount of Defined Benefit Plans	48,855	52,112
Direct And Indirect Investments of The Bank on Its Own Tier I Capital (-)	4,869	4,869
Shares Obtained Against Article 56, Paragraph 4 Of the Banking Law (-)	-	-
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 (-)	-	-
Total Of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or More of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets Arising from Temporary Differences Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding The 15% Threshold of Tier I Capital as Per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
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 Not Deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights Not Deducted (-)	-	-
Excess Amount Arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Deductions From Tier I Capital in Cases Where There Are No Adequate Additional Tier I Or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	652,485	381,006
Total Common Equity Tier I Capital	24,380,682	10,407,769

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

ADDITIONAL TIER I CAPITAL		
Privileged stocks not included in common equity and share premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	4,631,540	3,317,165
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	4,631,540	3,317,165
Deductions From Additional Tier I Capital	-	-
Direct And Indirect Investments of the Bank on Its Own Additional Tier I Capital (-)	-	-
Investments In Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in The Article 7 of the Regulation	-	-
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 (-)	-	-
Items To Be Deducted from Tier I Capital During the Transition Period		
Goodwill And Other Intangible Assets and Related Deferred Taxes Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
Net Deferred Tax Asset/Liability Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 1 of The Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
Deduction From Additional Tier I Capital When There Is Not Enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	4,631,540	3,317,165
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	29,012,222	13,724,934
Tier II Capital	-	-
Debt Instruments and The Related Issuance Premiums Defined by the BRSA	6,484,156	4,644,031
Debt Instruments and The Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Provisions (Amounts Explained in the First Paragraph of the Article 8 of the Regulation on Bank Capital)	1,359,081	845,934
Tier II Capital before deductions	7,843,237	5,489,965
Deductions From Tier II Capital	-	-
Direct And Indirect Investments of The Bank on Its Own Tier II Capital (-)	-	-
Investments In Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	-
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 and Tier II Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or More of the Issued Share Capital Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	7,843,237	5,489,965
Total Equity (Total Tier I And Tier II Capital)	36,855,459	19,214,899

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted Against the Articles 50 And 51 of the Banking 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 (-)	6,947	11,607
Other Items to Be Defined by The BRSA (-)	637	106,768
Items To Be Deducted from The Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as Per the Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted from Additional Tier I Capital or Tier II Capital as Per the Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or more of the issued Share Capital, of the Net Deferred Tax Assets Arising from Temporary Differences and of the Mortgage Servicing Rights Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 2, Paragraph (1) And (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
Capital		
Total Capital (Total of Tier I Capital and Tier II Capital)	36,847,875	19,096,524
Total Risk Weighted Assets	142,300,718	82,840,995
Capital Adequacy Ratios		
CET1 Capital Ratio (%)	17.13	12.56
Tier I Capital Ratio (%)	20.39	16.57
Capital Adequacy Ratio (%)	25.89	23.05
Buffers		
Bank-Specific Total CET1 Capital Ratio	2.50	2.50
Capital Conservation Buffer Ratio (%)	2.50	2.50
Systemic Significant Bank Buffer Ratio (%)	-	-
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 Of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	12.63	8.06
Amounts Lower Than Excesses as Per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% Or Less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of The Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% or Less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets Arising from Temporary Differences	-	-
Limits For Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (Before Limit of One Hundred and twenty-five Per Ten Thousand)	5,719,400	6,298,549
General Loan Provisions for Exposures in Standard Approach Limited By 1.25% of Risk Weighted Assets	1,359,081	845,934
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited By 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (Effective Between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items Subject to Temporary Article 4	-	-
Amount Of Additional Tier I Capital Items Subject to Temporary Article 4 That Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items Subject to Temporary Article 4	-	-
Amount Of Additional Tier II Capital Items Subject to Temporary Article 4 That Exceeds Upper Limit	-	-

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Information on debt instruments to be included in equity calculation:			
Issuer	KT One Company Limited	KT AT One Company Limited	KT21 T2 Company Limited
Mean Code (CUSIP, ISIN vb.)	XS2028862998	XS2227803819	XS2384355520
Legislation to which the mean is subject	BRSA regulation on Shareholders ' Equity	BRSA regulation on Shareholders ' Equity	BRSA regulation on Shareholders ' Equity
Consideration In Equity Calculation			
Subject to consideration application reduced by 10% from 1/1/2015	Not being subject	Not being subject	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	Current on both consolidated and unconsolidated basis
Means Type	Subordinated Sukuk (Additional Tier I Capital)	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)	3,705	926	6,484
Nominal value of the mean (TL million))	3,705	926	6,484
The account in which the mean is followed accounting	3470003	3470003	3470003
Export date of the mean	16/07/2019	28/09/2020	16/09/2021
Maturity structure of the mean (demand/term))	Demand	Demand	10 years and 3 months term
Initial maturity of the mean	5 Years (Due Date : 16/07/2024)	5 Years (Due Date : 29/09/2025)	5 Years and 3 months (Due Date: 16/12/2026)
Whether the issuer has the right to refund subject to BRSA approval	Yes	Yes	Yes
Date of repayment option, contingent repayment options and amount to be paid back	16/07/2024 - Complete	29/09/2025 - Complete	16/12/2026 - Complete
Subsequent repayment option dates	16/07/2024	29/09/2025	16/12/2026
Dividend payments			
Fixed or variable dividend payments	Fixed dividend payments	Fixed dividend payments	Fixed dividend payments
Dividend ratio and index value for dividend ratio	9.13%	9.95%	6.125%
Whether there are any restrictions that stop paying dividends	None	None	None
The ability to be completely optional, partially optional or mandatory	Mandatory	Mandatory	Mandatory
Whether there is an element to encourage repayment, such as a dividend rate hike	None	None	None
Non-accumulative or cumulative property	Noncumulative	Noncumulative	Noncumulative
Ability to convert to stock			
Trigger events/events that would cause conversion if converted to stock	Cannot be converted into stock	Cannot be converted into stock	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	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	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	Cannot be converted into stock
Types of convertible means, if convertible to stock	Cannot be converted into 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	Cannot be converted into stock
Value reduction feature			
Trigger events/events to cause reduction if value reduction is enabled	No Value Reduction	No Value Reduction	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	No Value Reduction
If the value reduction property is continuous or transient	No Value Reduction	No Value Reduction	No Value Reduction
If the value can be temporarily reduced, the value increment mechanism	No Value Reduction	No Value Reduction	No Value Reduction
In the case of liquidation, which is in the order in respect of the right of receivables (the instrument which is located just above this instrument of borrowing)	Tier - 1	Tier - 1	Tier - 2
Whether or not the provisions of Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None	None	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	None

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

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

2. Explanations and disclosures related to credit risk

It has not been prepared in the interim period in accordance with Article 25 of the Communiqué on Financial Statements to be Publicly Announced by Banks and the Related Explanations and Footnotes.

3. Explanations on currency risk

Foreign currency risk represents the Banks'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. "Standard Method" and "Value at Risk Method" used in legal reporting are used to measure the currency risk that the Bank is exposed to. Measurements made under the Standard Method are made on a monthly basis, and measurements made under the Value at Risk Method are made on a daily basis.

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

As of 30 September 2022, the Bank has a balance sheet open position of TL 2,405,926 (31 December 2021 – TL 1,811,076 open) and off-balance sheet position of TL 464,530 (31 December 2021 – TL 424,526 closed) with a short position of TL 1,941,396 (31 December 2021– TL 1,386,550 open)

The announced current foreign exchange buying rates of the Bank as of 30 September 2022 and the prior five working days are as follows (full TL):

	23/09/2022	26/09/2022	27/09/2022	28/09/2022	29/09/2022	Balance Sheet Valuation Rate
USD	18.38416	18.44192	18.47389	18.5082	18.53515	18.52616
EURO	17.95106	17.81658	17.80195	17.71505	17.96767	18.13198
GBP	20.41489	19.82638	19.9454	19.72766	20.11719	20.59285
CHF	18.76565	18.68268	18.70019	18.70243	18.87657	18.93357
JPY	0.12878	0.1281	0.12791	0.12796	0.12812	0.12823

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

	Monthly average FC purchase rate
USD	18.29890
EURO	18.14390
GBP	20.76901
CHF	18.81176
JPY	0.12813

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Currency risk of the Bank

	Euro	USD	Other FC	Total
Current period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey (****)	17,436,930	30,221,023	19,995,088	67,653,041
Banks (*****)	3,456,252	3,960,925	19,517,529	26,934,706
Financial assets at fair value through profit and loss	183,247	706,451	13,737,162	14,626,860
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	7,216,527	12,607,625	-	19,824,152
Loans and finance lease receivables (*)	29,670,839	47,101,655	51,447	76,823,941
Subsidiaries, associates and joint ventures (**)	610,120	-	-	610,120
Financial assets at amortized cost	-	10,006,897	-	10,006,897
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	1,627	-	1,627
Intangible assets	-	43	-	43
Other assets	2,745,171	54,810	5,655	2,805,636
Total assets	61,319,086	104,661,056	53,306,881	219,287,023
Liabilities				
Current account and funds collected from Banks via participation accounts	140,791	1,001,629	683,750	1,826,170
Current and profit-sharing accounts FC (****)	31,853,383	101,715,479	64,607,495	198,176,357
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	178,092	17,116,288	-	17,294,380
Marketable securities issued	-	-	-	-
Miscellaneous payables	1,074,270	920,391	108,834	2,103,495
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (*****)	432,593	1,683,035	176,919	2,292,547
Total liabilities	33,679,129	122,436,822	65,576,998	221,692,949
Net balance sheet position	27,639,957	(17,775,766)	(12,270,117)	(2,405,926)
Net off-balance sheet position	(29,143,334)	17,282,081	12,325,783	464,530
Financial derivative assets	2,473,381	25,424,097	12,982,441	40,879,919
Financial derivative liabilities	31,616,715	8,142,016	656,658	40,415,389
Non-cash loans (***)	3,792,520	6,525,371	746,618	11,064,509
Prior period				
Total assets	56,174,794	74,513,518	37,652,954	168,341,266
Total liabilities	26,348,995	92,629,257	51,174,090	170,152,342
Net balance sheet position	29,825,799	(18,115,739)	(13,521,136)	(1,811,076)
Net off-balance sheet position	(30,985,951)	17,881,028	13,529,449	424,526
Financial derivative assets	528,075	23,015,573	14,353,317	37,896,965
Financial derivative liabilities	31,514,026	5,134,545	823,868	37,472,439
Non-cash loans (***)	3,257,093	4,935,753	274,987	8,467,833

(*) Includes foreign currency indexed loans amounting to TL 1,999,803 (31 December 2021 – TL 2,009,070) and includes expected loss provision amounting to TL 5,659,924 followed as TL on the balance sheet.

(**) TL 1,461,015 (31 December 2021 - TL 610,120) of the subsidiaries amounting to TL 610,120 in the balance sheet includes foreign currency subsidiary and subsidiary.

(***) 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 TL 9,708 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 247,681.

(*****)) Includes provisions for expected losses amounting to TL 2,422 in the balance sheet.

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 598,197 (31 December 2021 – TL 592,863)
- Prepaid expenses: TL 637 (31 December 2021 – TL 1,303)
- Derivative financial liabilities held for trading: TL 146,003 (31 December 2021 – TL 65,015)
- Marketable securities of FC revaluation reverse: TL 391,122 (31 December 2021 - TL 65,917)
- Derivative financial liabilities held for hedging: None (31 December 2021 - None).

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Receivables/Payables related to derivative financial instruments include foreign currency purchase/sale transactions that are amounting to.

- Forward foreign currency purchase transactions TL 2,414,255 (31 December 2021 – TL 1,864,837)
- Forward foreign currency sale transactions: TL 3,135,342 (31 December 2021 – TL 3,094,121)
- Precious metals purchase transactions TL 11,039,085 (31 December 2021 – TL 13,177,082)
- Precious metals sale transactions TL 99,143 (31 December 2021 – TL 52,347)

Sensitivity to exchange rate risk

The bank is largely exposed to exchange rate risk in Euros, US dollars and Gold.

The following table shows the bank's sensitivity to a 10% increase in US Dollar, Euro and gold exchange rates.

	Change in exchange rate (%)	Effect on profit / loss		Effect on Equity	
		Current period	Prior period	Current period	Prior period
US Dollar	10%	(49,369)	5,001	349,743	(23,471)
Euro	10%	(150,338)	(64,208)	(144,663)	(116,015)
Gold	10%	24,764	8,868	24,764	16,064

4. Explanations related to stock position risk

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

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

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

Current Period	Carrying Value	Comparison	
		Fair Value	Market Value
Equity Securities (shares) investments			
Securities at Fair Value Through Other Comprehensive Income	124,292	-	124,292
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	1,461,015	428,340	428,340
Quoted Securities	53,418	428,340	428,340
Other	20,000	-	-
Quoted Securities	-	-	-
Prior Period			
Equity Securities (shares) investments			
Securities at Fair Value Through Other Comprehensive Income	82,887	-	-
Quoted Securities	-	-	-
Investments in Associates	-	-	-
Quoted Securities	-	-	-
Investment in Subsidiaries	1,461,015	519,420	519,420
Quoted Securities	53,418	519,420	519,420
Other	20,000	-	-
Quoted Securities	-	-	-

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

None

5. Liquidity risk management and liquidity coverage ratio

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

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

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

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

The Bank's liquidity risk ratios are well above the legal limits. The Bank maintains its liquidity buffer at high levels, taking into account periods when liquidity risk may increase. Due to this approach, it is evaluated that the negative effects of the COVID-19 pandemic on the global level do not have a significant impact on The Bank's liquidity needs.

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

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

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

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

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

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

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

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

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

5.5. Information on liquidity risk mitigation techniques

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

5.6. Information on the use of stress tests

In order to analyze the source of the possible liquidity insufficiencies and whether 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 Bank, related with the overall market or scenarios take in consideration both of the situations. Stress tests related with liquidity risk are repeated at monthly periods. Results are tracked with key risk indicators and monitored by Senior Management.

5.7. General information on emergency funding plan

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Emergency Funding Plan, which is approved by Board of Directors. The actions to be taken favor the benefits of depositors, creditors of the Bank and shareholders. Indicators of Emergency Funding Plan were determined, in case of unexpected progress at the liquidity situation occur or at situations trigger of other indicators, plan is put into use. Asset-Liability Committee is responsible from the determination of actions to be taken.

5.8. Presentation of financial liabilities according to contractual maturities

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

5.9 Liquidity coverage ratio

Current Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	93,233,595	76,660,084	89,828,952	73,255,441
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	93,259,820	25,441,652	8,445,456	2,544,165
3	Stable deposits	17,610,532	-	880,527	-
4	Less stable deposits	75,649,288	25,441,652	7,564,929	2,544,165
5	Unsecured wholesale funding, of which:	53,722,601	37,400,230	26,761,615	17,542,782
6	Operational deposits	-	-	-	-
7	Non-operational deposits	47,430,145	34,850,949	20,469,159	14,993,501
8	Unsecured funding	6,292,456	2,549,281	6,292,456	2,549,281
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which:	41,236,557	38,194,672	41,236,557	38,194,672
11	Outflows related to derivative exposures and other collateral requirements	40,412,693	38,192,002	40,412,693	38,192,002
12	Outflows related to restructured financial Instruments	823,864	2,670	823,864	2,670
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	38,869,528	11,194,502	3,648,993	614,479
16	TOTAL CASH OUTFLOWS			80,092,621	58,896,098
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	46,254,350	34,192,119	39,029,706	31,774,463
19	Other cash inflows	40,764,130	35,910,718	40,764,130	35,910,718
20	TOTAL CASH INFLOWS	87,018,480	70,102,837	79,793,836	67,685,181
				Upper Limit Applied Value	
21	TOTAL HQLA STOCK			89,828,952	73,255,441
22	TOTAL NET CASH OUTFLOWS			20,023,155	14,724,025
23	LIQUIDITY COVERAGE RATIO (%)			448.63	497.52

(*) The average calculated for the last three months of the values calculated by taking the weekly simple arithmetic average

The lowest, highest and average Liquidity Coverage Ratios in the last 3 months of 2022 are given in the table below.

	Highest	Date	Lowest	Date	Average
TL+FC	485.44	08/2022	417.31	07/2022	448.59
FC	543.93	08/2022	457.92	07/2022	498.69

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	64,135,407	51,618,219	62,047,076	49,527,121
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	71,354,474	15,890,007	6,612,449	1,647,562
3	Stable deposits	16,313,868	-	857,744	-
4	Less stable deposits	55,040,606	15,890,007	5,754,705	1,647,562
5	Unsecured wholesale funding, of which:	35,009,977	25,635,623	17,253,337	12,176,783
6	Operational deposits	-	-	-	-
7	Non-operational deposits	31,329,312	23,556,794	13,592,650	10,111,219
8	Unsecured funding	3,680,665	2,078,829	3,660,687	2,065,564
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	33,541,312	29,408,292	33,356,957	29,330,487
11	Outflows related to derivative exposures and other collateral requirements	30,030,487	27,916,225	29,889,681	27,838,420
12	Outflows related to restructured financial Instruments	3,510,825	1,492,067	3,467,276	1,492,067
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	21,478,301	6,659,025	2,009,766	372,243
16	TOTAL CASH OUTFLOWS			59,232,509	43,527,075
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	23,198,611	17,994,662	19,160,744	16,105,357
19	Other cash inflows	30,908,665	27,198,914	30,798,615	26,938,870
20	TOTAL CASH INFLOWS	54,107,276	45,193,576	49,959,359	43,044,227
				Upper Limit Applied Value	
21	TOTAL HQLA STOCK			62,047,076	49,527,121
22	TOTAL NET CASH OUTFLOWS			14,808,127	10,881,769
23	LIQUIDITY COVERAGE RATIO (%)			419.01	455.14

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

The lowest, highest and average Liquidity Coverage Ratios in the last 3 months of 2022 are given in the table below.

Prior Period:

	Highest	Date	Lowest	Date	Average
TL+FC	480.94	10/2021	366.24	10/2021	423.97
FC	524.29	10/2021	404.10	10/2021	460.19

The liquidity coverage ratio is calculated by the ratio of the high-quality liquid assets of the bank to the net cash outflows within the one-month maturity window. Important balance sheet items which are influential over the aforementioned 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
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

5.10 Presentation of assets and liabilities according to their remaining maturities

Current period	Demand	Up to 1 months	1-3 months	3-12 months	1-5 Years	Over 5 years	Unallocated (***)	Total
Assets								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Turkey	24,440,568	47,900,901	-	-	-	-	-	72,341,469
Banks (*)	26,966,236	-	-	-	-	-	-	26,966,236
Financial assets at fair value through profit and loss	-	132,218	279,509	507,647	14,315,718	-	2,664,727	17,899,819
Money market placements	-	135,499	-	-	-	-	-	135,499
Financial assets at fair value through other comprehensive income	-	1,117,155	2,138,280	2,895,993	39,726,490	4,586,370	85,370	50,549,658
Loans (**)	-	23,316,022	28,213,947	64,824,771	56,462,607	6,520,925	(9,262,815)	170,075,457
Financial assets measured with amortized cost	-	-	-	665,122	10,853,721	4,612,836	(12,557)	16,119,122
Other assets (***)	3,413,214	2,886,535	11,299	-	454,182	-	4,569,225	11,334,455
Total assets	54,820,018	75,488,330	30,643,035	68,893,533	121,812,718	15,720,131	(1,956,050)	365,421,715
Liabilities								
Current account and funds collected from banks via participation accounts	1,913,864	26	-	-	-	-	-	1,913,890
Current and profit-sharing accounts	169,765,559	81,877,037	36,619,554	17,607,336	169,770	2,716	-	306,041,972
Funds provided from other financial institutions	1,859,200	1,337,690	2,734,128	3,859,193	5,367	3,763,454	6,599,536	20,158,568
Money market borrowings	-	4,000	-	-	-	-	-	4,000
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	3,155,642	270,949	-	-	-	-	-	3,426,591
Other Liabilities (****)	-	3,691,735	1,109,028	113,502	316,390	111,155	28,534,884	33,876,694
Total Liabilities	176,694,265	87,181,437	40,462,710	21,580,031	491,527	3,877,325	35,134,420	365,421,715
Net liquidity gap	(121,874,247)	(11,693,107)	(9,819,675)	47,313,502	121,321,191	11,842,806	(37,090,470)	-
Prior period								
Total assets	46,186,250	56,104,913	24,794,722	45,573,807	77,536,816	4,099,982	(228,230)	254,068,260
Total liabilities	130,572,202	76,111,257	16,088,738	7,698,635	6,003,439	4,689,464	12,904,525	254,068,260
Net liquidity gap	(84,385,952)	(20,006,344)	8,695,477	37,875,172	71,533,377	(589,482)	(13,122,248)	-

(*) Presented with netting off expected credit losses.

(**) 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 in the near future, such as tangible assets, investments in associates and subsidiaries, stationary supplies and prepaid expenses are included under unallocated assets.

(****) The other unallocated liabilities column consists mainly of equity and provision balances.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

6. Explanations on leverage ratio

Disclosure of leverage ratio template

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

On-balance sheet assets (*)		Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	357,896,661	231,176,465
2	(Assets amounts deducted in determining Basel III Tier I Capital)	(529,386)	(412,452)
3	Total amount on-balance sheet risks (sum of lines 1 and 2)	357,367,275	230,764,013
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	769,296	1,374,232
5	The potential amount of credit risk with all derivative instruments and credit derivatives	506,593	624,826
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	1,275,889	1,999,058
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	2,113,268	2,231,136
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	2,113,268	2,231,136
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	98,241,911	80,442,507
11	(Adjustments for conversion to credit equivalent amounts)	(48,375,693)	(44,108,586)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	49,866,218	36,333,921
Capital and total risks			
13	Tier I Capital	28,225,440	12,759,904
14	Total risks (sum of lines 3, 6, 9 and 12)	410,622,650	271,328,128
Leverage ratio			
15	Leverage ratio	6.87	4.70

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

The leverage ratio calculated on the basis of the arithmetic average of the amounts realized at the end of each month for the past three-month period as of the Group’s consolidated balance sheet date was 6.87% (31 December 2021 - 4.70%). The main reason for the changes from the prior period is that the increase in the items related to the capital and total risk items compared to the increase in other items. Accordingly, main capital increased by 121% on profit for the period, while on-balance sheet risk increased by 55% and off-balance sheet increased by 37%. Accordingly, there is an increase of 217 basis points in the current period leverage ratio compared to the prior period.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

7. Explanations on the fair value of financial assets and liabilities

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

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

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

9. Explanations on hedge accounting practices

None (31 December 2021 – None).

10. Explanations on risk management

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

10.1. Disclosures regarding risk management and risk-weighted amounts

10.1.1. GB1 - Overview of risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 30/09/2022	Prior Period 31/12/2021	Current Period 30/09/2022
1	Credit risk (excluding counterparty credit risk) (CCR)	107,758,454	66,866,125	8,620,676
2	Standardized approach (SA)	107,758,454	66,885,604	8,620,676
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	967,994	789,083	77,440
5	Standardized approach for counterparty credit risk (SA-CCR)	967,994	789,083	77,440
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models' equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	19,479	-
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 (RBA)	-	-	-
14	IRB supervisory formula approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	19,435,399	4,998,996	1,554,832
17	Standardized approach (SA)	19,435,399	4,998,996	1,554,832
18	Internal model approaches (IMM)	-	-	-
19	Operational risk	14,138,871	10,167,312	1,131,110
20	Basic indicator approach	14,138,871	10,167,312	1,131,110
21	Standardized approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	142,300,718	82,840,995	11,384,058

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

11. Securitization Positions:

None.

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

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

13. Qualitative explanations on market risk

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

14. Explanations on Business Segments

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

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

Retail and Enterprise Banking includes fund collection, installment 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 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 Treasury in addition to monitoring foreign currency position and liquidity of the Bank, also conducts spot and forward transactions in TL or foreign currencies, performs derivative transactions (forward, swap) with banks and customers, trades of gold within the context of membership of Istanbul Gold Exchange, trades share certificates in BIST and international markets and conducts Murabaha transactions with foreign banks.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Specific balance sheet and income statement items according to segments

Current Period 1 January 2022-30 September 2022	Retail Banking	Corporate and Commercial banking	Treasury and international banking	Unallocated	Bank's total operation
Operating income	11,394,021	7,257,655	11,716,903	-	30,368,579
Operating expenses (-)	10,242,251	2,519,559	1,940,485	3,961,690	18,663,985
Transfers between segments	6,575,164	(4,968,319)	(1,606,845)	-	-
Net operating income(loss)	7,726,934	(230,223)	8,169,573	(3,961,690)	11,704,594
Income from associates	-	-	-	-	-
Income (loss) before tax	7,726,934	(230,223)	8,169,573	(3,961,690)	11,704,594
Provision for taxation (-)	-	-	-	2,580,560	2,580,560
Net income for the period	7,726,934	(230,223)	8,169,573	(6,542,250)	9,124,034
Current Period					
30 September 2022					
Segment assets	54,630,457	115,709,929	185,027,288	-	355,367,674
Associates, subsidiaries and joint ventures	-	-	-	1,481,015	1,481,015
Undistributed assets	-	-	-	8,573,026	8,573,026
Total assets	54,630,457	115,709,929	185,027,288	10,054,041	365,421,715
Segment liabilities	246,761,309	61,194,553	20,909,142	-	328,865,004
Undistributed liabilities	-	-	-	12,205,988	12,205,988
Shareholders' equity	-	-	-	24,350,723	24,350,723
Total liabilities	246,761,309	61,194,553	20,909,142	36,556,711	365,421,715
Prior Period					
1 January 2021 – 30 September 2021					
Operating income	4,873,041	5,437,064	283,172	-	10,593,277
Operating expenses (-)	4,652,065	1,398,923	926,653	1,756,123	8,733,764
Transfers between segments	2,538,492	(2,382,319)	(156,173)	-	-
Net operating income(loss)	2,759,468	1,655,822	(799,654)	(1,756,123)	1,859,513
Income from associates	-	-	-	-	-
Income (loss) before tax	2,759,468	1,655,822	(799,654)	(1,756,123)	1,859,513
Provision for taxation (-)	-	-	-	451,732	451,732
Net income for the period	2,759,468	1,655,822	(799,654)	(2,207,855)	1,407,781
Prior Period					
31 December 2021					
Segment assets	37,357,906	77,548,111	130,889,108	-	245,795,125
Associates, subsidiaries and joint ventures	-	-	-	1,481,015	1,481,015
Undistributed assets	-	-	-	6,792,120	6,792,120
Total assets	37,357,906	77,548,111	130,889,108	8,273,135	254,068,260
Segment liabilities	175,293,567	36,811,822	23,527,895	-	235,633,284
Undistributed liabilities	-	-	-	7,978,123	7,978,123
Shareholders' equity	-	-	-	10,456,853	10,456,853
Total liabilities	175,293,567	36,811,822	23,527,895	18,434,976	254,068,260

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

1. Explanations and notes related to assets

1.1. Information regarding the cash assets and the Central Bank of Republic of Turkey

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

	Current period		Prior period	
	TL	FC	TL	FC
Cash/foreign currency	924,456	4,863,409	734,131	5,330,133
The Central Bank of Republic of Turkey	3,445,924	57,545,146	4,620,318	47,690,909
Other (*)	317,792	5,244,742	29,609	7,050,216
Total	4,688,172	67,653,297	5,384,058	60,071,258

(*) As of 30 September 2022, precious metal account amounting to TL 4,478,481 (31 December 2021 - TL 7,050,216) and money in transit amounting to TL 1,084,053 (31 December 2021 - TL 29,609) are presented in this line.

1.1.2 Balances with the Central Bank of Turkey

	Current period		Prior period	
	TL	FC	TL	FC
Unrestricted demand deposit	3,445,924	8,440,389	4,540,821	11,485,379
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	49,104,757	79,497	36,205,530
Total	3,445,924	57,545,146	4,620,318	47,690,909

According to the CBRT's Communiqué on Required Reserves No. 2005/1, banks operating in Turkey; Required reserve ratios for Turkish lira and foreign currency liabilities are determined between 3% and 26% by differentiating according to the maturity of liabilities, and these rates are applied by banks as of the date of the report.

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

As of 30 September 2022, there are no financial assets at fair value through profit and loss subject to repurchase transactions, given as a collateral or blocked (31 December 2021 - None).

Positive differences related to marketable derivative financial assets:

	Current period		Prior period	
	TL	FC	TL	FC
Forward transactions	210,305	48,871	356,312	1,984
Swap transactions	318,090	549,326	694,179	590,879
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	528,395	598,197	1,050,491	592,863

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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
Banks	32,735	26,936,872	20,571	14,502,373
Domestic	32,735	2,233,700	20,571	2,723,650
Foreign (*)	-	24,703,172	-	11,778,723
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	32,735	26,936,872	20,571	14,502,373

(*) As a result of the changes in the Uniform Chart of Accounts implemented by the BRSA as of January 1, 2021, the foreign currency collaterals given for the derivative transactions made by the Bank with foreign banks, which were monitored in the other assets account in the bank balance sheet in the prior periods, started to be monitored in the Banks account as of the current period. As of 30 September 2022, the relevant amount is TL 636,433.

1.3.2 Information on foreign banks account

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

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

	Current period	Prior Period
Debt Securities	51,081,293	32,344,629
Quoted on stock exchange	51,081,293	32,344,629
Not quoted on stock exchange	-	-
Share certificates/Investment Funds	60,309	129,187
Quoted on stock exchange	-	105,003
Not quoted on stock exchange	60,309	24,184
Impairment provision (-)	591,944	308,459
Total	50,549,658	32,165,357

1.4.1. Information on given collateral or blocked financial assets at fair value through other comprehensive income

As of the balance sheet date, there is given collateral financial assets amounting to TL 27,311,622 (31 December 2021: TL 11,410,139) at fair value through to other comprehensive income

1.4.2. Information on subject to repurchase agreement financial assets at fair value through other comprehensive income

As of the balance sheet date, there is repurchase agreement financial assets amounting to TL 4,829 (31 December 2021 – 6,495,474) at fair value through other comprehensive income.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.5. Explanations on financial assets measured at amortized cost

1.5.1 All types of loans and advances given to shareholders and employees of the Bank

	Current period		Prior period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	10,509	30,730	6,955	21,246
Corporate shareholders	37	30,688	-	21,228
Real person shareholders	10,472	42	6,955	18
Indirect loans granted to shareholders	2,895,500	4,149	64,316	2,297
Loans granted to employees	70,637	2,244	40,564	1,320
Total	2,976,646	37,123	111,835	24,863

1.5.2 Information on standard loans, loans under close monitoring and restructured loans under close monitoring:

Current Period-Cash Loans	Standard Loans and Other Receivables	Loans and other receivables under close monitoring		
		Loans and Receivables Not Subject to Restructuring	Restructured Loans and Receivables	
			Loans and Receivables with Revised Contract Terms	Refinance
Loans	149,821,879	7,640,945	3,176,317	-
Export Loans	17,961,381	281,236	-	-
Import Loans	9,882,947	238,511	-	-
Corporation Loans	76,116,706	5,879,965	3,163,891	-
Consumer Loans	13,684,271	386,095	8,122	-
Credit Cards	7,192,072	415,514	4,304	-
Loans given to financial sector	9,187,036	-	-	-
Other	15,797,466	439,624	-	-
Other Receivables	327	1,965	-	-
Total	149,822,206	7,642,910	3,176,317	-

Prior Period-Cash Loans	Standard Loans and Other Receivables	Loans and other receivables under close monitoring		
		Loans and Receivables Not Subject to Restructuring	Restructured Loans and Receivables	
			Loans and Receivables with Revised Contract Terms	Refinance
Loans	100,546,026	4,601,981	3,215,853	-
Export Loans	10,658,321	167,651	-	-
Import Loans	4,064,392	238,568	-	-
Corporation Loans	49,306,746	3,336,152	3,176,331	-
Consumer Loans	12,780,928	351,932	17,082	-
Credit Cards	2,352,871	212,270	21,267	-
Loans given to financial sector	10,112,109	-	-	-
Other	11,270,659	295,408	1,173	-
Other Receivables	339	983	-	-
Total	100,546,365	4,602,964	3,215,853	-

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Information on provisions for standard qualified and close monitored loans and restructured close monitored loans:

	Standard Loans	Loans under close monitoring	Standard Loans	Loans under close monitoring
	Current Period	Current Period	Prior Period	Prior Period
12-Month Expected Loss Provision (*)	5,154,763	-	2,289,434	-
Significant Increase in Credit Risk	-	4,340,146	-	3,503,181
Total	5,154,763	4,340,146	2,289,434	3,503,181

(*) Includes expected credit loss of other financial assets measured at amortized cost amounting TL 12,557 (31 December 2021: TL 621).

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

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KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

Current Period	Short term	Medium and long term	Total
Consumer Loans-TL	205,628	13,787,499	13,993,127
Real Estate Loans	47,693	10,664,496	10,712,189
Vehicle Loans	62,068	2,306,145	2,368,213
Consumer Loans	57,326	383,910	441,236
Other	38,541	432,948	471,489
Consumer Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	58,219	58,219
Real Estate Loans	-	58,219	58,219
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TL	2,014,470	25	2,014,495
With Installment	572,590	25	572,615
Without Installment	1,441,880	-	1,441,880
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans-TL	1,816	25,326	27,142
Real Estate Loans	-	2,623	2,623
Vehicle Loans	805	12,274	13,079
Consumer Loans	971	10,429	11,400
Other	40	-	40
Personnel Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	54,315	2	54,317
With Installment	25,129	2	25,131
Without Installment	29,186	-	29,186
Personnel Credit Cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	2,276,229	13,871,071	16,147,300

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards: (continued)

Prior Period	Short term	Medium and long term	Total
Consumer Loans-TL	132,770	12,927,445	13,060,215
Real Estate Loans	32,641	10,534,935	10,567,576
Vehicle Loans	42,993	1,845,143	1,888,136
Consumer Loans	32,401	235,966	268,367
Other	24,735	311,401	336,136
Consumer Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	48,656	48,656
Real Estate Loans	-	48,265	48,265
Vehicle Loans	-	-	-
Consumer Loans	-	391	391
Other	-	-	-
Retail Credit Cards-TL	936,138	70	936,208
With Installment	247,995	70	248,065
Without Installment	688,143	-	688,143
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans-TL	2,100	38,971	41,071
Real Estate Loans	49	3,730	3,779
Vehicle Loans	724	18,725	19,449
Consumer Loans	1,327	16,516	17,843
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	24,701	21	24,722
With Installment	10,286	21	10,307
Without Installment	14,415	-	14,415
Personnel Credit Cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft Account-TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	1,095,709	13,015,163	14,110,872

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.5.5 Information on commercial installment loans and corporate credit cards

Current Period	Short term	Medium and long term	Total
Commercial Installment Loans-TL	5,758,359	17,247,546	23,005,905
Business Loans	136,073	1,938,142	2,074,215
Vehicle Loans	4,748,193	10,072,383	14,820,576
Consumer Loans	874,093	5,237,021	6,111,114
Other	-	-	-
Commercial Installment Loans-FC Indexed	11,526	520,171	531,697
Business Loans	11,526	3,449	14,975
Vehicle Loans	-	-	-
Consumer Loans	-	516,722	516,722
Other	-	-	-
Commercial Installment Loans-FC	38,069	1,735,665	1,773,734
Business Loans	-	493,800	493,800
Vehicle Loans	38,069	1,241,865	1,279,934
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	5,543,078	-	5,543,078
With Installment	2,975,571	-	2,975,571
Without Installment	2,567,507	-	2,567,507
Corporate Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	11,351,032	19,503,382	30,854,414

Prior Period	Short term	Medium and long term	Total
Commercial Installment Loans-TL	994,450	11,754,294	12,748,744
Business Loans	32,149	1,793,796	1,825,945
Vehicle Loans	788,312	6,813,277	7,601,589
Consumer Loans	173,989	3,147,221	3,321,210
Other	-	-	-
Commercial Installment Loans-FC Indexed	8,187	515,770	523,957
Business Loans	8,187	17,567	25,754
Vehicle Loans	-	1,028	1,028
Consumer Loans	-	497,175	497,175
Other	-	-	-
Commercial Installment Loans-FC	3,602	1,115,576	1,119,178
Business Loans	-	267,948	267,948
Vehicle Loans	3,602	847,628	851,230
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	1,625,478	-	1,625,478
With Installment	681,084	-	681,084
Without Installment	944,394	-	944,394
Corporate Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	2,631,717	13,385,640	16,017,357

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.5.6 Breakdown of loans by users

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

1.5.7 Breakdown of domestic and foreign loans

	Current period	Prior period
Domestic loans	151,062,865	106,647,336
Foreign loans	9,578,568	1,717,846
Total	160,641,433	108,365,182

1.5.8 Loans granted to subsidiaries and associates:

	Current period	Prior period
Loans granted directly to subsidiaries and associates	466,409	482,838
Loans granted indirectly to subsidiaries and associates	-	-
Total	466,409	482,838

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

	Current period	Prior period
Loans and receivables with limited collectability	168,722	145,257
Loans and receivables with doubtful collectability	64,948	99,884
Uncollectible loans and receivables	2,823,919	2,542,754
Total	3,057,589	2,787,895

1.5.10 Information on non-performing loans (Net)

1.5.10.1 Information on Loans and Other Receivables Included in Loans under Follow-Up Account, which are Restructured or Rescheduled

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period:			
(Gross Amount Before Specific Provisions)	-	-	713,564
Restructured Loans and Receivables	-	-	713,564
Prior Period:			
(Gross Amount Before Specific Provisions)	-	216	616,947
Restructured Loans and Receivables	-	216	616,947

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.5.10.2 Information on the movement of total non-performing loans

Current Period	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Ending balance of prior period 31.12.2021	187,806	163,079	2,724,524
Additions in the current period (+)	229,123	92,263	1,274,288
Transfers from other categories of non-performing loans (+)	-	59,618	197,290
Transfers to other categories of non-performing loans (-)	59,618	197,290	-
Collections in the current period (-)	117,112	18,683	1,270,716
Write offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	240,199	98,987	2,925,386
Specific provisions (-)	168,722	64,948	2,823,919
Net balances on balance sheet	71,477	34,039	101,467

Prior Period	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Ending balance of prior period 31.12.2020	514,908	11,192	2,408,491
Additions in the current period (+)	225,629	174,719	949,711
Transfers from other categories of non-performing loans (+)	2	534,984	538,167
Transfers to other categories of non-performing loans (-)	534,984	538,167	2
Collections in the current period (-)	17,749	19,649	774,057
Write offs (-)(*)	-	-	397,786
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	187,806	163,079	2,724,524
Provisions (-)	145,257	99,884	2,542,754
Net balance at the balance sheet	42,549	63,195	181,770

(*) With the Bank's top management decision, it was decided to take the project/loan of the customers related to the cancellation accounts. The impact of these actions on the NPL rate is 31 basis points

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

	III. Grup	IV. Grup	V. Grup
Current period:			
Ending balance of the current period	7,413	46,511	578,230
Provision amount (-)	3,593	34,390	550,641
Net Balance at the balance sheet	3,820	12,121	27,589
Prior period:			
Ending balance of the current period	4,079	75,537	481,745
Provision amount (-)	2,701	42,827	444,417
Net balance at the balance sheet	1,378	32,710	37,328

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

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Current period (Net)	71,477	34,039	101,466
Loans granted to real persons and legal entities (Gross)	240,199	98,987	2,925,386
Specific provision (-)	168,722	64,948	2,823,919
Loans to real persons and legal entities (Net)	71,477	34,039	101,467
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
Prior period (Net)	42,549	63,195	181,770
Loans to real persons and legal entities (Gross)	187,806	163,079	2,724,524
Specific provision (-)	145,257	99,884	2,542,754
Loans to real persons and legal entities (Net)	42,549	63,195	181,770
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.5.10.5 In terms of financial instrument classes, the aging analysis of past due but not impaired financial assets is as follows

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net)	3,184	961	8,946
Profit share accruals, rediscount and valuation differences	9,964	3,063	379,027
Provision (-)	6,780	2,102	370,081

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period (Net)	5,926	5,709	19,648
Profit share accruals, rediscount and valuation differences	42,160	15,327	377,087
Provision (-)	36,234	9,618	357,439

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

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1.5.12 Information on the write-off policy

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1.6. Information on financial assets measured at amortized cost

1.6.1 Information on other financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	16,131,679	4,798,614
Quoted on a Stock Exchange	16,131,679	4,798,614
Not Quoted	-	-
Expected Loss Provision (-)	12,557	621
Total	16,119,122	4,797,993

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

	Current Period	Prior Period
Opening Balance	4,798,614	5,931,297
Foreign Exchange Gain/Loss	3,923,139	1,958,263
Purchases During the Year	13,334,592	548,922
Disposals Through Sales and Redemptions	5,924,666	3,639,868
Expected Loss Provision (-)	12,557	621
Total	16,119,122	4,797,993

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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 7,659 (31 December 2021 – TL 7,659), 1.15% ownership of the shares of Islamic International Rating Agency amounting to TL 387 (31 December 2021 – TL 277), Swift shares amounting to TL 4,305 (31 December 2021 – TL 3,567) and 0.0035% ownership of the shares traded in Borsa Istanbul A.Ş amounting to TL 15 (31 December 2021 – TL 15), 2.86% ownership of the shares of Ulusal Derecelendirme A.Ş. amounting to TL 2,755 (31 December 2021 – TL 2,755), The 0.82% ownership of the shares of İhracatı Geliştirme A.Ş. amounting to TL 30,420 (31 December 2021 – TL 0), VISA shares amounting to TL 17,529 (31 December 2021 – TL 12,555) are classified as financial assets at fair value through other comprehensive income since the 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 2021 – None).

1.7.3 Information related to consolidated associates: None (31 December 2021 – 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.(***)	Istanbul/Turkey	100	100
3	KT Kira Sertifikaları Varlık Kiralama A.Ş.	Istanbul/Turkey	100	100
4	KT Sukuk Varlık Kiralama A.Ş.	Istanbul/Turkey	100	100
5	KT Portföy Yönetimi A.Ş.	Istanbul/Turkey	100	100
6	Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	75	77,85
7	Architech Bilişim Sistemleri ve Pazarlama Tic A.Ş. (**)	Istanbul/Turkey	100	100
8	Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San.ve Tic. A.Ş. (**)	Istanbul/ Turkey	99.99	99.99

(*) As of 30 September 2022, financial figures for this entity in the table above are based on the financial information prepared in accordance with the local regulations of the country in which this entity operates.

(**) These are the amounts in the statutory financial statements dated September 30, 2022, regulated according to the Turkish Commercial Code.

(***) According to Article 10 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance and Reinsurance and Pension Companies, Neova Katılım Sigorta A.Ş. calculates a minimum required equity capital twice a year, in June and December periods, and the capital deficiency on September 30, 2022, is TL 30,486 (December 31, 2021: Capital surplus TL 256,743). In order to comply with the regulations a complete and timely manner, the Company has considered that no capital deficit will occur as of the end of the period within the framework of the forecasts and expectations in the 2022 business plan. In addition, the Company’s shareholder has the financial power and management understanding to eliminate any financial risk.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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	14,996,748	1,975,669	183,233	-	-	(2,344)	6,741	-
2	6,071,029	862,370	48,320	-	-	333,970	137,627	-
3	2,580,456	466	-	-	-	107	27	-
4	741	719	-	-	-	47	9	-
5	69,989	58,084	5,854	-	-	26,694	7,562	-
6	198,932	163,766	64,636	-	-	19,417	7,629	-
7	151,987	107,298	9,153	675	3,017	19,155	34,662	-
8	61,635	56,343	6,215	-	-	2,612	2,252	-

Movement regarding the subsidiaries

	Current Period	Prior Period
Balance at the beginning of the year	1,461,015	1,461,015
Movements during the year	-	-
Purchases	-	-
Transfers from subsidiaries(net)	-	-
Bonus shares	-	-
Dividends from current year income	-	-
Sales	-	-
Revaluation increase	-	-
Impairment	-	-
Capital commitment payments	-	-
Balance at the end of the year	1,461,015	1,461,015
Capital commitments	-	-
Share percentage at the end of the year (%)	-	-

Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current period	Prior period
Banks	610,120	610,120
Insurance Companies	751,796	751,796
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	75,419	75,419
Total	1,437,335	1,437,335

Subsidiaries that are quoted on the stock exchange

	Current Period	Prior Period
Quoted in Domestic Stock Exchange	53,418	53,418
Quoted in Foreign Stock Exchange	-	-
Total	53,418	53,418

1.8.3 Information on capital adequacies of major subsidiaries

The shareholder's equity of KT Bank AG, the bank's subsidiary in Germany, calculated as of September 30, 2022, is EUR 109.361.548 (Full EUR amount) and the capital adequacy ratio is 20.4%.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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%	9,389,318	279,430	36,535	89,040	41,976

(*) In accordance with decision of the Bank's Board of Directors on 25 April 2013, Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. decided to establish the Pension Company in line with main shares. Bank decided to establish that pension company with the equal share amounts with Albaraka Türk Katılım Bankası A.Ş. and that pension company is registered with the trade name "Katılım Emeklilik ve Hayat Anonim Şirketi", 895027 registry numbered dated 17 December 2013 by Istanbul Ticaret Sicil Müdürlüğü.

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	8,992,503	7,599,701	4,988,502	4,126,747
1 to 4 years	10,575,506	9,934,288	7,038,160	6,705,970
More than 4 years	1,204,400	1,175,404	1,125,718	1,093,218
Total	20,772,409	18,709,393	13,152,380	11,925,935

1.10.2 Net investments in finance leases:

	Current Period	Prior Period
Gross receivable from finance leases	20,772,409	13,152,380
Unearned finance lease income (-)	2,063,016	1,226,445
Unearned finance lease income (-)	-	-
Net Leasing Investment	18,709,393	11,925,935

1.10.3 Information on finance lease contracts

The Bank determines the settlements of the financial lease agreements in accordance with related legislations. Payment terms and amounts may be rearranged with additional agreements upon customers' requests. On the agreements, the Bank gives the customer the option to buy the related property. According to the Financial Lease Law, if a customer does not fulfill its obligations until 60 days, the Bank sends a notice to the customer and the Bank takes legal action against the customer if necessary. Non-performing finance lease receivables amounting to TL 69,664 are included in the non-performing loans in the balance sheet (31 December 2021 – TL 45,706).

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2021 – None).

1.12 Information on Tangible Assets

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

1.13 Explanations on Intangible Assets

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.14 Explanations on investment properties

	Current period	Prior period
Opening Balance	-	24,987
Additions	-	-
Disposals (-), Net	-	24,987
Amortization Cost (-)	-	-
Closing Net Book Value	-	-

1.15 Information on deferred tax asset

As of 30 September 2022, deferred tax is offset as TL 454,182 in the balance sheet. The deferred tax asset is TL 2,835,090 (31 December 2021 – TL 2,086,505) and the deferred tax liability is TL 2,380,908 (31 December 2021 – TL 372,930)

	Current period	Prior period
Reserve for employee benefits	247,601	76,744
Retirement pay liability	68,704	44,555
Deferred income	180,169	99,898
Impairment provision for subsidiaries, fixed assets and assets held for sale	-	79
Rediscounts for derivative instruments held for trading	541,523	2,375
TFRS 9 Provisions	1,602,157	781,020
Precious metals valuation difference	-	1,034,507
Difference in valuation of securities	141,388	26,545
Other	53,548	20,782
Deferred Tax Asset	2,835,090	2,086,505
Derivative transactions valuation differences	(22,063)	(298,868)
Tangible assets valuation differences	(212,862)	(16,535)
Financial assets valuation differences	(1,810,716)	(54,452)
Precious metal valuation difference	(332,004)	(1,877)
Other	(3,263)	(1,198)
Deferred Tax Liability	(2,380,908)	(372,930)
Net Deferred Tax Asset	454,182	1,713,575

Table of deferred tax asset movement:

	Current period	Prior period
As of 1 January,	1,713,575	748,336
Deferred tax (expense)/income	411,672	239,810
Deferred tax accounted under equity	(1,671,065)	65,066
Deferred Tax Asset	454,182	1,053,212

1.16 Explanations on assets held for sale and discontinued operations

	Current period	Prior period
Opening Balance	240,891	519,087
Additions	85,187	61,085
Transfers from Tangible Asset	-	-
Disposals (-), Net	172,256	339,281
Transfer to Tangible Assets	-	-
Amortization Cost (-)	-	-
Provision for Impairment (-)	-	-
Closing Net Book Value	153,822	240,891

1.17 Information on other assets

As of balance sheet date, the Bank's other assets amount to TL 6,337,133 (31 December 2021 – TL 3,607,760). 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
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

SECTION FIVE

2. Explanations and notes related to liabilities

2.1 Information on funds collected

2.1.1 Information on maturity structure of funds collected:

Current period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total
I. Real persons current accounts-TL	19,962,837	-	-	-	-	-	-	-	19,962,837
II. Real persons profit sharing accounts TL	-	10,726,507	41,132,281	2,879,568	-	4,389,766	881,147	14,957	60,024,226
III. Other current accounts-TL	14,212,489	-	-	-	-	-	-	-	14,212,489
Public sector	547,309	-	-	-	-	-	-	-	547,309
Commercial sector	13,429,756	-	-	-	-	-	-	-	13,429,756
Other institutions	147,730	-	-	-	-	-	-	-	147,730
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	87,694	-	-	-	-	-	-	-	87,694
Central Bank of Republic of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	87,671	-	-	-	-	-	-	-	87,671
Participation banks	23	-	-	-	-	-	-	-	23
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	863,174	5,474,498	2,559,593	-	2,416,608	194,895	26	11,508,794
Public sector	-	425	1,770	-	-	47,704	-	-	49,899
Commercial sector	-	701,507	5,117,325	2,473,501	-	2,327,275	194,523	26	10,814,157
Other institutions	-	161,001	302,390	36,785	-	39,872	372	-	540,420
Commercial and other institutions	-	241	52,987	49,307	-	1,757	-	-	104,292
Banks and participation banks	-	-	26	-	-	-	-	-	26
V. Real persons current accounts-FC	62,581,444	-	-	-	-	-	-	-	62,581,444
VI. Real persons profit sharing accounts-FC	-	17,451,348	19,664,921	2,007,810	-	3,150,289	2,986,470	13,121	45,273,959
VII. Other current accounts-FC	27,142,579	-	-	-	-	-	-	-	27,142,579
Commercial residents in Turkey	23,551,796	-	-	-	-	-	-	-	23,551,796
Commercial residents in Abroad	2,343,962	-	-	-	-	-	-	-	2,343,962
Banks and participation banks	1,246,821	-	-	-	-	-	-	-	1,246,821
Central Bank of Republic of Turkey	694,186	-	-	-	-	-	-	-	694,186
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	549,970	-	-	-	-	-	-	-	549,970
Participation banks	2,665	-	-	-	-	-	-	-	2,665
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	1,102,232	1,742,878	105,200	-	102,256	23,114	-	3,075,680
Public sector	-	94	-	-	-	-	-	-	94
Commercial sector	-	1,017,619	1,377,621	103,609	-	101,870	13,843	-	2,614,562
Other institutions	-	16,596	82,214	1,567	-	386	-	-	100,763
Commercial and other institutions	-	67,923	283,043	24	-	-	9,271	-	360,261
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	47,780,074	8,512,850	4,432,616	735,310	-	451,163	16,852	-	61,928,865
X. Profit sharing accounts special funds - TL	-	-	345,134	495,246	-	1,394,600	10,009	-	2,244,989
Residents in Turkey	-	-	345,134	495,246	-	1,394,600	10,009	-	2,244,989
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (**)	171,679,423	38,656,111	72,792,328	8,782,727	-	11,904,682	4,112,487	28,104	307,955,862

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

(**) As of 30 September 2022, the Bank has a total of TL 25,683,257 (31 December 2021: TL 763,564) foreign exchange-protected deposit instrument of which TL 20,483,254 (31 December 2021: 1,815,341 TL) opened within the scope of the "Communique on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 46,166,511 (31 December 2021: TL 2,578,905) opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021. Foreign exchange revaluation differences amounting to TL 617,917 (31 December 2021: TL 221,094) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are presented in other assets wider assets and included in deposits under liabilities.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Prior period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total
I. Real persons current accounts-TL	20,546,940	-	-	-	-	-	-	-	20,546,940
II. Real persons profit sharing accounts-TL	-	10,745,047	12,876,588	762,988	-	731,611	784,511	19,753	25,920,498
III. Other current accounts-TL	8,136,092	-	-	-	-	-	-	-	8,136,092
Public sector	266,234	-	-	-	-	-	-	-	266,234
Commercial sector	7,737,101	-	-	-	-	-	-	-	7,737,101
Other institutions	80,279	-	-	-	-	-	-	-	80,279
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	52,478	-	-	-	-	-	-	-	52,478
Central Bank of Republic of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	52,114	-	-	-	-	-	-	-	52,114
Participation banks	364	-	-	-	-	-	-	-	364
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	755,578	1,143,078	41,733	-	621,325	130,431	7	2,692,152
Public sector	-	213	987	746	-	24,979	-	-	26,925
Commercial sector	-	635,337	942,782	15,144	-	581,235	129,951	7	2,304,456
Other institutions	-	119,807	199,286	25,843	-	14,993	452	-	360,381
Commercial and other institutions	-	221	-	-	-	118	28	-	367
Banks and participation banks	-	-	23	-	-	-	-	-	23
V. Real persons current accounts-FC	44,673,374	-	-	-	-	-	-	-	44,673,374
VI. Real persons profit sharing accounts-FC	-	14,006,544	17,283,991	1,718,669	-	2,540,789	2,781,541	12,095	38,343,629
VII. Other current accounts-FC	18,373,687	-	-	-	-	-	-	-	18,373,687
Commercial residents in Turkey	16,884,411	-	-	-	-	-	-	-	16,884,411
Commercial residents in Abroad	1,182,519	-	-	-	-	-	-	-	1,182,519
Banks and participation banks	306,757	-	-	-	-	-	-	-	306,757
Central Bank of Republic of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	304,614	-	-	-	-	-	-	-	304,614
Participation banks	2,143	-	-	-	-	-	-	-	2,143
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	1,398,089	2,602,027	100,178	-	73,866	73,564	-	4,247,724
Public sector	-	54	-	-	-	-	-	-	54
Commercial sector	-	1,295,745	2,182,976	99,152	-	73,526	73,564	-	3,724,963
Other institutions	-	46,632	135,953	1,006	-	340	-	-	183,931
Commercial and other institutions	-	55,658	283,098	20	-	-	-	-	338,776
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	36,383,140	7,765,461	3,919,840	667,511	-	419,769	15,572	-	49,171,293
X. Profit sharing accounts special funds - TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	128,113,233	34,670,719	37,825,524	3,291,079	-	4,387,360	3,785,619	31,855	212,105,389

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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 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 persons current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	40,775,537	24,964,865	67,144,668	21,500,880
FC accounts	55,695,842	39,675,693	143,531,265	86,313,956
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 persons and denominated in Turkish Lira or foreign currency with a limit of maximum of TL 200 (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 Bank is abroad and the deposit account in its Turkish branch is in the scope of the insurance policy in the country of the headquarter of the Bank is founded, it should be explained:

The headquarters of the Bank is in Turkey.

2.1.2.3 Current and Profit Share Accounts of the real persons who are not in the scope of Saving Deposits Insurance Fund:

The Bank has no current or profit-sharing accounts which are not under the guarantee of the Saving Deposit Insurance Fund except for the current and profit-sharing accounts of shareholders, member of Board of Directors, CEO, the Vice Presidents and their first-degree relatives.

	Current Period	Prior Period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	-	-
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	62,771	12,955
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 Turkey in order to engage in off-shore banking activities solely	-	-

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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	49,089	36,564	130,125	2,718
Swap transactions	75,284	109,439	62,773	62,297
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	124,373	146,003	192,898	65,015

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 Turkey	-	-	-	-
From Domestic Banks and Institutions	2,864,188	718,681	4,785,462	132,958
From Foreign Banks, Institutions and Funds	-	5,275,468	10,000	3,393,554
Total	2,864,188	5,994,149	4,795,462	3,526,512

2.3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	2,864,188	3,066,830	4,741,450	1,493,156
Medium and Long-Term	-	2,927,319	54,012	2,033,356
Total	2,864,188	5,994,149	4,795,462	3,526,512

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

Most of the bank's loans consist of foreign currency loans. There is no risk concentration of the Bank's current and profit-sharing accounts.

2.4 Information on other liabilities and miscellaneous payables

As of 30 September 2022, other liabilities amount to TL 3,562,260 (31 December 2021 – TL 1,672,968), sundry creditors amount to TL 3,426,588 (31 December 2021 - TL 2,703,783), both do not exceed 10% of the balance sheet total.

2.5 Information on finance lease payables (net):

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	25,099	23,561	16,612	15,818
1 to 4 years	10,736	8,949	53,739	44,592
More than 4 years	685,494	443,688	451,837	291,965
Total	721,329	476,198	522,188	352,375

Bank used FTP (Fund Transfer Pricing) rates as an alternative borrowing rate of profit on 1 January 2019. Relevant ratios are revised and revised in 2-week periods after 1 January 2019. The change in Participation Bank payments uses an unmodified discount rate unless the variable profit share rate is related. If the change in the lease payments results from variable profit share rates (LIBOR, EURIBOR), the lessee used a revised discount rate reflecting changes in the profit share rate.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

2.5.1. Explanations on contract changes and the new obligations these changes bring to the Bank

None (31 December 2021 – None).

2.5.1.1. Explanations on financial leasing obligations

None (31 December 2021 – None).

2.5.1.2. 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 Bank.

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

2.6 Information on hedging derivative financial liabilities

None (31 December 2021 – None).

2.7 Information on provisions

2.7.1 Information on provisions related with foreign currency evaluation difference of foreign currency indexed loans: As of 30 September 2022, foreign currency indexed loans amounting to TL 143 (December 31, 2021 – TL 50) for loans and TL 447 for financial lease receivables (December 31, 2021 – TL 7) are offset from foreign currency depreciation of leasing receivables.

2.7.2 Information on other provisions

	Current Period	Prior Period
Specific provisions for non-cash loans that are not indemnified converted into cash	598,040	522,425
General Provisions for non-cash loans	815,039	486,379
Provision for profits will be allocated to participation accounts	1,251,660	678,145
Credit cards of banking services applications	8,084	957
Other (*)	296,689	182,165
Total	2,969,512	1,870,071

(*) The other item is mainly collected from customers in the current period in case of TL 214,190 (31 December 2021 – TL 101,360) TL 11,490 (31 December 2021 – TL 9,395) expense provision, TL 60,749 (31 December 2021 – TL 63,404) for the part of the delay penalty amounts collected from customers calculated as refundable within 5 years and the other equivalent of TL 10,260 (31 December 2021 – TL 8,006).

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

2.7.3 Information on provisions for employee benefits

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 274,815 (31 December 2021 – TL 221,639), vacation pay liability amounting to TL 18,640 (31 December 2021 – TL 1,196), performance premium amounting to TL 654,229 (31 December 2021 – TL 201,534), retirement bonuses on payment of TL 273,002 (31 December 2021 – TL 130,241), committee fee amounting to TL 44,534 (31 December 2021 – TL 17,256) and other fees amounting to TL 612 (31 December 2021 – TL 438).

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 compensation to be paid is up to one month's salary for each service year and this amount is limited to TL 15,371.40 (full TL amount) (31 December 2021 – TL 8,284,51 (full TL amount)). The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	19.10	19.10
Inflation rate (%)	15.80	15.80
Salary increase rate (%)	25.00	25.00

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

	Current Period	Prior Period
Balance at the beginning of the period	221,639	181,746
Provisions recognized during the period	69,007	49,512
Paid during the period	(15,831)	(10,687)
Actuarial loss	-	1,068
Balances at the end of the period	274,815	221,639

2.8 Explanations on tax liability

2.8.1 Explanations on current tax liability

2.8.1.1 Information on tax provisions: 981,796 (31 December 2021 - TL 1,158,997).

2.8.1.2 Information on taxes payable

	Current Period	Prior Period
Taxation of marketable securities	36,726	30,189
Taxation of immovable property	3,210	2,347
Banking Insurance Transaction Tax (BITT)	102,903	54,819
Foreign Exchange Transaction Tax	33,759	103,722
Value Added Tax Payable	4,748	9,482
Income tax deducted from wages	35,779	17,938
Other	2,878	2,078
Total	220,003	220,575

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

2.8.1.3 Information on premiums (*)

	Current Period	Prior Period
Social Insurance Premiums-Employee	21,989	10,527
Social Insurance Premiums-Employer	24,034	11,333
Unemployment insurance-Employee	1,570	751
Unemployment insurance-Employer	3,353	1,628
Other	-	-
Total	50,946	24,239

(*) Included in other liabilities in the balance sheet.

2.8.1.4 Information on deferred tax liability

As of 30 September 2022, deferred tax has been netted off as TL 454,182 in the balance sheet within the scope of the relevant regulations. Deferred tax asset is calculated as TL 2,835,090 (December 31, 2021 – TL 2,086,505) and deferred tax liability is TL 2,380,908 (December 31, 2021 – TL 372,930).

2.9 Information on payables related to assets held for sale

None (31 December 2021 – None).

2.10 Information on subordinated loans

Not prepared in accordance with Article 25 of the Communiqué on Financial Statements to be Announced to Public by Banks and Related Disclosures and Footnotes.

2.11 Information on shareholders' equity

2.11.1 Presentation of paid-in capital

	Current Period	Prior Period
Common shares	4,600,000	4,600,000
Preference shares	-	-
Repurchased shares amount (*)	(4,869)	(4,869)
Total	4,595,131	4,595,131

(*) It represents the Bank's acquisition of its own shares as a result of the Bank's shareholders not using their right of preference according to the commitment made in the capital increase in the Bank.

2.11.2 Amount of paid-in capital, disclosure on whether the Bank applies the registered share capital system, and, if so, the ceiling amount of the registered share capital:

Registered capital system is not applied in the Bank.

2.11.3 Information on the share capital increases during the period and their sources, other information on increased capital shares in the current period

None.

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

None.

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

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

2.11.6 Summary of privileges given to shares representing the capital

None (31 December 2021 - None).

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

2.11.7 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 (*)	5,424,525	(391,122)	57,132	(65,917)
Foreign Exchange Difference	-	-	-	-
Total	5,424,525	(391,122)	57,132	(65,917)

(*) 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.

2.12 Information on minority shares

None (31 December 2021 – None).

3. Explanations and notes Related to Off-Balance Sheet Contingencies and Commitments

3.1. Explanations on off-balance sheet accounts

3.1.1 Types and amounts of irrevocable commitments: Commitment for credit card limits, as of 30 September 2022 amounts to TL 10,418,526 (31 December 2021 – TL 5,278,441); payment commitments for cheque books amounts to TL 2,253,545 (31 December 2021 – TL 1,750,116).

3.1.2 Types and amounts of probable losses and obligations arising from off-balance sheet items including below items

3.1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits

As of 30 September 2022, the Bank has guarantees and surety ships constituting of TL 19,850,489 (31 December 2021 – TL 11,846,585) of letters of guarantee; TL 178,282 (31 December 2021 – TL 113,683) of acceptances and TL 5,003,802 (31 December 2021 – TL 4,521,120) of letters of credit. Also, the Bank has other acceptances amounting to TL 1,685,018 (31 December 2021 – TL 912,257).

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	92,925	74,766
With original maturity of 1 year or less	92,925	74,766
With original maturity of more than 1 year	-	-
Other non-cash loans	26,624,666	17,318,879
Total	26,717,591	17,393,645

3.1.4 Information on sector-based risk concentration in non-cash loans

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

3.1.5 Information on non-cash loans classified in Stage I and II

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

3.2 Explanations on derivative transactions

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

3.3 Explanations on credit derivatives and their risks

None.

3.4 Explanations on contingent liabilities and assets

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

3.5 Explanations on services provided to other names and accounts

None.

3.6 Summary information on the rating of the bank to international rating agencies

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

4. Explanations and notes related to the statement of income

4.1 Information on profit share income

4.1.1 Information on profit share received from loans

	Current period		Prior period	
	TL	FC	TL	FC
Profit share on loans	11,338,652	2,191,861	5,020,801	899,782
Short term loans	5,315,908	748,023	1,504,994	135,899
Medium and long-term loans	5,770,019	1,379,931	3,259,577	720,342
Profit share on non-performing loans	252,725	63,907	256,230	43,541
Premiums received from resource utilization support fund	-	-	-	-
Total	11,338,652	2,191,861	5,020,801	899,782

4.1.2 Information on profit share received from banks

	Current period		Prior period	
	TL	FC	TL	FC
The Central Bank of the Republic of Turkey	99,248	-	151,069	-
Domestic Banks	29,743	-	5	-
Foreign Banks	-	86,341	5,214	60,738
Branches and head office abroad	-	-	-	-
Total	128,991	86,341	156,288	60,738

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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	105,719	275,071	49,439	120,951
Financial Assets at Fair Value Through Other Comprehensive Income	7,322,799	583,045	1,897,269	310,146
Financial Assets valued at Amortized Cost	117,020	443,915	-	74,560
Total	7,545,538	1,302,031	1,946,708	505,657

As stated in footnote 7.2 of Section Three, the Bank's portfolio of financial assets securities whose fair value difference is reflected in other comprehensive income includes government sukuks indexed to CPI, whose real coupon rates for 6 months remain constant throughout the term. As of January 1, 2022, indices calculated considering the estimated inflation rate have been used as the inflation index on the balance sheet date used in the valuation of such assets. The estimated inflation rate used is updated when necessary, during the year. As of September 30, 2022, the valuation of these assets was based on the annual inflation forecast of 80% (October 2021-October 2022). In 2021, the valuation of these assets was made according to the inflation rates realized. If the specified forecast change for these assets indexed to CPI had not been made, more profit share income of TL 2,161,537 would have been accounted for in the income statement.

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	18,195	23,276

4.2 Information on profit share given to loans used

	Current period		Prior period	
	TL	FC	TL	FC
Banks	34,740	129,386	20,256	90,186
The Central Bank of the Republic of Turkey	-	-	-	-
Domestic banks	32,597	4,770	16,514	1,931
Foreign banks	2,143	124,616	3,742	88,255
Branches and head office abroad	-	-	-	-
Other Institutions	375,684	595,395	518,118	349,400
Total	410,424	724,781	538,374	439,586

4.2.1 Profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Profit share expenses given to associates and subsidiaries	499,455	372,213

4.2.2 Profit share expense paid to securities issued

None (1 January – 30 September 2021 None).

4.3 Information on dividend income

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts 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						Accumulated profit-sharing accounts	Total
Account name	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year			
TL									
Collected funds from banks through current and profit share accounts	-	3	-	-	-	-	-	3	
Real person's non-trading profit sharing Account	1,246,187	3,556,943	302,442	-	274,951	95,163	1,587	5,477,273	
Public-sector profit-sharing account	38	154	34	-	189	-	-	415	
Commercial sector profit sharing account	78,256	287,973	458,743	-	44,246	1,597	-	870,815	
Other institutions profit sharing account	18,441	27,242	8,321	-	1,029	53	-	55,086	
Total	1,342,922	3,872,315	769,540	-	320,415	96,813	1,587	6,403,592	
FC									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing account	131,116	150,068	15,274	-	26,002	25,761	124	348,345	
Public-sector profit-sharing account	-	-	-	-	-	-	-	-	
Commercial sector profit sharing account	6,722	12,906	672	-	218	56	-	20,574	
Other institutions profit sharing account	726	3,392	12	-	2	25	-	4,157	
Precious metal accounts	8,560	4,565	788	-	483	-	-	14,396	
Total	147,124	170,931	16,746	-	26,705	25,842	124	387,472	
Grand Total	1,490,046	4,043,246	786,286	-	347,120	122,655	1,711	6,791,064	
Prior period		Profit Sharing Accounts						Accumulated profit-sharing accounts	Total
Account name	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year			
TL									
Collected funds from banks through current and profit share accounts	-	1	-	-	-	1	-	2	
Real person's non-trading profit sharing account	848,016	995,719	49,886	-	58,832	74,430	1,889	2,028,772	
Public sector profit-sharing account	27	87	72	-	68	-	-	254	
Commercial sector profit sharing account	61,542	91,492	1,670	-	1,544	1,053	-	157,301	
Other institutions profit sharing account	11,639	17,598	1,633	-	430	51	-	31,351	
Total	921,224	1,104,897	53,261	-	60,874	75,535	1,889	2,217,680	
FC									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing account	47,591	61,308	6,106	-	9,597	12,120	54	136,776	
Public sector profit-sharing account.	-	-	-	-	-	-	-	-	
Commercial sector profit sharing account	4,371	8,210	273	-	171	44	-	13,069	
Other institutions profit sharing account	325	1,460	4	-	5	-	-	1,794	
Precious metal accounts	5,910	2,776	396	-	302	-	-	9,384	
Total	58,197	73,754	6,779	-	10,075	12,164	54	161,023	
Grand Total	979,421	1,178,651	60,040	-	70,949	87,699	1,943	2,378,703	

4.5 Information on trading income/loss (Net)

	Current period	Prior period
Trading Profit/Loss (Net)	4,053,292	6,717
Income Profit	277,706,651	53,941,664
Gain on capital market transactions	406,712	73,582
Gain on derivative financial instruments	9,044,469	5,897,469
Foreign exchange profit	268,255,470	47,970,613
Losses (-)	(273,653,359)	(53,934,947)
Losses on capital market transactions	-2,022	-30,988
Losses on derivative financial instruments	(4,557,414)	(4,822,907)
Foreign exchange losses	(269,093,923)	(49,081,052)
	Current period	Prior period

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

4.6 Information on other operating income

The details of other operating income are presented below. There are no unusual items in the other operating income which materially affect the income of the Bank.

	Current Period	Prior Period
Reversal of prior period provisions	950,507	448,040
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	66,917	239,237
Income from sales of assets	330,100	122,469
Rental income	2,491	5,634
Other Income	30,063	17,977
Total	1,380,078	833,357

4.7 Provisions for loan losses and other receivables of the Bank

	Current Period (*)	Prior Period (*)
Expected Credit Loss	5,344,576	2,482,047
12 month expected credit loss (Stage 1)	3,360,117	597,695
Significant increase in credit risk (Stage 2)	923,872	1,238,824
Non-performing loans (Stage 3)	1,060,587	645,528
Marketable Securities Impairment Expense	23,912	1,361
Financial Assets at Fair Value through Profit or Loss	23,912	1,361
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment losses from Associates, Subsidiaries and Jointly Controlled Entities	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (**)	508,818	35,246
Total	5,877,306	2,518,654

(*) Includes the provisions in the "Other Provision Expenses" line in the Income Statement.

(**) Includes provisions that can be allocated from profit to be distributed to participation accounts according to provisions regulation.

4.8 Information on other operating expenses

	Current Period	Prior Period
Provision for retirement pay liability (*)	53,176	35,968
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	223,062	176,242
Impairment Expenses of intangible fixed assets	-	-
Depreciation expenses of intangible assets	59,754	37,296
Depreciation expenses of assets held for sale	-	-
Other operating expenses	798,073	298,222
Lease Expenses Regarding TFRS 16 Exemptions	530	393
Maintenance expenses	136,649	60,823
Advertisement expenses	47,581	18,159
Communication expenses	88,785	54,751
Heating, electricity and water expenses	76,781	20,915
Cleaning expenses	10,294	6,704
Vehicle expenses	24,669	8,712
Stationery expenses	25,721	7,275
Other expenses (**)	387,063	120,490
Losses on sales of assets	4,397	3,515
Deposit insurance fund expenses	478,732	306,548
Other	265,524	174,900
Total	1,882,718	1,032,691

(*) The prior period severance provision is classified in the line "Personnel Expenses".

(**) As of September 30, 2022, "Promotional Application Expenses for Credit Cards" amounting to TL 157,313 (30 September 2021-TL 27,947) and "Retirement Salary Payments Promotion Application Expenses" amounting to TL 61,525 are classified here (30 September 2021- TL1,869.)

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

4.10 Information on tax provision for continued and discontinued operations

Current period tax provision for the period amounting to TL 2,992,232 (1 January-30 September 2021 - TL 842,412), deferred tax income of TL 1,621,679 (1 January-30 September 2021 – TL 411,046) and TL 1,210,007 (1 January-30 September 2021 - TL 20,366) deferred tax expense is recognized.

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

There is no profit/loss arising from discontinued operations within the operating profit/loss after tax.

4.12 Information on net income/loss

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

As of 30 September 2022, net profit share income is TL 15,679,447 (1 January-30 September 2021 – TL 5,191,452), net fees and commission income is TL 907,908 (1 January-30 September 2021 – TL 403,469).

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

None (1 January – 30 September 2021 – None).

4.12.3 Profit/Loss attributable to minority interest:

None (30 September 2021 – None).

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

As of 30 September 2022, other fees and commissions received is TL 1,566,565 (1 January – 30 September 2021 – TL 654,328), TL 548,626 of this amount is related with credit card fees and commissions (1 January – 30 September 2021 – TL 208,167) and TL 305,400 of this amount is related with POS machine commissions (1 January – 30 September 2021 – TL 138,944).

As of 30 September 2022, other fees and commissions given is TL 811,622 (1 January – 30 September 2021 – TL 354,880), TL 372,785 (1 January – 30 September 2021 – TL 161,999) of this amount is related with POS clearing commissions and installation expenses, TL 115,907 (1 January – 30 September 2021 – TL 47,820) of this amount is related with fees and commissions paid for credit cards.

5. Explanations and Notes Related to Statement of Changes in Shareholders' Equity

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

6. Explanations and Notes Related to Statement of Cash Flows

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KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

7.1 The volume of transactions related to the risk group of the Bank, the loans and funds collected which have not been completed at the end of the period and the income and expenses related to the period

Current period:

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	482,838	40,601	6,955	21,246	64,316	2,297
Balance at end of period	466,409	52,028	10,509	30,730	2,895,501	4,149
Profit share and commission income	2,336	384	769	175	11,923	-

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

Prior period:

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	185,615	21,015	4,695	6,709	54,992	6,632
Balance at end of period	482,838	40,601	6,955	21,246	64,316	2,297
Profit share and commission income	261	218	361	92	3,250	-

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

7.2 Information on current and profit-sharing accounts of the Bank's risk group

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current	Prior	Current	Prior	Current	Prior
	Period	Period	Period	Period	Period	Period
Current and profit-sharing accounts						
Balance at beginning of period	137,443	63,485	104,748	58,677	348,052	203,570
Balance at end of period	282,676	137,443	231,924	104,748	427,466	348,052
Profit share expense	4,081	1,114	43,97	816	168	207

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

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

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current	Prior	Current	Prior	Current	Prior
	Period	Period	Period	Period	Period	Period
Transactions at Fair Value through Profit or Loss						
Balance at beginning of period	758,268	240,454	1,992,498	716,065	-	-
Balance at end of period	2,501,794	758,268	1,552,315	1,992,498	-	-
Total Profit / Loss	76,817	201,157	42,527	(2,476)	-	-
Hedging Transactions						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Borrowings						
Balance at beginning of period	13,143,066	11,474,110	270,055	1,481,347	-	-
Balance at end of period	10,106,357	13,143,066	941,057	270,055	-	-
Profit share expense	495,374	242,046	14,749	1,244	-	-

7.5 Information on remunerations provided to top management

The entire additional capital-like capital (Tier-I) sukuk of USD 200,000,000 (full amount) realized by the Bank on July 16, 2019, and the entire equity-like Tier-I sukuk of USD 50,000,000 (full amount) realized by the Bank on September 28, 2020, belong to Kuwait Finance House. Of the USD 350,000,000 (full amount) of the capital-like contribution capital (Tier-II) of USD 35,000,000 (full amount) realized by the Bank on 16 September 2021, Kuwait Finance House owns it.

7.6 Information on remunerations provided to top management

As of 1 January - 30 September 2022, the Bank has paid TL 74,117 to top management (1 January – 30 September 2021- TL 72,772).

8. Information about the branches of the Bank in domestic, foreign and coastal banking regions and their representative offices abroad

This footnote has not been prepared in accordance with Article 25 of the Communiqué on The Financial Statements about disclosures to be announced to Public by The Banks.

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

On October 5, 2022, the Bank issued sukuk with a nominal value of TL 350,000 and a maturity of 63 days with a cost of 18.25% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 7, 2022, the Bank issued sukuk with a nominal value of TL 170,000 and a maturity of 60 days with a cost of 18.25% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 11, 2022, the Bank issued sukuk with a nominal value of TL 120,000 and a maturity of 77 days with a cost of 18.25% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 14, 2022, the Bank issued sukuk with a nominal value of TL 200,000 and a maturity of 77 days with a cost of 18.15% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 24, 2022, the Bank issued sukuk with a nominal value of TL 300,000 and a maturity of 73 days with a cost of 17.01% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 27, 2022, the Bank issued sukuk with a nominal value of TL 250,000 and a maturity of 75 days with a cost of 17.01% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 27, 2022, the Bank issued sukuk with a nominal value of TL 100,000 and a maturity of 69 days with a cost of 17.26% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

On October 27, 2022, the Bank issued sukuk with a nominal value of TL 150,000 and a maturity of 75 days with a cost of 17.01% through KT Kira Sertifikaları Varlık Kiralama A.Ş.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

SECTION SIX

OTHER EXPLANATIONS

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

SECTION SEVEN

LIMITED REVIEW REPORT

- 1. Explanations on the limited review report:**

The unconsolidated financial statements have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) and the independent auditors' limited review report dated 9 November 2022 is presented preceding the financial statements.

- 2. Notes and disclosures prepared by the independent auditor:** None.

SECTION EIGHT

INTERIM ACTIVITY REPORT

- 1. Explanations on interim annual report including the evaluations of interim activities of the Chairman of the Board of Directors and General Manager:**

- 1.1 About Kuveyt Türk**

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

As of 30 September 2022, 62.24% of the Bank's shares are owned by Kuwait Finance House located in Kuwait, 18.72% by Vakıflar Genel Müdürlüğü Mazbut Vakıfları, 9.00% by Wafra International Investment Company in Kuwait and 9.00% by Islamic Development Bank whereas the remaining 1.04% of the shares are owned by other real persons and legal entities.

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.2 Financial Informations Summary:

UNCONSOLIDATED BALANCE SHEET	30.09.2022	31.12.2021
CASH BALANCES AND CENTRAL BANK	72,341,469	65,455,316
BANKS	26,969,607	14,522,944
SECURITIES	84,581,156	49,149,619
LOANS AND RECEIVABLES	163,906,005	111,440,591
FINANCE LEASE RECEIVABLES (Net)	18,709,393	11,925,935
EXPECTED LOSS PROVISIONS (-)	12,552,498	8,580,510
TANGIBLE ASSETS (Net)	1,465,526	1,222,598
OTHER ASSETS	10,001,057	8,931,767
TOTAL ASSETS	365,421,715	254,068,260
FUND COLLECTED	307,955,862	212,105,389
FUNDS BORROWED	8,858,337	8,321,974
MARKETABLE SECURITIES ISSUED (Net)	-	-
FINANCE LEASE PAYABLES (Net)	476,198	352,375
SUBORDINATED LOANS	11,300,231	8,100,496
OTHER LIABILITIES	12,480,364	14,731,173
EQUITY	24,350,723	10,456,853
TOTAL LIABILITIES	365,421,715	254,068,260
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS	30.09.2022	30.09.2021
PROFIT SHARE INCOME	23,746,132	9,025,603
PROFIT SHARE EXPENSE	8,066,685	3,834,151
NET PROFIT SHARE INCOME/EXPENSE	15,679,447	5,191,452
NET FEES AND COMMISSION INCOME/EXPENSE	907,908	403,469
PERSONNEL EXPENSES	2,557,704	1,029,980
DIVIDEND INCOME	1,597	5,843
NET TRADING INCOME / LOSS	4,053,292	6,717
OTHER OPERATING INCOME	1,380,078	833,357
EXPECTED CREDIT LOSS (-)	5,344,576	2,482,047
OTHER PROVISION EXPENSES (-)	532,730	36,607
OTHER OPERATING EXPENSES (-)	1,882,718	1,032,691
INCOME/ LOSS BEFORE TAX	11,704,594	1,859,513
TAX CHARGE	2,580,560	451,732
CURRENT PERIOD INCOME/LOSSES	9,124,034	1,407,781
RATIOS	30.09.2022	31.12.2021
Total Loans/Total Assets*	49.97%	48.56%
Total Loans/Fund Collected*	59.30%	58.16%
Average Equity Profit **	69.90%	28.96%
Average Assets Profit **	3.93%	1.40%
Capital Adequacy Ratio	25.89%	21.26%

* Finance Lease Receivables is included in total loans.

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

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.3 Message from the Chairman

Dear Shareholders,

While the global economy was able to partially overcome the devastating effects of the pandemic, the shocks of 2022 brought a series of new crises back to the agenda of developed and developing economies. Designing and implementing optimal fiscal and monetary policies forced policymakers in many countries to make difficult and sharp decisions during this period, when energy and food crises and historically high inflation were experienced, and markets were quite fragile. While the possible recession agendas that may arise from the monetary tightening steps implemented by the major central banks are being discussed, the possibility of new food and energy shocks maintain due to the effects of the war continues.

While the Fed, which has started interest rate hikes later than expected, is expected to continue the trend of aggressive interest rate increases of 75 basis points. The appreciation of the US dollar as a result of the policies implemented especially confronts developing countries with additional risks. The appreciated American Dollar, which has reached its highest value since the beginning of the 2000s, is increasing the cost of imported products in developing countries, while rising interest rates and ongoing global risks are causing capital flows to turn from these countries to developed countries. These additional cost increases and outward capital flows in developing countries reveal the possibility of the risks of balance of payments crises. Although the food crisis caused by the Russia-Ukraine War eased somewhat after the Black Sea grain initiative, record high inflation rates caused by the energy crisis in the European Region, which is most severely affected by aforementioned global risks, the serious price increases in the natural gas prices and the billions of Euros spent by the government to protect consumers and companies, is expected to continue until the end of next year. Moreover, it is expected that the European Central Bank (ECB) will continue to increase monetary tightening in order to reach its 2% inflation target.

While the Russia-Ukraine War, global inflationary pressure and the slowdown in the Chinese economy changed its year-end global economic growth forecasts, The International Monetary Fund (IMF) revised its forecasts negatively in the October Economic Outlook Report due to there was a slowdown in economic activity that was higher than expected. It stated that the global economic growth forecast for the end of 2022 is 3.2% and the global economic growth forecast for 2023 is 2.7%, reducing by 0.2 percentage points compared to the July forecast. Revising its inflation forecasts upwards, the IMF stated that price increase of natural gas will be more severe in the European Region, where gas prices have increased fourfold since 2021, and revised its year-end global inflation forecast to 8.8% by increasing its year-end global inflation forecast by 0.5 points compared to the July forecast, and to 6.5% for 2023.

The Organization for Economic Cooperation and Development (OECD), stated in its September Interim Period Economic Report that policy makers are faced with difficult decisions in the axis of slowing economic growth, inflationary pressure, risks in the energy markets caused by the Ukraine War and increasing uncertainties, reminding that the world's economies last applied such monetary tightening 20 years ago. And the report points out that additional tightening measures must be taken in order to reduce inflation. While the strong recovery after the pandemic created strong projections for 2022 and 2023, a series of shocks caused by the Russia -Ukraine War and strict shutdown measures by China caused revisions in the OECD growth forecasts to be more radical in the European Region. The OECD stated that they forecasted the real global income for 2023 to be 2.8 trillion USD lower than the pre-war estimates, and they revised their global economic growth forecasts 3.0% for 2022 and 2.25% for 2023, The OECD stated that many economies reached the peak in inflation in the last thanks to monetary tightening measures and it revised inflation forecast by 8.2% in 2022 and by 6.5% in 2023 for the G20 economies.

In the current 2022 period, our expert, well-educated, devoted, young and dynamic employees are the carriers of our success. I would like to thank all our employees who contributed to our success and our shareholders who have never withhold their support.

Regards,

Hamad Abdulmohsen ALMARZOUQ
Head of the BOD
Kuveyt Türk Katılım Bankası

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.4 Message from the General Manager

Dear Shareholders,

While global risks continue to increase in intensity, global growth forecasts continued to be revised downwards by all authorities and recession became an inevitable risk for many developed and developing economies. The Russia-Ukraine war, which we hope to end as soon as possible, has disrupted the post-epidemic normalization agendas of the countries, and policy makers have faced a series of new risks. Especially as a result of rising energy prices and geopolitical risks, global inflation is expected to last longer than predicted, and monetary tightening policies are waited to continue at an increasing rate.

The Central Bank of the Republic of Turkey (CBRT) reduced the one-week repo rate, which is the policy rate, to 10.5%, taking into account growth, employment and sustainable current account balance. The CBRT announced that ending the interest rate reduction cycle was put on the agenda after one last reduction decision was made.

Kuveyt Türk, Turkey's leading participation financial institution, has continued to offer innovative products and services to its customers as of the third quarter of 2022 by focusing on customer satisfaction and experience. It has solved the financial needs of its customers quickly and reliably through digital channels thanks to its strong technological infrastructure.

Kuveyt Türk, which has been providing interest-free financial services to its customers for 33 years with the products and services it has developed in line with the principles of participation finance, continued its steady growth by increasing its profitability in the third quarter of 2022 and increased its net profit by 548% compared to the same period last year to TL 9 billion 124 million. Kuveyt Türk's collected fund size increased by 45% YoY to TL 307 billion 956 million compared to 2021, while the size of funds disbursed increased by 48 percent to TL 182 billion 615 million. Having increased its shareholders' equity to TL 24 billion 351 million and its asset size to TL 365 billion, Kuveyt Türk maintained its 10th place in the banking sector while consolidating its first place among participation financial institutions in terms of asset size.

With its strong capital and liquidity structure, high asset quality, dynamic corporate governance approach, continuous development-oriented customer service model, ongoing investments in the field of technology, accelerated digital transformation efforts and overseas expansion, Kuveyt Türk aims to continue to be the leading institution of the participation finance sector in Turkey in the coming period.

Regards,

Ufuk UYAN
Member of BOD and General Manager
Kuveyt Türk Katılım Bankası

KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

1.5 Financial Position, Performance and Assessment of the Prospects for the Future

As of 30 September 2022, unconsolidated financial statements asset size is TL 365 billion 422 million, amount of the utilization of funds is TL 182 billion 615 million and funds collected amount is TL 307 billion 956 million. Due to the effect of the first nine months 'profit of TL 9 billion 124 million thousand, the ratio of shareholder equity increased 132.87% by reaching TL 24 billion 351 million. As of 30 September 2022, unconsolidated capital adequacy ratio has been realized as 25.89%.

The expectations for growth and profitability will continue in the development line.

1.6 Announcement Regarding Important Developments within 3 Months

Bank, KT Kira Sertifikaları Varlık Kiralama A.Ş. has issued sukuk with a total nominal value of 2 billion 682 million TL, with a minimum 17.26% and a maximum 22.68% cost in different maturity brackets in seventeen separate transactions.

1.7 Assessment of the Expectations Related to the Subsequent Interim Period

The realization of price increases above the expected inflation rates caused by the Russia-Ukraine War has caused us to enter a period in which both developed and developing central banks have increased their appetite for interest rate hikes. While the expansionary monetary policies of the epidemic period, the economic embargoes imposed on Russia, the disruptions in the supply chain and the high volatility in the commodity and energy markets deepen the inflation risk, the decisions of policy makers against the risk of a possible recession in the fight against inflation and the effects of these risks on our country and global markets will continue to be closely monitor.